

DiaSorin

Diasorin

Q3 & 9M 2008 Results

November 13

The Diagnostic Specialist

Q3 highlights

- **Revenues grow by 22.1% despite of exchange rate effects (-3.5%), also boosted by sales of Biotrin products (+ 4.5%)**
- **North America Q3 sales up 49.6% (constant exchange rates) vs previous year (Biotrin contribution +8.7%)**
- **Steady enlargement of Liaison installed base, from ca. 2280 (30/06/08) to ca. 2390 (30/09/08)**
- **Continuous improvement of operating margins driven by**
 - **Product mix improvement**
 - **Leverage of the Liaison installed base and fixed cost base**
 - **Biotrin contribution**
- **Net earnings increase 32.0% vs Q3 07, though do not reflect entirely strong operating performance due to non cash (unrealized) foreign exchange losses.**

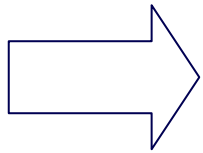
Q3 Results: income statement

millions €	Q3 2008	Q3 2007	Δ as reported
Net Revenues	59.9	49.0	+22.1%
Gross profit	39.8	30.8	+29.4%
<i>Margin</i>	66.5%	62.8%	
<i>G&A</i>	(6.6)	(6.2)	
<i>R&D</i>	(3.6)	(2.7)	
<i>S&M</i>	(11.8)	(10.7)	
Total Operating Expenses	(21.9)	(19.6)	
<i>% on sales</i>	(36.6%)	(39.9%)	
<i>Other operating Income/(Expenses)</i>	0.7	(1.2)	
Ebit	18.6	10.0	+85.2%
<i>Margin</i>	31.0%	20.5%	
Ebit ex not recurring items*	18.1	11.9	+52.3%
<i>Margin</i>	30.3%	24.3%	
<i>Net Financial expense</i>	(7.1)	(0.8)	
<i>Tax</i>	(4.4)	(4.0)	
Net Result	7.1	5.3	+32.9%
Ebitda	22.0	13.5	+63.7%
<i>Margin</i>	36.8%	27.5%	
Ebitda ex not recurring items*	21.5	15.3	+40.8%
<i>Margin</i>	36.0%	31.2%	

* In Q307 € 1.9MM of not recurring expenses, in Q308 €0.5MM on not recurring income

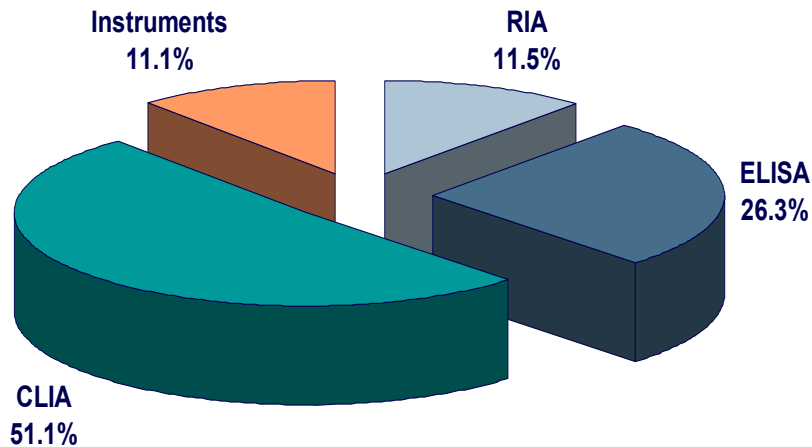
Q3 Revenues break down: by technology

- CLIA sales represents Diasorin growth engine: +36.6% Q3 08 vs. Q3 07;
- Good ELISA sales thanks to Biotrin acquisition and Brasil tender.

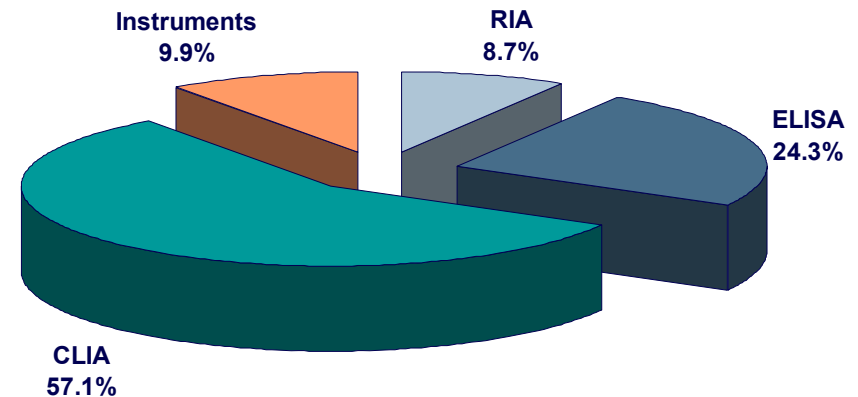


Revenues mix by technology improved towards CLIA kits, from 51.1% in Q3 07 to 57.1% in Q3 08 of total sales

