Diagnostic Specia

Report
1st quarter 2011

DiaSorin

The Diagnostic Specialist

INTERIM REPORT ON OPERATIONS OF THE DIASORIN GROUP AT MARCH 31, 2011

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

Contents

Board of Directors, Board of Statutory Auditors and Independent Auditors

Board of Directors (elected on April 27, 2010)

Chairman	Gustavo Denegri
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
Related-party Committee [(4)]	Franco Moscetti (Coordinator)
	Giuseppe Alessandria
	Ezio Garibaldi

Independent Auditors	Deloitte & Touche S.p.A.

(1) General Manager
(2) Independent Director
(3) Lead Independent Director
(4) Established pursuant to a Board resolution on November 5, 2010

Consolidated financial highlights

(in thousands of euros)	**First quarter 2011**	**First quarter 2010**
Net revenues	111,403	86,676
Gross profit	79,836	62,036
EBITDA [(1)]	49,971	36,109
Operating result (EBIT)	43,464	31,522
Net profit for the period	28,483	19,518

Statement of financial position *(in thousands of euros)*	**at 3/31/2011**	**at 12/31/2010**
Capital invested in non-current assets	199,461	204,642
Net invested capital	281,464	282,869
Net financial position	31,218	33,067
Shareholders' equity [(2)]	312,682	315,936

Statement of cash flow *(in thousands of euros)*	**First quarter 2011**	**First quarter 2010**
Net cash flow for the period	(4,442)	21,423
Free cash flow [(3)]	23,769	19,508
Capital expenditures	4,715	6,142

	at 3/31/2011	**at 12/31/2010**
Number of employees	1,494	1,230

[(1)] The Board of Directors defines EBITDA as the "operating result (EBIT)" before amortization of intangibles and depreciation of property, plant and equipment.
[(2)] Shareholders' equity includes the Treasury stock reserve established in the first quarter of 2011 in the amount of 25,114 thousand euros.
[(3)] Free cash flow is the cash flow from operating activities, counting utilizations for regular capital expenditures but before interest payments.

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).

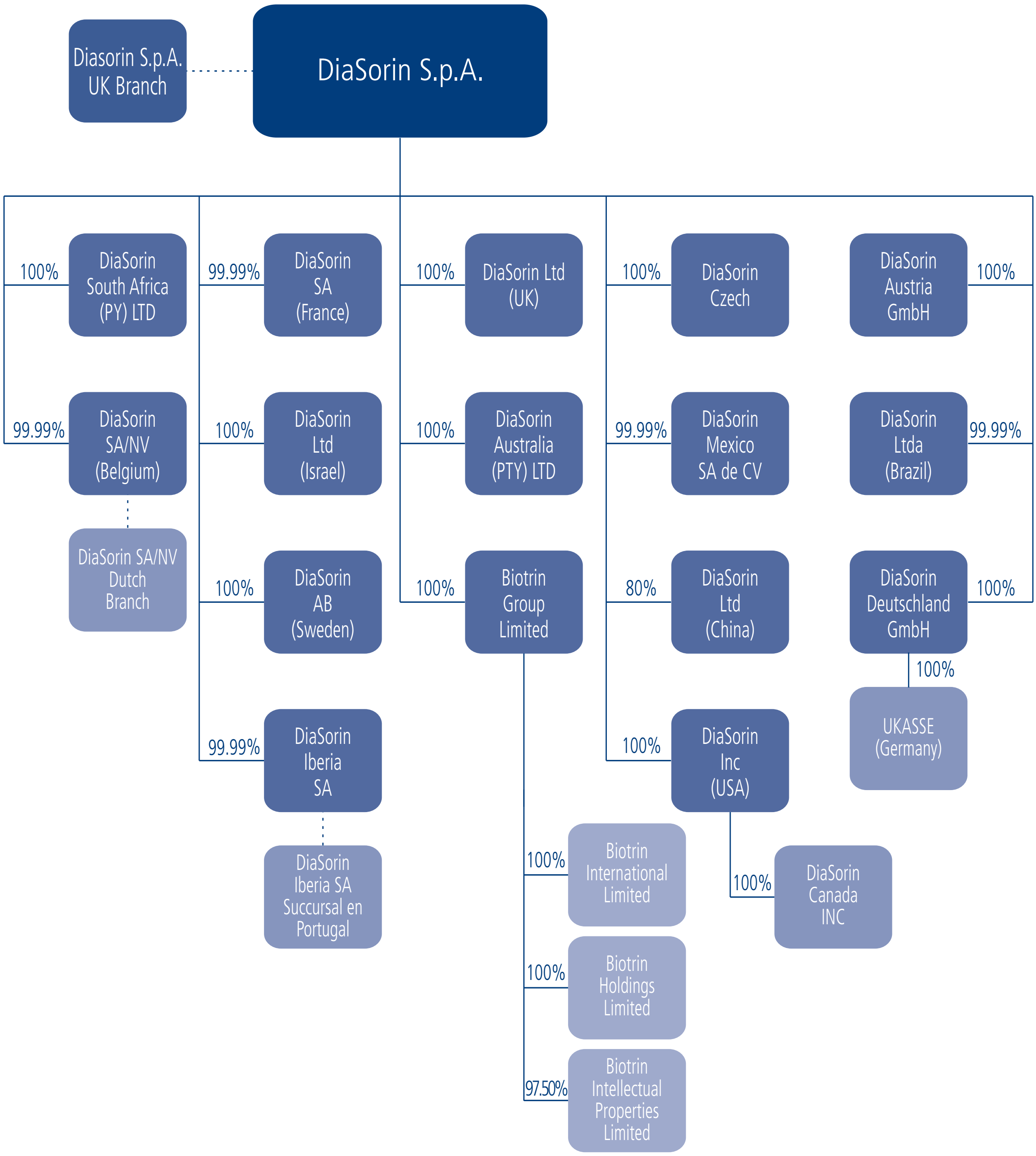
DiaSorin internally manages the primary processes involved in the research, production, and distribution aspects, that is, the process that, starting with the development of new products, leads to the marketing of those products. The Group's manufacturing organization consists of several facilities located 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 22 companies based in Europe, North, Central, and South America, Africa and Asia. Five of these companies are involved in research and production.

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

In Europe, the United States, Mexico, Brazil, China, Australia and Israel, the DiaSorin Group markets 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 March 31, 2011



Interim report on operations

Foreword

This interim report on operations at March 31, 2011 (hereinafter referred to as the "Quarterly Report") 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 complies with the requirements of Article 154-ter, Sections 2 and 3, of Legislative Decree No. 58 of February 24, 1998.

When making comparisons with the first quarter of 2010, it is important to keep in mind that the data at March 31, 2011 reflect the consolidation of the Murex business operations, which were acquired and merged into the DiaSorin Group as of June 1, 2010.

The foreign exchange market

During the first quarter of 2011, the exchange rate of the euro versus the U.S. dollar was slightly lower on average than in the same period last year. Specifically, the average exchange rate for the first three months of 2011 was 1.368 U.S. dollars for one euro, compared with 1.3829 U.S. dollars for one euro in the same period a year ago.

The euro lost value also vis-à-vis the other currencies used by the Group, with the exchange rate down considerably in some cases, particularly for the Swedish kronor and the Brazilian real.

