DiaSorin

The Diagnostic Specialist

Press Release

DIASORIN S.P.A., THE BOARD OF DIRECTORS APPROVES THE RESULTS FOR THE THIRD QUARTER OF 2009: CONTINUED REVENUE GROWTH AND FURTHER GAINS IN PROFITABILITY

Financial highlights for the third quarter of 2009

- Consolidated net revenues rise to 74.2 million euros, or 23.9% more than the 59.8 million euros reported in the third quarter of 2008;
- EBITDA[1] grow to 29.8 million euros, up 35.3% compared with 22.0 million euros in the third quarter of 2008;
- EBIT rise to 25.4 million euros, for a gain of 36.7% compared with 18.6 million euros in the third quarter of 2008;
- Consolidated net profit jumps to 16.9 million euros, or 138.7% more than in the third quarter of 2008.

Financial highlights for the first nine months of 2009

- Consolidated net revenues rise to 225.0 million euros, or 27.8% more than the 176.1 million euros reported in the first nine months of 2008;
- EBITDA[1] grow to 91.9 million euros, up 49.0% compared with 61.7 million euros in the first nine months of 2008;
- EBIT rise to 79.3 million euros, for a gain of 54.9% compared with 51.2 million euros in the first nine months of 2008;
- Consolidated net profit jumps to 54.0 million euros, or 97.4% more than in the first nine months of 2008;
- Consolidated net financial position positive by 357,000 euros, as against consolidated net borrowings of 19.8 million euros at December 31, 2008.

[1] The Company 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.

Saluggia, October 30, 2009 – The Board of Directors of Diasorin S.p.A., a company that operates in the global market for in vitro diagnostics, meeting under the chairmanship of Gustavo Denegri, approved the interim report on operations for the third quarter of 2009 presented by Carlo Rosa, the Company's Chief Executive Officer.

Highlights of the consolidated income statement and balance sheet for the third quarter of 2009 and the first nine months of 2009

The results achieved in the third quarter of 2009 were consistent with the Group's performance in the first half of the year. Revenues grew to 74.2 euros, for a gain of 23.9 percentage points compared with the same period in 2008 (+22.8% at constant exchange rates), even though the order inflow traditionally tends to slow down in the third quarter, as some businesses close for vacation during the summer months. In addition, starting with the third quarter of 2009, the benefit of the external growth provided by the Biotrin acquisition is no longer reflected in the year-over-year comparisons, since Biotrin's consolidation began in the third quarter of 2008.

In the first nine months of 2009, revenues increased by 27.8%, reflecting the positive impact of favorable exchange rates for the Group's invoicing currencies. Restated at constant exchange rates, revenues show a gain of 24.6%.

This positive performance is the result of the following factors:

- further expansion of the base of installed LIAISON equipment, which increased by more than 350 units during the first nine months of 2009, reaching 2,869 units at September 30, 2009;
- sales of CLIA products, which increased by 40.6% during the January-September period (+40.3% in the third quarter of 2009, compared with the same period last year);
- steadily growing demand for tests to measure Vitamin D levels both in the U.S. market and in the main European markets;
- sales of Biotrin products, which, despite an obviously smaller impact in the third quarter, contributed 4.1 percentage points in the first nine months of the year.

As was the case for revenues, the Group's profitability indicators basically confirmed the positive performance of the first half of the year: the third quarter of 2009 ended with a **gross profit** of 51.6 million euros (69.5% of revenues), for a gain of 29.5% compared with the figure for the same period in 2008 (39.8 million euros, equal to 66.5% of revenues). As a result, the gross profit for the first nine months of 2009 grew to 157.7 million euros, or 36.9% more than in the same period in 2008, and was equal to 70.1% of revenues, up from 65.4% at September 30, 2008.

Third quarter **EBIT** totaled 25.4 million euros in 2009, for an improvement of 36.7 percentage points compared with 2008, causing the ratio of EBIT to revenues to improve from 31.0% in 2008 to 34.2% in 2009. Consequently, cumulative EBIT for the first nine months of 2009 rose 54.9% to 79.3 million euros, or 35.2% of revenues (29.1% in the first nine months of 2008).

EBITDA for the third quarter of 2009 amounted to 29.8 million euros, for a gain of 35.3% compared with 2008. The ratio of EBITDA to revenues also improved, increasing from 36.8 percentage points in the third quarter of 2008 to 40.2 percentage points this year. Cumulative EBITDA for the first nine months of 2009 grew by 49.0% compared with the same period in 2008, totaling 91.9 million euros, or 40.9% of revenues (up from 35.0% in the first nine months of 2008).

The primary reasons for the Group's improved profitability include:

- the rising contribution provided to total revenues by products based on CLIA technology;
- the growing percentage of revenues represented by sales of the LIAISON VITAMIN D – Total test, which provides a better margin than other products in the LIAISON portfolio;
- a reduction in the impact of depreciation expense on revenues, made possible by maximizing sales on the installed base;
- a lower ratio of operating expenses to revenues, which decreased from 36.3% in the first nine months of 2008 (36.6% in the third quarter of 2008) to 33.7% at September 30, 2009 (32.6% in the third quarter of 2009). It is also worth noting that the increase in other operating expenses reflects the recognition in the third quarter of non-deductible taxes withheld on dividends received outside Italy totaling 486,000 euros (996,000 euros in the first nine months of 2009) and of charges amounting to 443,000 euros incurred to terminate a distribution contract.