Q3 07



Q3 08



Q3 Revenues break down: by geography

millions €	Q3 08	Q3 07	Δ%
Europe	32.9	28.7	14.5%
North America	16.0	11.6	37.1%
Rest of the World	11.0	8.7	27.5%
TOTAL	59.9	49.0	22.1%

- In Europe, increased market share in consolidated as well as in developing markets:
 - Italy** +16.4% Q3 08 vs. Q3 07
 - France** +17.1% Q3 08 vs. Q3 07
 - Nordic** +69.0% Q3 08 vs. Q3 07
 - Belgium** +13.9% Q3 08 vs. Q3 07
- In North America, accelerating growth although affected by exchange rate trend:
 - +37.1% Q3 08 vs. Q3 07 as reported
 - +49.6% Q3 08 vs. Q3 07** at comparable FX
- In Rest of the World, positive trends in recent initiatives and distributors' markets (Australia)
 - Israel** +42.7% Q3 08 vs. Q3 07
 - Mexico** +64.2% Q3 08 vs. Q3 07 (+70.7% at comparable FX)
 - Brazil** +31.7% Q3 08 vs. Q3 07 (+26.2% at comparable FX)
 - Distributor** +16.6% Q3 08 vs. Q3 07
(mainly Australia)

Q3 Profitability: continuous improvement

All profitability indicators show a further improvement compared with Q3 07:

Gross Margins	+29.4% Q3 08 vs. Q3 07	from 62.8% to 66.5% of tot sales
EBITDA	+63.7% Q3 08 vs. Q3 07	from 27.5% to 36.8% of tot sales
EBIT	+85.2% Q3 08 vs. Q3 07	from 20.5% to 31.0 % of tot sales
EBITDA restated	+40.8% Q3 08 vs. Q3 07	from 31.2% to 36.0 % of tot sales
EBIT restated	+52.3% Q3 08 vs. Q3 07	from 24.3% to 30.3% of tot sales

Thanks:

- Continuous improvement in the technology mix
- Operating leverage on the installed base
- Lower incidence of operating expenses, grown less than revenue
- Biotrin contribution

Non cash exch. rate differences on Q3 net results

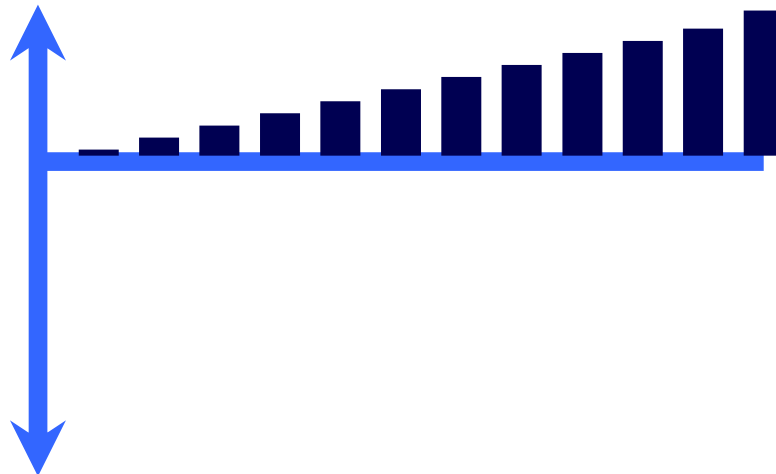
Net income continuously improved:

EBITDA	+63.7% Q3 08 vs. Q3 07	from 27.5% to 36.8 % of tot sales
EBIT	+85.2% Q3 08 vs. Q3 07	from 20.5% to 31.0% of tot sales
Net Result	+32.9% Q3 08 vs. Q3 07	from 10.9% to 11.8% of tot sales

- Net financial costs in Q3 of €7.3 millions out of which **€5.8 millions are non cash items** related to the evaluation of group NFI in US dollars
- Ca 56 m USD debt at beginning of July 08 to finance Biotrin acquisition
- The choice of currency is a conscious consequence of Diasorin forex policy
- Exchange rate differences of such nature reflect accounting principles **not cash losses.**