The euro showed significant decreases in value also with regard to the two currencies recently included in the analysis basket: in the first quarter of 2011, the Australian dollar and the South African rand appreciated by 11% and 7.7%, respectively, compared with the same period the previous year.

The table below provides a comparison of the exchange rates for the first quarter of 2011 and 2010 (source: Italian Foreign Exchange Bureau):

	Average rates for		Rates at	
Currency	**First quarter 2011**	**First quarter 2010**	**3/31/11**	**3/31/10**
U.S. dollar	1.3680	1.3829	1.4207	1.3479
Brazilian real	2.2799	2.4917	2.3058	2.4043
British pound	0.8539	0.8876	0.8837	0.8898
Swedish kronor	8.8642	9.9464	8.9329	9.7135
Czech koruna	24.3749	25.8681	24.5430	25.4400
Canadian dollar	1.3484	1.4383	1.3785	1.3687
Mexican peso	16.5007	17.6555	16.9276	16.6573
Israeli shekel	4.9247	5.1638	4.9439	4.9916
Chinese yuan	9.0029	9.4417	9.3036	9.2006
Australian dollar	1.3614	1.5293	1.3736	1.4741
South African rand	9.5875	10.3852	9.6507	9.8922

Review of the Group's operating performance and financial position

Operating performance in the first quarter of 2011

The positive trend of the previous quarters continued during the first three months of 2011, with the Group reporting quarterly revenues of 111.4 million euros and significant improvements in the main profitability indicators.

The main operating and economic developments that characterized the first quarter of 2011 are reviewed below.

During the first three months of 2011, the DiaSorin Group increased revenues by 28.5 percentage points compared with the same period in 2010 (26.9% at constant exchange rates). Net of the revenues from the Murex product line, the revenue growth is 18.9% (17.3% at constant exchange rates).

One of the main factors driving the increase in revenues was a strong performance by CLIA technology products, driven by a steady expansion of the base of installed LIAISON systems and rising sales of tests for Vitamin D and infectious disease, which grew by 26.7% compared with the previous year.

The gross profit totaled 79,836 thousand euros in the first quarter of 2011, compared with 62,036 thousand euros in the same period last year, for a gain of 28.7 percentage points. Gross profit was equal to 71.7% of revenues, in line with the level achieved in 2010.

The other profitability indicators also improved compared with the first three months of the previous year. EBITDA increased from 36,109 thousand euros reported in 2010 to 49,971 thousand euros in the first quarter of the current year, for a gain of 38.4%. EBIT grew by 37.9%, rising from 31,522 thousand euros in the first three months of 2010 to 43,464 thousand euros in the same period this year. The ratio of both indicators to revenues improved, respectively, from 41.7% and 36.4% in the first quarter of 2010 to 44.9% and 39% in the first three months of 2011. However, it is worth mentioning that in the first quarter of 2010 the Group incurred non-recurring charges for legal and administrative expenses related to the Murex acquisition. When the income statement data are restated without these charges, amounting to 1,006 thousand euros, the 2010 data used as a basis for comparison with the 2011 EBIT-to-revenue and EBITDA-to-revenue ratios become 37.5% and 42.8%, respectively.

Lastly, the net profit for the quarter totaled 28,483 thousand euros, up 45.9% compared with the same period last year.

The table that follows shows the consolidated income statement for the quarters ended March 31, 2010 and March 31, 2011:

CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	2011		2010	
		as a % of revenues		**as a % of revenues**
Sales and service revenues	111,403	100.0%	86,676	100.0%
Cost of sales	(31,567)	-28.3%	(24,640)	-28.4%
Gross profit	**79,836**	**71.7%**	**62,036**	**71.6%**
Sales and marketing expenses	(18,489)	-16.6%	(15,441)	-17.8%
Research and development costs	(5,216)	-4.7%	(4,042)	-4.7%
General and administrative expenses	(10,691)	-9.6%	(9,013)	-10.4%
Total operating expenses	**(34,396)**	**-30.9%**	**(28,496)**	**-32.9%**
Other operating income (expense)	(1,976)	-1.8%	(2,018)	-2.3%
nonrecurring amount	-		*(1,006)*	*-1.2%*
EBIT	**43,464**	**39.0%**	**31,522**	**36.4%**
Net financial income (expense)	1,682	1.5%	(1,228)	-1.4%
Profit before taxes	**45,146**	**40.5%**	**30,294**	**35.0%**
Income taxes	(16,663)	-15.0%	(10,776)	-12.4%
Net profit	**28,483**	**25.6%**	**19,518**	**22.5%**
Basic earnings per share	**0.51**		**0.35**	
Diluted earnings per share	**0.51**		**0.35**	
EBITDA (1)	**49,971**	**44.9%**	**36,109**	**41.7%**

(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 March 31, 2011, the Group reported sales of Murex products valued at 8,303 thousand euros. This amount was slightly less than anticipated and lower than in previous quarters, due mainly to the crisis in North Africa.

With regard to the Murex product line, it is also worth mentioning that the transfer to DiaSorin has already been completed for most of the territories that were still handled through Abbott.

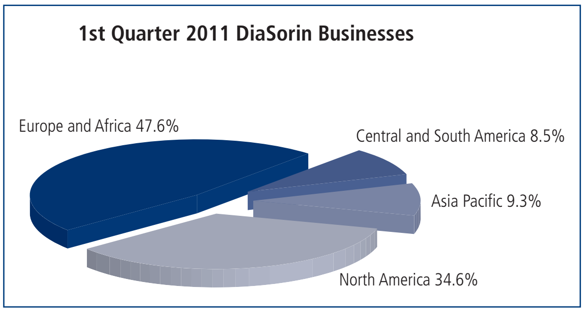
In the first quarter of 2011, net revenues generated exclusively through the sale of DiaSorin products and services totaled 103,100 thousand euros, or 16,424 thousand euros more than in the same period last year. The gain compared with the first quarter of 2010 was equal to 18.9 percentage points.

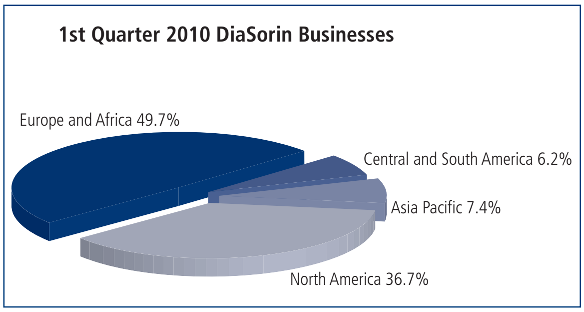
With data stated at constant exchange rates (first quarter 2010), the year-over-year gain amounts to 15,030 thousand euros (equal to 17.3%). The impact of changes in exchange rates reflects the loss of value of the euro versus all of the other currencies used by the Group, particularly regarding the Brazilian real, the Swedish kronor and the U.S. dollar.

