

DiaSorin

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DiaSorin  
Q3 & 9M 10 results  
conf call

November 5th

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The Diagnostic Specialist

# Q3 and 9M 10 results highlights

- **Strong revenues growth as reported as well as at constant exchange rates, thanks to DiaSorin business as well as Murex business:**
  - +45.7% Q3 10 vs Q3 09 (+38.5% at constant exchange rates)**
  - +28.7% Q3 10 vs Q3 09 excl. Murex (+21.5% at constant exchange rates)**
  - +31.2% 9M 10 vs 9M 09 (+27.7% at constant exchange rates)**
  - +25.1% 9M 10 vs 9M 09 excl. Murex (+21.6% at constant exchange rates)**
  
- **Steady enlargement of Liaison installed base, +157 placements in the quarter, +472 placements in the first nine months ( 3,447 at 30/09/10)**
  
- **Consistent improvement of operating margins:**
  - **Ebitda            +47.9% Q3 10 vs Q3 09,            +33.2% 9M 10 vs 9M 09**
  - **Ebit                +50.0% Q3 10 vs Q3 09,            +34.9% 9M 10 vs 9M 09**
  
- **Significant net earnings growth although a comparison affected by one-off fiscal and accounting benefits in 2009 :**
  - **+43.9% Q3 10 vs Q3 09            +61.4% Q3 10 vs Q3 09 excl. one off effects**
  - **+24.6% 9M 10 vs 9M 09            +39.2% 9M 10 vs 9M 09 excl. one off effects**

# Q3 10 Results: Income Statement

<i>millions €</i>	Q3 2010	Q3 2009	Δ
<b>Net Revenues</b>	<b>108.0</b>	<b>74.2</b>	<b>+45.7%</b>
<b>Gross profit</b>	<b>74.1</b>	<b>51.6</b>	<b>+43.7%</b>
<i>Margin</i>	68.6%	69.5%	
<i>G&amp;A</i>	(11.5)	(7.4)	
<i>R&amp;D</i>	(5.0)	(3.7)	
<i>S&amp;M</i>	(17.4)	(13.1)	
<b>Total Operating Expenses</b>	<b>(33.9)</b>	<b>(24.2)</b>	
<i>% on sales</i>	(31.4%)	(32.6%)	
<i>Other operating Income/(Expenses)</i>	(2.1)	(2.0)	
<b>Ebit</b>	<b>38.1</b>	<b>25.4</b>	<b>+50.0%</b>
<i>Margin</i>	35.2%	34.2%	
<i>Net Financial Income/(Expenses)</i>	1.1	(0.1)	
<i>Tax</i>	(14.9)	(8.4)	
<b>Net Result</b>	<b>24.3</b>	<b>16.9</b>	<b>+43.9%</b>
<b>Net Result w/o 2009 one off effects</b>	<b>24.3</b>	<b>15.0</b>	<b>+61.4%</b>
<b>Ebitda</b>	<b>44.0</b>	<b>29.8</b>	<b>+47.9%</b>
<i>Margin</i>	40.8%	40.2%	

# Q3 10 Results: Income Statement

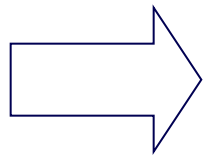
<i>millions €</i>	Q3 2010	Q3 2009	Δ
<b>Net Revenues</b>	<b>108.0</b>	<b>74.2</b>	<b>+45.7%</b>
<b>Gross profit</b>	<b>74.1</b>	<b>51.6</b>	<b>+43.7%</b>
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# Revenues break down : by technology