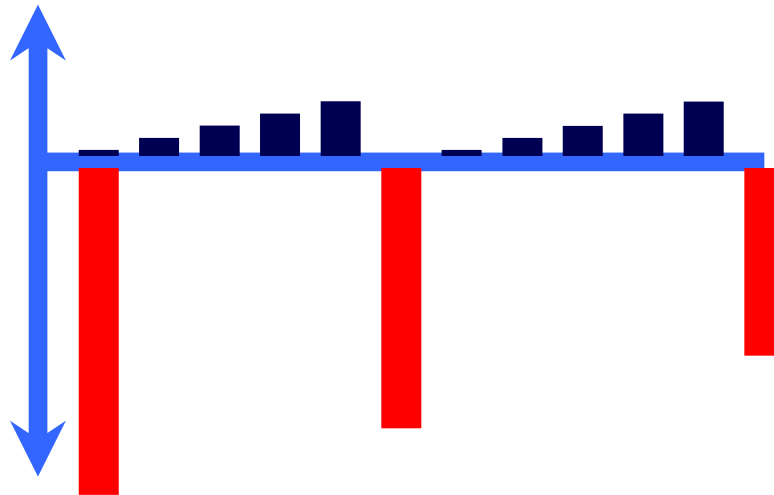
Diasorin Forex policy

- The Group generates ca. \$1.5 millions free cash flow per month
- The forex policy is aimed at matching the excess cash generated in foreign currency by financing group activities in the same currency
- Strong and sudden fluctuations of exchange rates (e.g. Q3) generate significant exch. rate differences (gains or losses): the Group will never realize cash losses since outflows will be matched with inflows in same currency, but accounting principles will demand to record difference to P&L.



Diasorin Forex policy

- The Group generates ca. \$1.5 millions free cash flow per month
- The forex policy is aimed at matching the excess cash generated in foreign currency by financing group activities in the same currency
- Strong and sudden fluctuations of exchange rates (e.g. Q3) generate significant exch. rate differences (gains or losses): the Group will never realize cash losses since outflows will be matched with inflows in same currency, but accounting principles will demand to record difference to P&L.



9M Results: income statement

millions €	9M 2008	9M 2007	Δ as reported
Net Revenues	176.1	151.2	+16.5%
Gross profit	115.2	97.2	+18.6%
<i>Margin</i>	65.4%	64.3%	
<i>G&A</i>	(19.4)	(17.7)	
<i>R&D</i>	(9.8)	(8.2)	
<i>S&M</i>	(34.7)	(32.6)	
Total Operating Expenses	(63.9)	(58.5)	
<i>% on sales</i>	(36.3%)	(38.7%)	
<i>Other operating Income/(Expenses)</i>	(0.1)	(4.1)	
Ebit	51.2	34.7	+47.8%
<i>Margin</i>	29.1%	22.9%	
Ebit ex not recurring items*	51.2	39.1	+31.1%
<i>Margin</i>	29.1%	25.6%	
<i>Net Financial expense</i>	(7.3)	(2.9)	
<i>Tax</i>	(16.5)	(12.7)	
Net Result	27.3	19.1	+43.5%
Ebitda	61.7	45.1	+36.8%
<i>Margin</i>	35.0%	29.8%	
Ebitda ex not recurring items*	61.7	49.1	+25.7%
<i>Margin</i>	35.0%	32.5%	

* In 9M07 € 4.0MM of not recurring expenses

9M balance sheet & cash flow

millions €	30/09/2008	31/12/2007
<i>Total tangible asset</i>	33.5	33.9
<i>Total intangible asset</i>	89.2	65.4
<i>Other non-current asset</i>	10.0	9.2
<i>Net Working Capital</i>	56.6	46.2
<i>Other non-current liabilities</i>	(22.1)	(22.3)
<i>Net Capital Employed</i>	167.2	132.4
<i>Net Debt</i>	(23.3)*	(12.1)
<i>Total shareholder's' equity</i>	(143.9)	(120.3)

	9M 08	9M 07
<i>Net change in cash and cash equivalents</i>	13.3	13.8
<i>Cash and equivalents at the end of the period</i>	21.6	22.5

* after Biotrin acquisition

Solid financial structure

- **Operating cash flow € 18 MM in Q3 08 vs. € 11.4 MM in Q3 07; OCF € 32.4 MM in Sep. YTD 08 vs. € 23.8 MM in Sep. YTD 07**
- **Net debt of € 23.3 MM as at Sep. 08 vs. € 12.1 MM at Year End, after Biotrin acquisition (25.5m€ cash outlay) and dividends pay out (5.5 m€)**
- **Cash and equivalents at the end of the period amount to € 21.6 MM.**

Forthcoming events

December 4 – 5
EXANE BNP PARIBAS - MidCap Forum 2008
Paris