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)	**First quarter**		
	2011	**2010**	**% change**
Europe and Africa	49,029	43,038	13.9%
Central and South America	8,756	5,348	63.7%
Asia Pacific	9,609	6,440	49.2%
North America	35,706	31,850	12.1%
Total without Murex	**103,100**	**86,676**	**18.9%**
Murex	8,303	-	
Grand total	**111,403**	**86,676**	**28.5%**





Europe and Africa

In the first quarter of 2011, the revenues generated in Europe and Africa totaled 49,029 thousand euros, for an increase of 13.9% compared with the revenues booked in the same period last year (43,038 thousand euros). At constant exchange rates, the sales growth in this region is 13.2%, benefitting to a limited extent from the loss of value of the euros versus the Swedish kronor and the Israeli shekel.

The French and German subsidiaries were the best performers, increasing their revenues by 33% and 23.9%, respectively. In Italy, sales grew by 7.6 percentage points.

North America

Revenues booked in in this region during the first three months of 2011 totaled 35,706 thousand euros, or 12.1% more than in the same period last year. With data restated net of the currency effect, the increase is equal to 10.9 percentage points.

At March 31, 2011, revenues booked in the North American market accounted for 34.6% of total Group revenues (excluding sales of Murex products). This percentage was slightly lower than in 2010 (36.7%) due to the growing contribution provided to total Group revenues by sales generated in Central and South America and Asia Pacific.

Central and South America

In the first three months of 2011, the Latin American sales region increased revenues by 3,408 thousand euros, or 63.7 percentage points. This improvement reflects in part the positive impact of an increase in the value of the Brazilian real versus the euro. At constant exchange rate, revenues for this region increased by 53.1%.

To a significant extent, the growth reflects higher sales by the Brazilian subsidiary, which not only submitted the winning offer in an important public call for tenders involving ELISA technology products, but also considerably increased revenues from LIAISON technology products.

The Mexican subsidiary reported a revenues gain of 48.7 percentage points compared with the previous year (+39% at constant exchange rates).

Cumulative sales to distributors in this region increased by 31.8% compared with 2010.

Asia Pacific

In the first quarter of 2011, the revenues booked in the Asian markets totaled 9,609 thousand euros, for a gain of 49.2 percentage points compared with the first three months of 2010. As was the case in other regions, this increase reflects the positive impact of favorable fluctuations in exchange rates. With data at constant exchange rates, the region's growth rate is equal to 47.5 percentage points.

Net of the Murex business, sales in the Chinese market increased by 46.4 percentage points compared with the previous year, thanks to the expansion of the installed base of LIAISON systems and the resulting gain in revenues generated by CLIA technology products.

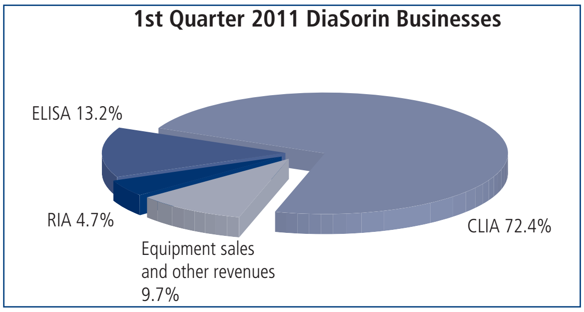
Lastly, sales generated by the network of third-party distributors, when viewed net of the revenues booked in Australia, where direct distribution began in July 2010, show an increase of 35.3%.

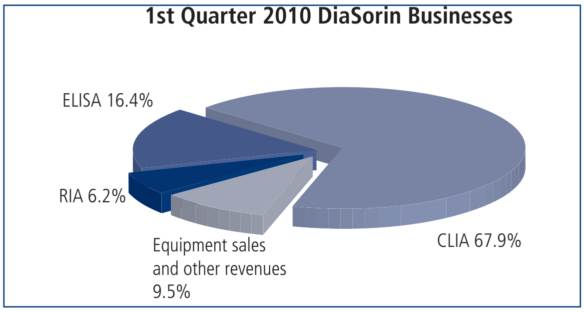
Breakdown of revenues by technology

The table that follows shows the percentage of the Group's consolidated revenues contributed by each technology in the first quarter of 2011 and 2010. 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. Had the revenues from these products been included in the breakdown by technology, the percentage of annual revenues contributed by ELISA products would have been 19.7%.

	% of revenues contributed	
	First quarter 2011	**First quarter 2010**
RIA	4.7%	6.2%
ELISA	13.2%	16.4%
CLIA	72.4%	67.9%
Equipment sales and other revenues	9.7%	9.5%
Total	**100%**	**100%**

In the first quarter of 2011, the revenues generated by LIAISON products increased by 26.7 percentage points compared with the same period last year.





Revenues from CLIA products accounted for 72.4% of total revenues at the end of the first quarter of 2011. At March 31, 2011, about 3,774 automated LIAISON analyzers were installed at facilities operated by direct and indirect customers of the Group, for an increase of 133 units compared with the installed base at December 31, 2010. It must be mentioned that, during the first quarter, a significant portion of system deliveries scheduled for March was postponed to the following quarter.

Operating performance

The Group ended the first quarter of 2011 with a gross profit of 79,836 thousand euros, for a gain of 28.7 percentage points compared with the 62,036 thousand euros reported at March 31, 2010. The ratio of gross profit to revenues was equal to 71.7 percentage points.

Operating expenses increased to 34,396 thousand euros in the first three months of 2011, up 20.7 percentage points compared with the same period last year. While operating expenses grew in absolute terms, their impact as a percentage of total revenues decreased from 32.9 percentage points in the first quarter of 2010 to 30.9 percentage points in the same period this year.

In the first quarter of 2011, the ratio of research and development costs to revenues held relatively steady, with investments equal to 4.7% of revenues.

The ratio of general and administrative expenses to revenues decreased in the first three months of 2011, falling from 10.4 percentage points in 2010 to 9.6 percentage points in 2011.

As a result of the reduced impact of expenses and other operating charges on revenues, consolidated first quarter EBIT grew to 43,464 thousand euros, up 37.9 percentage points compared with 2010, for a ratio of EBIT to revenues of 39%.

When the 2010 data are restated to eliminate the impact of the nonrecurring charges incurred for the acquisition of the Murex business operations, the 2011 EBIT show an increase of 33.6% compared with the same period the previous year.

In addition, depreciation of property, plant and equipment and amortization of intangibles increased compared with the previous year due to the launch of the LIAISON XL system and the inclusion of the Murex assets, which were not present in the Company's financial statements at March 31, 2010.

Due to the combined impact of these factors, EBITDA for the first quarter of 2011 grew to 49,971 thousand euros, for a gain of 38.4 percentage points compared with the same period in 2010, causing the ratio of EBITDA to revenues to improve from 41.7 percentage points to 44.9 percentage points in 2011. When the 2010 EBITDA are restated to eliminate the impact of the nonrecurring charges incurred for the Murex transaction, EBITDA show an increase of 34.6 percentage points and the EBITDA-to-revenues ratio improves from 42.8 percentage points in 2010 and 44.9 percentage points in 2011.

Financial income and expense

Net financial income amounted to 1,682 thousand euros in the first quarter of 2011, as against net financial expense of 1,228 thousand euros in the same period the previous year. The difference between the two quarters is due mainly to the measurement at fair value of U.S. dollar forward sales contracts, amounting to 812 thousand euros.