CLIA sales still represent revenues growth driver

**+40.8% Q3 10 vs. Q3 09**

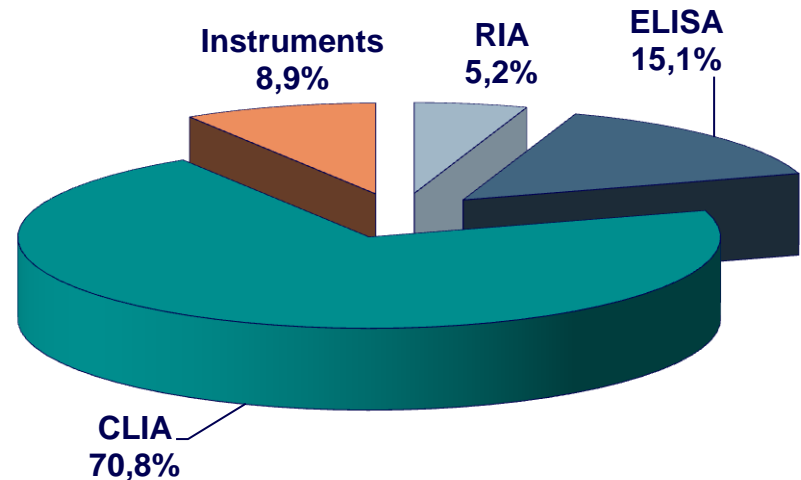
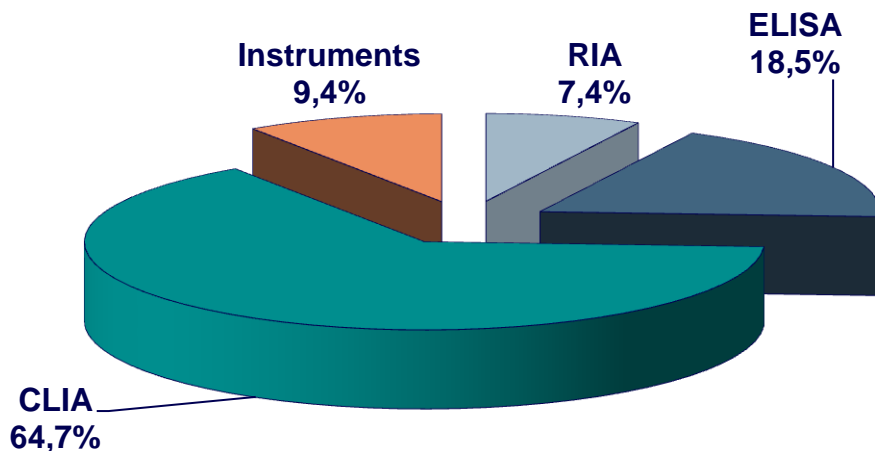
- Vit. D sales boost
- Increasing market share in European markets
- Installed base enlargement : +157 new instruments placed in Q3 10
- New Distribution agreements in Latin America



**Revenues mix by technology improved towards CLIA kits, from 64.7% in Q3 09 to 70.8% in Q3 10 of total sales (excl. Murex)**

**Q3 09**

**Q3 10**



# Revenues break down: by geography

	Q3		
millions €	2010	2009	Δ%
Europe/ Africa	41.7	37.7	10.7%
Latin America	6.0	4.8	25.2%
Asia/Pacific	9.1	5.4	67.4%
North America	38.7	26.3	47.2%
Murex	12.6	-	-
<b>Total</b>	<b>108.0</b>	<b>74.2</b>	<b>45.7%</b>

- In Europe/Africa, strong performance in several markets offset single digit growth in Italy:
 

France	+27.2%	Q3 10 vs Q3 09
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- In North America, strong revenues growth as reported as well as at comparable exchange rate:
 

	+ 47.2%	Q3 10 vs Q3 09 as reported
	<b>+ 32.5%</b>	<b>Q3 10 vs Q3 09 at comparable FX</b>
- In Latin America, revenue growth sustained by new distribution network, by Mexico sales and currencies revaluation:
 

Mexico	+ 39.8%	Q3 10 vs Q3 09 as reported ( <b>+21.9% at comparable FX</b> )
Distributors	+ 204.0%	Q3 10 vs Q3 09 as reported
- In Asia Pacific, positive trends in China and from distributors network
 

China	+ 104.0%	Q3 10 vs Q3 09 as reported
Distributors	+10.4%	Q3 10 vs Q3 09 as reported

# Q3 10 Results: Income Statement

<i>millions €</i>	Q3 2010	Q3 2009	Δ
<b>Net Revenues</b>	<b>108.0</b>	<b>74.2</b>	<b>+45.7%</b>
<b>Gross profit</b>	<b>74.1</b>	<b>51.6</b>	<b>+43.7%</b>
<i>Margin</i>	68.6%	69.5%	
<i>G&amp;A</i>	(11.5)	(7.4)	
<i>R&amp;D</i>	(5.0)	(3.7)	
<i>S&amp;M</i>	(17.4)	(13.1)	
<b>Total Operating Expenses</b>	<b>(33.9)</b>	<b>(24.2)</b>	
<i>% on sales</i>	(31.4%)	(32.6%)	
<i>Other operating Income/(Expenses)</i>	(2.1)	(2.0)	
<b>Ebit</b>	<b>38.1</b>	<b>25.4</b>	<b>+50.0%</b>
<i>Margin</i>	35.2%	34.2%	
<i>Net Financial Income/(Expenses)</i>	1.1	(0.1)	
<i>Tax</i>	(14.9)	(8.4)	
<b>Net Result</b>	<b>24.3</b>	<b>16.9</b>	<b>+43.9%</b>
<b>Net Result w/o 2009 one off effects</b>	<b>24.3</b>	<b>15.0</b>	<b>+61.4%</b>
<b>Ebitda</b>	<b>44.0</b>	<b>29.8</b>	<b>+47.9%</b>
<i>Margin</i>	40.8%	40.2%	