Interest and other financial expense includes 100 thousand euros in interest on borrowings (279 thousand euros in the first quarter of 2010) and 264 thousand euros in fees on factoring transactions (162 thousand euros in the first quarter of 2010).

Result before taxes and net result

The first quarter of 2011 ended with a result before taxes of 45,146 thousand euros, which generated a tax liability of 16,663 thousand euros. In the same period last year, the result before taxes and the corresponding tax liability amounted to 30,294 thousand euros and 10,776 thousand euros, respectively.

The tax rate for the quarter was 36.9% (35.6% in the first quarter of 2010).

Consequently, the consolidated net profit totaled 28,483 thousand euros, up from 19,518 thousand euros in the same period last year, for a gain of 45.9%.

In the first quarter of 2011, earnings per share grew to 0.51 euros, compared with 0.35 euros in 2010.

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 corresponding period in 20101, is provided below:

STATEMENT OF CASH FLOWS

(in thousands of euros)	**First quarter 2011**	**First quarter 2010**
Cash and cash equivalents at beginning of period	**62,392**	**47,885**
Net cash from operating activities	27,635	25,163
Cash used for financing activities	(27,852)	2,111
Cash used for investing activities	(4,225)	(5,851)
Net change in cash and cash equivalents	***(4,442)***	***21,423***
Cash and cash equivalents at end of period	**57,950**	**69,308**

The cash flow from operating activities increased from 25,163 thousand euros in the first quarter of 2010 to 27,635 thousand euros in the same period in 2011. This gain reflects mainly an improvement in the income stream (net result plus depreciation and amortization, additions to provisions and other non-cash items) during the period, as working capital grew at a faster rate than in the previous year. The following developments are worthy of mention:

- The increase in trade receivables compared with December 31, 2010, reflecting the Group's revenue growth and a deterioration of payment trends in Italy;
- The cash outflows to extinguish other short-term liabilities, i.e., payment of the second installment of the amount owed to Immuno for the purchase of its business operations in Australia (2,497 thousand euros) and a portion of the remaining debt towards Abbott for the acquisition of the Murex business operations (about 700 thousand euros);
- Tax payments totaling 6,683 thousand euros, mainly representing income taxes owed by the U.S. and south African subsidiaries and the income tax withheld on dividends received by DiaSorin S.p.A.

The liquid assets used in investing activities totaled 4,225 thousand euros, down from 5,851 thousand euros in the first quarter of 2010.

In the first quarter of 2011, the Group invested 3,274 thousand euros in medical equipment, little changed compared with the 3,307 thousand euros invested in the same period in 2010.

Cash was also used for purchases of treasury shares, which required outlays amounting to 25,114 thousand euros.

Available liquid assets decreased by 4,442 thousand euros in the first quarter of 2011, as against an increase of 21,423 thousand euros in the same period in 2010.

At March 31, 2011, available liquid assets held by the Group totaled 57,950 thousand euros, down from 62,392 thousand euros at the end of 2010.

Statement of financial position of the Group at March 31, 2011

At March 31, 2011, total assets amounted to 447,025 thousand euros, substantially the same as at the beginning of the year.

In the first quarter of 2011, non-current assets decreased from 204,642 thousand euros to 199,461 thousand euros, due to the period's depreciation of property, plant and equipment and amortization of intangibles and to the translation effect resulting from the appreciation of the euro versus the main currencies used by the Group.

A breakdown of net working capital is provided below:

(in thousands of euros)	3/31/11	12/31/10	Change
Trade receivables	112,836	106,411	6,425
Ending inventory	69,272	68,311	961
Trade payables	(36,920)	(40,515)	3,595
Other current assets/liabilities [1]	(35,747)	(27,781)	(7,966)
Net working capital	**109,441**	**106,426**	**3,015**

[1] Other current assets/liabilities is defined as the algebraic sum of receivables and payables other than financial and trade related items.

Working capital grew by 3,015 thousand euros in 2011, due mainly to a rise in trade receivables, offset in part by a change in other current assets/liabilities that reflected primarily an increase in the tax liability.

At March 31, 2011, the net financial position was positive by 31,218 thousand euros. A breakdown is provided below:

	At March 31, 2011	At March 31, 2010
Cash and cash equivalents	(57,950)	(62,392)
Liquid assets (a)	**(57,950)**	**(62,392)**
Other current financial assets (b)	**(1,108)**	**(296)**
Current bank debt	7,908	8,289
Other current financial liabilities	444	533
Current indebtedness (c)	**8,352**	**8,822**
Net current financial position (d)=(a)+(b)+(c)	**(50,706)**	**(53,866)**
Non-current bank debt	19,320	20,539
Other non-current financial liabilities	168	260
Non-current indebtedness (e)	**19,488**	**20,799**
Net financial position (f)=(d)+(e)	**(31,218)**	**(33,067)**

Other information

At March 31, 2011, the Group had 1,494 employees (1,451 at December 31, 2010).

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 Group awards additional benefits to several eligible employees of DiaSorin S.p.A. and other Group companies through a stock option plan. The costs incurred in connection with this plan totaled 257 thousand euros in the first three months of 2001 (179 thousand euros in 2010).

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.

Significant events occurring after March 31, 2011 and business outlook

Subsequent to the end of the quarter, the Group announced that it entered into an agreement with Precision System Science Co. Ltd, a Japanese company, to develop an analyzer for the molecular diagnostic tests that its Irish subsidiary Biotrin International Ltd is developing in the clinical area of infectious diseases using the LAMP (Loop Mediated Isothermal Amplification) technology.
In addition, DiaSorin recently announced that it signed a five-year agreement with Laboratory Corporation of America Holdings (LabCorp®), a U.S. company, for the supply of the new LIAISON XL analyzer, together with an FDA-approved Vitamin D level determination test (Liaison 25 OH Vitamin D) and a series of tests in the clinical area of infectious diseases.

Insofar as the expected performance of the DiaSorin Group in 2011 is concerned, current projections call for revenues to reach an amount ranging between 465 million euros and 475 million euros, for an overall growth rate of more than 15%, and the installed base to expand by more than 600 units during the course of the year.

An increase in operating results proportionately larger than the growth in revenues should enable the Group to report EBITDA in the neighborhood of 200 million euros.

Saluggia, May 13, 2011

The Board of Directors
by: Carlo Rosa
Chief Executive Officer

Consolidated financial statements of the DiaSorin Group at March 31, 2011 and March 31, 2010

CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	Notes	First quarter	
		2011	**2010**
Net revenues	(1)	111,403	86,676
Cost of sales	(2)	(31,567)	(24,640)
Gross profit		**79,836**	**62,036**
Sales and marketing expenses	(3)	(18,489)	(15,441)
Research and development costs	(4)	(5,216)	(4,042)
General and administrative expenses	(5)	(10,691)	(9,013)
Other operating income (expenses)	(6)	(1,976)	(2,018)
nonrecurring amount		-	*(1,006)*
EBIT		**43,464**	**31,522**
Net financial income (expense)	(7)	1,682	(1,228)
Result before taxes		**45,146**	**30,294**
Income taxes	(8)	(16,663)	(10,776)
Net result for the period		**28,483**	**19,518**
Broken down as follows:			
Minority interest in net result		-	-
Group Parent Company's interest in net result		28,483	19,518
Earnings per share (basic)	(9)	**0.51**	**0.35**
Earnings per share (diluted)	(9)	**0.51**	**0.35**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of euros)	**Notes**	**3/31/11**	**12/31/10**
ASSETS			
Non-current assets			
Property, plant and equipment	(10)	55,453	57,551
Goodwill	(11)	64,228	65,402
Other intangibles	(11)	59,596	61,462
Investments in associates		27	27
Deferred-tax assets	(12)	19,534	19,656
Other non-current assets		623	544
Total non-current assets		**199,461**	**204,642**
Current assets			
Inventories	(13)	69,272	68,311
Trade receivables	(14)	112,836	106,411
Other financial assets	(17)	1,108	296
Other current assets	(15)	6,398	5,575
Cash and cash equivalents		57,950	62,392
Total current assets		**247,564**	**242,985**
TOTAL ASSETS		**447,025**	**447,627**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(follows)*

(in thousands of euros)	**Notes**	**3/31/11**	**12/31/10**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity			
Share capital	(16)	55,698	55,693
Additional paid-in capital	(16)	13,744	13,684
Statutory reserve	(16)	4,519	4,519
Other reserves	(16)	(23,726)	8,076
Retained earnings (Accumulated deficit)	(16)	233,964	143,546
Net result for the period	(16)	28,483	90,418
Total shareholders' equity		**312,682**	**315,936**
Non-current liabilities			
Long-term borrowings	(17)	19,488	20,799
Provisions for employee severance indemnities and other employee benefits	(18)	20,841	20,692
Deferred-tax liabilities	(12)	2,648	2,328
Other non-current liabilities	(19)	3,949	5,179
Total non-current liabilities		**46,926**	**48,998**
Current liabilities			
Trade payables	(20)	36,920	40,515
Other current liabilities	(21)	21,547	23,544
Income taxes payable	(22)	20,598	9,812
Current portion of long-term debt	(17)	8,352	8,822
Total current liabilities		**87,417**	**82,693**
Total liabilities		**134,343**	**131,691**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**447,025**	**447,627**

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of euros)	First quarter	
	2011	**2010**
Cash flow from operating activities		
Net result for the period	28,483	19,518
Adjustments for:		
- Income taxes	16,663	10,776
- Depreciation and amortization	6,507	4,587
- Financial expense	(1,682)	1,228
- Additions to/(Utilizations of) provisions for risks	659	799
- (Gains)/Losses on sales of non-current assets	51	(1)
- Additions to/(Reversals of) provisions for employee severance indemnities and other employee benefits	76	82
- Changes in shareholders' equity reserves:		
- Stock option reserve	257	179
- Cumulative translation adjustment from operating activities	554	188
- Change in other non-current assets/liabilities	(2,273)	(1,368)
Cash flow from operating activities before changes in working capital	**49,295**	**35,988**
(Increase)/Decrease in receivables included in working capital	(9,244)	(10,594)
(Increase)/Decrease in inventories	(1,643)	(1,521)
Increase/(Decrease) in trade payables	(1,596)	3,937
(Increase)/ Decrease in other working capital items	(2,135)	780
Cash from operating activities	**34,677**	**28,590**
Income taxes paid	(6,683)	(3,231)
Interest paid	(359)	(196)
Net cash from operating activities	**27,635**	**25,163**
Investments in intangibles	(211)	(1,438)
Investments in property, plant and equipment	(4,504)	(4,704)
Retirements of property, plant and equipment	490	291
Cash used in regular investing activities	**(4,225)**	**(5,851)**
Loan repayments	(300)	(184)
(Repayment of)/Proceeds from other financial obligations	(181)	(354)
Share capital increase/Dividend distribution	65	-
(Purchases)/Sales of treasury shares	(25,114)	-
Foreign exchange translation differences	(2,322)	2,649
Cash used in financing activities	**(27,852)**	**2,111**
Net change in cash and cash equivalents	**(4,442)**	**21,423**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**62,392**	**47,885**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**57,950**	**69,308**

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	Treasury stock reserve	Retained earnings (Accumulated deficit)	Net profit (loss) for the period	Group interest in shareholders' equity
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	-	-	-	-	-	-	70,047	(70,047)	-
Dividend distribution	-	-	-	-	-	-	-	-	-
Share-based payments and other entries	-	-	-	-	179	-	-	-	179
Translation adjustment	-	-	-	7,536	-	-	-	-	7,536
Change in scope of consolidation	-	-	-	-	-	-	75	-	75
Net investment hedge gains/(losses) after tax effect	-	-	-	(1,465)	-	-	-	-	(1,465)
Net result for the period	-	-	-	-	-	-	-	19,518	19,518
Shareholders' equity at 3/31/2010	**55,000**	**5,925**	**2,427**	**4,144**	**1,651**	**-**	**155,033**	**19,518**	**243,698**
Shareholders' equity at 12/31/2010	**55,693**	**13,684**	**4,519**	**7,192**	**884**	**-**	**143,546**	**90,418**	**315,936**
Appropriation of previous year's profit	-	-	-	-	-	-	90,418	(90,418)	-
Dividend distribution	-	-	-	-	-	-	-	-	-
Share-based payments and other entries	5	60	-	-	257	-	-	-	322
Translation adjustment	-	-	-	(7,671)	-	-	-	-	(7,671)
Change in scope of consolidation	-	-	-	-	-	-	-	-	-
Purchases and sales of treasury shares	-	-	-	-	-	(25,114)	-	-	(25,114)
Net investment hedge gains/(losses) after tax effect	-	-	-	726	-	-	-	-	726
Net result for the period	-	-	-	-	-	-	-	28,483	28,483
Shareholders' equity at 3/31/2011	**55,698**	**13,744**	**4,519**	**247**	**1,141**	**(25,114)**	**233,964**	**28,483**	**312,682**

OTHER COMPONENTS OF THE COMPREHENSIVE INCOME STATEMENT

(in thousands of euros)	First quarter	
	2011	**2010**
Net result for the period	**28,483**	**19,518**
Currency translation differences	(7,671)	7,536
Net investment hedge gains (losses) after tax effect	726	(1,465)
Other components of comprehensive income	-	-
Total other components of comprehensive income for the period	**(6,945)**	**6,071**
Total net comprehensive income for the period	**21,538**	**25,589**
Including:		
- Group Parent Company's interest	**21,538**	**25,589**

Notes to the consolidated quarterly report at March 31, 2011 and March 31, 2010

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 (no building number), 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, 2010, since it has been determined that the revisions and interpretations published by the IASB that were applicable as of January 1, 2011 did not require any material changes in the accounting principles adopted by the Group the previous year.

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.
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 March 31, 2011, 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	Average rates for		Rates at	
	First quarter 2011	First quarter 2010	3/31/11	12/31/10
U.S. dollar	1.3680	1.3829	1.4207	1.3362
Brazilian real	2.2799	2.4917	2.3058	2.2177
British pound	0.8539	0.8876	0.8837	0.8608
Swedish kronor	8.8642	9.9464	8.9329	8.9655
Czech koruna	24.3749	25.8681	24.5430	25.061
Canadian dollar	1.3484	1.4383	1.3785	1.3322
Mexican peso	16.5007	17.6555	16.9276	16.5475
Israeli shekel	4.9247	5.1638	4.9439	4.7378
Chinese yuan	9.0029	9.4417	9.3036	8.822
Australian dollar	1.3614	1.5293	1.3736	1.3136
South African rand	9.5875	10.3852	9.6507	8.8625

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).