# Continuous improvement in profitability

Steady profitability growth rate, despite Murex business dilutive impact:

<b>Gross Margins</b>	<b>+43.7%</b> Q3 10 vs Q3 09 <i>excl. Murex</i>	<b>from 69.5% to 68.6%</b> of tot sales <i>from 69.5% to 73.4% of tot sales</i>
<b>EBITDA</b>	<b>+47.9%</b> Q3 10 vs Q3 09 <i>excl. Murex</i>	<b>from 40.2% to 40.8%</b> of tot sales <i>from 40.2% to 43.6% of tot sales</i>
<b>EBIT</b>	<b>+50.0%</b> Q3 10 vs Q3 09 <i>excl. Murex</i>	<b>from 34.2% to 35.2%</b> of tot sales <i>from 34.2% to 38.1% of tot sales</i>

Thanks to:

- Improved technology mix: CLIA revenues represents **70.8%** in Q3 10 vs. 64.7% in Q3 09 (excl. Murex revenues)
- Vitamin D test continuous growth
- Lower incidence operating expenditures on total sales: from 32.6% in Q3 09 to **31.4%** in Q3 10

<b>Net Result</b>	<b>+43.9%</b> Q3 10 vs Q3 09	<b>from 22.8% to 22.5%</b> of tot sales
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Excluding tax benefits in 2009

<b>Net Result</b>	<b>+61.4%</b> Q3 10 vs Q3 09	<b>from 20.3% to 22.5%</b> of tot sales
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# 9M 10 Results: Income Statement

<i>millions €</i>	9M 10	9M 09	Δ
<b>Net Revenues</b>	<b>295.2</b>	<b>225.0</b>	<b>+31.2%</b>
<b>Gross profit</b>	<b>208.8</b>	<b>157.7</b>	<b>+32.4%</b>
<i>Margin</i>	70.7%	70.1%	
<i>G&amp;A</i>	(29.7)	(23.3)	
<i>R&amp;D</i>	(13.7)	(11.4)	
<i>S&amp;M</i>	(50.4)	(41.2)	
<b>Total Operating Expenses</b>	<b>(93.8)</b>	<b>(75.9)</b>	
<i>% on sales</i>	(31.8%)	(33.7%)	
<i>Other operating Income/(Expenses)</i>	(8.0)	(2.5)	
<b>Ebit</b>	<b>107.0</b>	<b>79.3</b>	<b>+34.9%</b>
<i>Margin</i>	36.2%	35.2%	
<i>Net Financial Income/(Expenses)</i>	0.5	(1.4)	
<i>Tax</i>	(40.3)	(23.9)	
<b>Net Result</b>	<b>67.3</b>	<b>54.0</b>	<b>+24.6%</b>
<b>Net Result w/o 2009 one off effects</b>	<b>67.3</b>	<b>48.3</b>	<b>+39.2%</b>
<b>Ebitda</b>	<b>122.4</b>	<b>92.0</b>	<b>+33.2%</b>
<i>Margin</i>	41.5%	40.9%	

# 9M results: balance sheet & cash flow

<i>millions €</i>	<b>30/09/10</b>	<b>31/12/2009</b>
Total tangible asset	55.3	42.0
Total intangible asset	127.4	96.1
Other non-current asset	20.5	19.4
Net Working Capital	96.5	74.5
Other non-current liabilities	(28.3)	(25.3)
Net Capital Employed	271.4	206.7
Net Financial position	16.4	11.2
Total shareholder's' equity	287.8	217.9

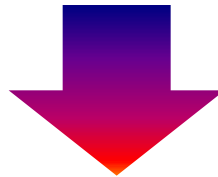
	<b>9M 10</b>	<b>9M 09</b>
Net change in cash and cash equivalents	1.1	23.8
Cash and equivalents at the end of the period	48.9	40.6

# Solid financial structure

- **Operating cash flow € 74.1 MM in 9M 10 (bef. Capex of 20.0 MM, excl. Murex acquisition) vs. € 46.4 MM in 9M 09 (bef. Capex of 20.2 MM);**
- **Positive financial position of € 16.4 MM at 30/09/10 vs. positive financial position of € 11.2 MM at 31/12/09 after:**
  - **dividend payment of € 11.0 MM,**
  - **share capital increase of € 7.3 MM,**
  - **Murex acquisition payment € 45.6 MM,**
  - **Financial loans reimbursement of € 4.6 MM;**
- **Cash and equivalents at the end of 9M 10 amount to € 48.9 MM.**

## 2010 business outlook

In view of the strong rate of revenue growth, the favorable trend in the exchange rates for the euro versus the Group's main currencies and the continuing success of the LIAISON Vitamin D -TOTAL test in the global market...



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

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

LIAISON placements in the full year expected of around **550 units**