The Group has adopted a commercial organization structured 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 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.

	ITALY		EUROPE		NORTH AMERICA		REST OF THE WORLD		ELIMINATIONS		CONSOLIDATED	
(in thousands of euros)	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**
INCOME STATEMENT												
Revenues from outsiders	25,402	21,440	30,160	24,779	36,310	33,113	19,619	7,344	(88)	-	111,403	86,676
Inter-segment revenues	21,484	17,803	5,291	4,498	7,513	4,319	1,385	45	(35,673)	(26,665)	-	-
Total revenues	**46,886**	**39,243**	**35,451**	**29,277**	**43,823**	**37,432**	**21,004**	**7,389**	**(35,761)**	**(26,665)**	**111,403**	**86,676**
Segment result	**6,273**	**4,164**	**7,627**	**4,702**	**26,640**	**23,022**	**3,657**	**570**	**(733)**	**(936)**	**43,464**	**31,522**
Unallocated common costs	-	-	-	-	-	-	-	-	-	-	-	-
EBIT	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**43,464**	**31,522**
Other income (expense), net	-	-	-	-	-	-	-	-	-	-	-	-
Financial income (expense)	-	-	-	-	-	-	-	-	-	-	1,682	(1,228)
Result before taxes	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**45,146**	**30,294**
Income taxes	-	-	-	-	-	-	-	-	-	-	(16,663)	(10,776)
Net result	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**28,483**	**19,518**
OTHER INFORMATION												
Invest. in prop., plant and equip.	125	598	3	609	12	97	71	134	-	-	211	1,438
Investments in intangibles	1,513	1,936	1,503	1,695	1,137	1,191	923	395	(572)	(513)	4,504	4,704
Total investments	**1,638**	**2,534**	**1,506**	**2,304**	**1,149**	**1,288**	**994**	**529**	**(572)**	**(513)**	**4,715**	**6,142**
Amortization	(872)	(388)	(531)	(518)	(67)	(68)	(287)	(65)	-	-	(1,757)	(1,039)
Depreciation	(2,155)	(1,488)	(1,346)	(1,238)	(863)	(565)	(853)	(607)	467	350	(4,750)	(3,548)
Tot. amortiz. and deprec.	**(3,027)**	**(1,876)**	**(1,877)**	**(1,756)**	**(930)**	**(633)**	**(1,140)**	**(672)**	**467**	**350**	**(6,507)**	**(4,587)**

	ITALY		EUROPE		NORTH AMERICA		REST OF THE WORLD		ELIMINATIONS		CONSOLIDATED	
(in thousands of euros)	**3-31-11**	**12-31-10**	**3-31-11**	**12-31-10**	**3-31-11**	**12-31-10**	**3-31-11**	**12-31-10**	**3-31-11**	**12-31-10**	**3-31-11**	**12-31-10**
STATEMENT OF FINAN. POSITION												
Segment assets	202,898	183,157	99,570	95,698	68,063	70,921	57,516	54,688	(59,641)	(39,208)	368,406	365,256
Unallocated assets	-	-	-	-	-	-	-	-	-	-	78,619	82,371
Total assets	**202,898**	**183,157**	**99,570**	**95,698**	**68,063**	**70,921**	**57,516**	**54,688**	**(59,641)**	**(39,208)**	**447,025**	**447,627**
Segment liabilities	53,650	39,087	36,259	37,139	11,611	13,582	25,460	26,131	(43,723)	(26,009)	83,257	89,930
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	51,086	41,761
Shareholders' equity	-	-	-	-	-	-	-	-	-	-	312,682	315,936
Total liabil. and shareh. equity	**53,650**	**39,087**	**36,259**	**37,139**	**11,611**	**13,582**	**25,460**	**26,131**	**(43,723)**	**(26,009)**	**447,025**	**447,627**

	EUROPE AND AFRICA		NORTH AMERICA		CENT. AND SOUTH AME.		ASIA PACIFIC		MUREX		CONSOLIDATED	
(in thousands of euros)	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**
INCOME STATEMENTS												
Revenues from outsiders	49,029	43,038	35,706	31,850	8,756	5,348	9,609	6,440	8,303	-	111,403	86,676

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 three months of 2011, net revenues, which are generated mainly through the sale of diagnostic kits, totaled 111,403 thousand euros, or 28.5% more than in the first three months of 2010. Revenues for the first quarter of 2011 include equipment rentals and technical support revenues of 1,832 thousand euros, compared with 1,051 thousand euros in the same period last year.
As for the Murex business activities, at March 31, 2011, the Group reported sales of Murex products valued at 8,303 thousand euros.

2. Cost of sales

In the first quarter of 2011, the cost of sales amounted to 31,567 thousand euros, compared with 24,640 thousand euros in the first three months of 2010. The cost of sales includes 3,483 thousand euros paid for royalties (2,588 thousand euros in the same period in 2010) and 1,672 thousand euros in costs incurred to distribute products to end customers (1,173 thousand euros in the first quarter of 2010). Cost of sales also includes the depreciation of medical equipment held by customers, which amounted to 2,925 thousand euros (2,425 thousand euros in the same period last year).

3. Sales and marketing expenses

Sales and marketing expenses increased to 18,489 thousand euros in the first quarter of 2011, up from 15,441 thousand euros in the first three months of 2010. 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.

4. Research and development costs

The research and development costs incurred in the first quarter of 2011, which totaled 5,216 thousand euros (4,042 thousand euros in the same period in 2010), include all non-capitalized research and development outlays amounting to 3,264 thousand euros (2,737 thousand euros in the same period in 2010), costs incurred to register the products offered for sale and meet quality requirements of 1,557 thousand euros (1,155 thousand euros in the first quarter of 2010), and the amortization of capitalized development costs totaling 395 thousand euros, which, starting with the first quarter of 2011, includes the amortization of Liaison XL costs, (150 thousand euros in the first quarter of 2010).
During the first quarter of 2011, the Group capitalized new development costs amounting to 125 thousand euros, compared with 619 thousand euros in the first quarter of 2010.

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 10,691 thousand euros in the first quarter of 2011, compared with 9,013 thousand euros in the same period in 2010.

6. Other operating income (expenses)

Net other operating expenses totaled 1,976 thousand euros in the first quarter of 2011 (net expenses of 2,018 thousand euros in the first three months of 2010, including charges of 1,006 thousand euros incurred for the acquisition of the Murex product line). 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), 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).
More specifically, this item includes additions to the previsions for risks and charges of 942 thousand euros and additions to the allowance for doubtful accounts of 369 thousand euros.

7. Net financial income (expense)

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

	First quarter 2011	First quarter 2010
Interest and other financial expense	(527)	(567)
Valuation of financial instruments as per IAS 39	812	-
Interest on pension funds	(190)	(195)
Interest and other financial income	89	112
Net translation adjustment	1,498	(578)
Net financial income (expense)	**1,682**	**(1,228)**

In the first quarter of 2011, the Group reported net financial income of 1,682 thousand euros, as against net financial expense of 1,228 thousand euros in the same period the previous year.

The difference between the two quarters is due mainly to the measurement at fair value of U.S. dollar forward sales contracts executed by the Group's Parent Company to hedge expected cash flows from the U.S. subsidiary (income of 812 thousand euros).
Interest and other financial expense includes 264 thousand euros in fees on factoring transactions (162 thousand euros in the first quarter of 2010), 190 thousand euros in interest on pension funds (195 thousand euros in the same period in 2010) and 100 thousand euros in interest on bank borrowings (279 thousand euros in the same period in 2010).

The income statement for the first quarter of 2011 reflects income of 812 thousand euros from the measurement at fair value of U.S. dollar forward sales contracts.

The net effect of currency translation differences was positive by 1,498 thousand euros in the first quarter of 2011 and negative by 578 thousand euros in the same period last year.

8. Income taxes

The income tax expense recognized in the income statement for the first quarter of 2011 amounted to 16,663 thousand euros (10,776 thousand euros in the same period in 2010). The tax expense amount includes non-deductible foreign taxes withheld on the dividends paid to the Group's Parent Company by the U.S. subsidiary, which amounted to 677 thousand euros in the first quarter of 2011. In the first three months of 2011, the tax burden was equal to 36.9% of the profit before taxes (35.6% in the first quarter of 2010).

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 0.35 euros in the first quarter of 2010, compared with 0.51 euros in the same period in 2011.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

10. Property, plant and equipment

The table below shows the changes that occurred in this account as of March 31, 2011:

(in thousands of euros)	**Net carrying value at 12/31/10**	**Additions**	**Depreciation**	**Retirements**	**Translation adjustment**	**Reclassifications and other changes**	**Net carrying value at 3/31/11**
Land	2,320	-	-	-	(14)	-	2,306
Buildings	6,054	11	191	-	(165)	-	5,709
Plant and machinery	6,707	120	349	-	(122)	(19)	6,337
Manufacturing and distribution equipment	34,127	3,679	3,966	387	(809)	641	33,285
Other assets	5,410	249	244	24	(127)	2	5,266
Construction in progress and advances	2,933	445	-	130	(40)	(658)	2,550
Total property, plant and equipment	**57,551**	**4,504**	**4,750**	**541**	**(1,277)**	**(34)**	**55,453**

11. Intangible assets

A breakdown of the changes in intangible assets at March 31, 2011 is as follows:

(in thousands of euros)	Net carrying value at 12/31/10	Additions	Amortiza-tion	Translation adjustment	Reclassi-fications and other changes	Net carrying value at 3/31/11
Goodwill	65,402	-	-	(1,174)	-	64,228
Development costs	12,798	125	395	(80)	(1)	12,447
Concessions, licenses and trademarks	34,837	24	759	(223)	36	33,915
Industrial patents and intellectual property rights	13,611	47	582	(50)	-	13,026
Advances and other intangibles	216	15	21	(1)	(1)	208
Total intangible assets	**126,864**	**211**	**1,757**	**(1,528)**	**34**	**123,824**

12. Deferred-tax assets and deferred-tax liabilities

Deferred-tax assets amounted to 19,534 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 2,648 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)	3/31/2011	12/31/2010
Deferred-tax assets	19,534	19,656
Deferred-tax liabilities	(2,648)	(2,328)
Total net deferred-tax assets	**16,886**	**17,328**

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 March 31, 2011 and a comparison with the data at December 31, 2010 is provided below:

(in thousands of euros)	3/31/2011			12/31/2010		
	Gross amount	**Provisions for write-downs**	**Net amount**	**Gross amount**	**Provisions for write-downs**	**Net amount**
Raw materials and supplies	21,898	(1,786)	20,112	22,389	(1,958)	20,431
Work in progress	28,272	(2,834)	25,438	28,410	(3,332)	25,078
Finished goods	24,492	(770)	23,722	23,683	(881)	22,802
Total	**74,662**	**(5,390)**	**69,272**	**74,482**	**(6,171)**	**68,311**

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

(in thousands of euros)	3/31/2011	12/31/2010
Opening balance	**6,171**	**3,871**
Additions for the period	209	2,318
Utilizations/Reversals for the period	(855)	(159)
Translation differences and other changes	(134)	141
Ending balance	**5,390**	**6,171**

14. Trade receivables

Trade receivables amounted to 112,836 thousand euros at March 31, 2011. The table that follows shows the changes that occurred in the allowance for doubtful accounts, which totaled 7,202 thousand euros at March 31, 2011.

(in thousands of euros)	3/31/2011	12/31/2010
Opening balance	**7,065**	**5,929**
Additions for the period	369	833
Utilizations and reversals for the period	(94)	(30)
Currency translation differences and other changes	(138)	333
Closing balance	**7,202**	**7,065**

15. Other current assets

Other current assets of 6,398 thousand euros (5,575 thousand euros at December 31, 2010) 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 March 31, 2011, the fully paid-in share capital consisted of 55,698 million common shares, par value of 1 euro each. The increase of 5 thousand euros in the first quarter of 2011 reflects the implementation of a capital increase reserved for the 2007-2012 Stock Option Plan.

Additional paid-in capital

This account, which had a balance of 13,744 thousand euros at March 31, 2011, increased by 60 thousand euros compared with December 31, 2010, 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, unchanged compared with December 31, 2010.

Other reserves

A breakdown of other reserves is as follows:

(in thousands of euros)	**3/31/2011**	**12/31/2010**
Currency translation reserve	247	7,192
Treasury stock reserve	(25,114)	-
Stock option reserve	1,141	884
Total other reserves	**(23,726)**	**8,076**

The currency translation reserve showed a decrease of 6,945 thousand euros at March 31, 2011, due to the impact of changes in the exchange rates for the U.S. dollar and the Brazilian real.
This 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. The net difference, which was negative by 7,671 thousand euros, includes a charge of 1,170 thousand euros for the adjustment made to the goodwill allocated to cash generating units (CGUs) that operate with currencies other than the euro.
The reserve also includes unrealized translation differences on indebtedness in foreign currencies borrowed by the Group's Parent Company to hedge its equity investment in the DiaSorin USA subsidiary, positive by 972 thousand euros after tax effect, and the difference on the translation into euros of the balances of the English branch, negative by 246 thousand euros.

The balance in the stock option reserve refers to the 2007-2012 Stock Option Plan and the new 2011-2013 Plan. The change in this reserve reflects the recognition of stock option costs amounting to 257 thousand euros.

The treasury stock reserve, amounting to 25,114 thousand euros, was established in the first quarter of 2011.
The implementation of the program to purchase treasury shares for use in connection with the Company's new stock option plan began on January 17, 2011, in accordance with the terms and conditions authorized by the Shareholders' Meeting of April 27, 2010. The program was completed on February 15, 2011, resulting in the purchase of 750,000 common shares, equal to 1.35% of the Company's share capital.

The shares were purchased at unit prices that were never lower by more than 15% or higher by more than 15% compared with the closing price of the DiaSorin common shares for the stock market trading session preceding each purchase.

17. Borrowings

Borrowings include 19,488 thousand euros in long-term debt and 8,352 thousand euros for the current portion due within one year.

The table that follows lists the borrowings outstanding at March 31, 2011 and provides a comparison with the data at December 31, 2010 (amounts in thousands of euros):

Lender institution	Currency	Short-term amount	Long-term amount	Amount due after 5 years	Total
Interbanca USD	USD	8,534	21,352	-	29,886
	Amount in EUR	6,007	15,029	-	21,036
Interbanca EUR	EUR	1,380	3,448	-	4,828
IMI – Ministry of Educ., University and Research	EUR	185	843	93	1,028
Unicredit for flood relief	EUR	336	-	-	336
Finance leases	EUR	444	168	-	612
Total		**8,352**	**19,488**	**93**	**27,840**

The following amounts were repaid in the first quarter of 2011: 106 thousand euro to IMI, 194 thousand euros to Unicredit and 181 thousand euros to leasing companies.

The table below lists the facilities outstanding at March 31, 2011 and the changes that occurred during the quarter (amounts in thousands of euros):

Lender institution	Balance at 12/31/10	New borrowings during the period	Repayments during the period	Currency translation differences	Fair value measurement	Amortized cost effect	Balance at 3/31/11
GE Capital (formerly Interbanca) USD	22,365	-	-	(1,340)		11	21,036
GE Capital (formerly Interbanca) EUR	4,828	-	-	-		-	4,828
IMI – Ministry of Educ., University and Research	1,122	-	(106)	-		12	1,028
Unicredit for flood relief	513	-	(194)	-		17	336
Finance leases	793	-	(181)	-		-	612
Total borrowings owed to financial institutions	29,621	-	(481)	(1,340)	-	40	27,840
Financial instruments	(296)				(812)	-	(1,108)
Total financial liabilities	**29,325**	**-**	**(481)**	**(1,340)**	**(812)**	**40**	**26,732**

There were no changes in contract terms compared with December 31, 2010 and DiaSorin was in compliance with all of the operating and financial covenants of the existing loan agreements.

A breakdown of the Group's net financial position at March 31, 2011 is as follows:

	At March 31, 2011	At December 31, 2010
Cash and cash equivalents	(57,950)	(62,392)
Liquid assets (a)	**(57,950)**	**(62,392)**
Other current financial assets (b)	**(1,108)**	**(296)**
Current bank debt	7,908	8,289
Other current financial liabilities	444	533
Current indebtedness (c)	**8,352**	**8,822**
Net current indebtedness (d)=(a)+(b)+(c)	**(50,706)**	**(53,866)**
Non-current bank debt	19,320	20,539
Other non-current financial liabilities	168	260
Non-current indebtedness (e)	**19,488**	**20,799**
Net financial position (f)=(d)+(e)	**(31,218)**	**(33,067)**

A breakdown of the changes in the Group's available 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.

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 3/31/11**	**Balance at 12/31/10**	**Change during the period**
Employee benefits			
provided in:			
- Italy	5,678	5,667	11
- Germany	12,534	12,420	114
- Sweden	2,093	2,077	16
- Other	536	528	8
	20,841	**20,692**	**149**
broken down as follows:			
- Defined-benefit plans			
Provision for employee severance indemnities	*4,863*	*4,842*	*21*
Other defined-benefit plans	*14,627*	*14,497*	*130*
	19,490	**19,339**	**151**
- Other long-term benefits	1,351	1,353	(2)
Total employee benefits	**20,841**	**20,692**	**149**

The table below shows a breakdown of the main changes that occurred in the first quarter of 2011:

(in thousands of euros)	**Defined-benefit plans**	**Other benefits**	**Total employee benefits**
Balance at December 31, 2010	**19,339**	**1,353**	**20,692**
Financial expense/(income)	190	-	190
Actuarial losses/(gains)	-	(10)	(10)
Service costs	77	9	86
Contribution/Benefits paid	(124)	-	(124)
Currency translation differences and other changes	8	(1)	7
Balance at March 31, 2011	**19,490**	**1,351**	**20,841**

19. Other non-current liabilities

Other non-current liabilities totaled 3,949 thousand euros at March 31, 2011.

They reflect provisions for risks and charges amounting to 3,949 thousand euros. The table that follows shows the changes that occurred in this account:

(in thousands of euros)	**3/31/2011**	**12/31/2010**
Opening balance	**3,203**	**2,696**
Additions for the period	942	1,735
Utilizations	(126)	(1,158)
Reversals for the period	(18)	(223)
Currency translation differences and other changes	(52)	153
Ending balance	**3,949**	**3,203**

20. Trade payables

Trade payables, which totaled 36,920 thousand euros at March 31, 2011, represent amounts owed to suppliers for purchases of goods and services. There are no amounts due after one year.

21. Other current liabilities

Other current liabilities of 21,547 thousand euros consist mainly of amounts owed to employees for bonuses (11,928 thousand euros) and contributions payable to social security and health benefit institutions (2,388 thousand euros). The balance at March 31, 2011 also includes 1,889 thousand euros representing the 2012 installment of the price payable for the assets acquired by DiaSorin Australia.

22. Income taxes payable

The balance of 20,598 thousand euros represents the income tax liability for the profit earned in the first three months of 2011, less estimated payments made, and for other indirect taxes and fees.

23. Commitments and contingent liabilities

Significant commitments and contractual obligations

DiaSorin S.p.A., the Group's Parent Company, and Stratec executed a series of agreements in connection with the development and production of a new, fully automated, chemiluminescence diagnostic system (called LIAISON XL). There are three main agreements: a development contract, a supply contract and a settlement agreement.

The supply contract signed by DiaSorin and Stratec calls for the latter to manufacture and supply exclusively to DiaSorin the LIAISON XL analyzer. The contract has a term of 10 years, starting on the date an invoice is issued for the first LIAISON XL system and is renewable each year.
The Group has agreed to purchase a minimum number of analyzers. The projected annual 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.

Annex I
List of equity investments

Company	Head office location	Currency	Share capital	Par value per share or partnership interest	% interest held directly	Number of shares or partnership interests held
DiaSorin Benelux 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	Oldbury (Great Britain)	GBP	500	1	100.00%	500
DiaSorin Inc.	Stillwater (USA)	USD	1	0.01	100.00%	100
DiaSorin Canada Inc	Mississauga (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	275,000	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	3,923	0.01	100.00%	392,182
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
Biotrin Holdings Limited	Dublin (Ireland)	EUR	7,826,072	0.01	100.00%	782,607,110
DiaSorin South Africa (Pty) Ltd	Johannesburg (South Africa)	ZAR	101	1	100.00%	101
DiaSorin Australia (pyt) Ltd	Sydney (Australia)	AUD	100	1	100.00%	100
DiaSorin Ltd	Shanghai (China)	EUR	120,000	1	80.00%	96,000
Equity investments valued at cost						
DiaSorin Deutschald Unterstuetzungskasse GmbH	Dietzenbach (Germany)	EUR	25,565	1	100.00%	1
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, May 13, 2011.

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

DiaSorin

The Diagnostic Specialist

Via Crescentino snc - 13040 Saluggia (VC)