Turning to the Group's **financial performance,** net financial expense amounted to 126,000 euros in the third quarter of 2009, as against net financial expense of 7.1 million euros in the same period in 2008. As a result, at September 30, 2009, net financial expense totaled 1.4 million euros, down from 7.3 million euros in the first nine months of 2008.

This decrease is due exclusively to the different exchange rates prevailing in 2008 and 2009 and to their impact on the Group's indebtedness in foreign currency, which in the third quarter and the first nine months of 2009 was positive by 897,000 euros and 1.2 million euros, respectively, as against a negative impact of 5.8 million euros and 3.9 million euros, respectively, in the corresponding periods last year.

The currency translation differences recognized on the Group's foreign currency exposure are related mainly to indebtedness denominated in U.S. dollars contracted by the Parent Company in connection with the Biotrin acquisition in 2008. While currency translation differences have an accounting impact on the net profit for the period, the corresponding charge is recognized for valuation purposes and does not entail a cash outlay. This is because the Group's financial policy is designed to match the strong cash flow in foreign currency generated by the expansion of the U.S. operations with indebtedness in the same currency, thus balancing cash inflows and outflows.

In the third quarter of 2009, interest and other financial expense totaled 1 million euros, down from 1.3 million euros in the same period in 2008.

Lastly, the third quarter ended with a **net profit** of 16.9 million euros, up from 7.1 million euros in the third quarter of 2008. As a result, the cumulative amount for the first nine months of 2009 grew to 53.9 million euros, compared with 27.3 million euros in the same period last year.

However, the following factors should be taken into account:

- The income tax liability for the third quarter of 2009 (8.4 million euros, compared with 4.4 million euros in the third quarter of 2008), reflects the benefit resulting from the payment by the Group's Parent Company of the substitute tax on the restatement of differences recognized upon transition to the IFRSs (as allowed under Article 15, Sections 1-9, of Decree Law No. 185 of November 29, 2008), amounting to 683,000 euros, and the concurrent reversal of deferred-tax liabilities totaling 1.7 million euros;
- In the second quarter, as allowed under Article 15, Section 10, of Decree Law No. 185 of November 29, 2008, the Group's Parent Company paid the substitute tax required to redeem goodwill, amounting to 3.6 million euros, and concurrently recognized deferred-tax assets of 7.1 million euros.

Basic **earnings per share** (0.98 euros at September 30, 2009, compared with 0.50 euros at September 30, 2008) were computed by dividing the Group's interest in net profit by the number of shares outstanding (55 million). The stock option plan in effect at September 30, 2009 has no dilutive effect on earnings per share.

The **net financial position** was positive by 357,000 euros at September 30, 2009, as against net borrowings of 19.8 million euros at December 31, 2008. This improvement is mainly the result of the cash flow generated by the Group, which held liquid assets totaling 40.6 million euros at September 30, 2009, up from 16.8 million euros at December 31, 2008.

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.

(in thousands of euros)	Third quarter			First nine months		
	2009	2008	Change	2009	2008	Change
Italy	12,785	12,056	6.0%	42,110	38,984	8.0%
Rest of Europe	22,736	20,802	9.3%	70,930	63,561	11.6%
North America (U.S.A., Canada)	26,150	15,959	63.9%	75,418	42,328	78.2%
Rest of the world	12,484	11,033	13.2%	36,567	31,243	17.0%
Total	**74,155**	**59,850**	**23.9%**	**225,025**	**176,116**	**27.8%**

Italy

The extended closing of some laboratories during the summer months had a significantly larger impact on the Italian market. Nevertheless, revenues totaled 12.8 million euros in the third quarter of 2009 and 42.1 million euros in the first nine months of 2009, posting year-over-year gains of 6.0% and 8.0%, respectively. At September 30, 2009, the Italian market, with an installed base of 695 LIAISON systems, accounted for 18.7% of the Group's revenues, up from 20.1% last year.

Rest of Europe

In the rest of Europe, Group revenues were up 9.3% in the third quarter and 11.6% in the first nine months of 2009.

During the first nine months of 2009, thanks to an expansion of the installed base, an increase in average revenues per LIAISON system and sales of Biotrin products based on ELISA technology, revenues grew steadily in the Group's main European markets, with a particularly strong performance by the French subsidiary (+38.5% compared with the third quarter of 2008). In the European markets outside the euro zone (mainly the United Kingdom and Sweden), the devaluation of the local currencies during the third quarter reduced revenues by about 1 percentage point.

In Russia and Turkey, where the Group operates through networks of independent distributors, revenues were down reflecting the impact of negative social and economic conditions.

At September 30, 2009, the contribution provided by Europe (excluding Italy) to the Group's total revenues was equal to 31.5% (36.1% in the first nine months of 2008).

North America

In the third quarter of 2009, the American market continued to deliver outstanding results, in line with the trend of the previous six months. Specifically, third quarter revenues totaled 26.6 million euros in 2009, for a gain of 63.9 percentage points over the same period last year. As a result, cumulative revenues grew to 75.1 million euros, or 78.2% more than in the first nine months of 2008 (+60.1% at constant exchange rates).

This positive performance was driven mainly by the following factors:

a) steadily rising demand for the Vitamin D test, due mainly to the extension of its use as a diagnostic tool in certain conditions in the areas of oncology and cardiovascular diseases;

b) further expansion of the installed base of LIAISON systems;

c) sales of the panel of infective diseases tests, following the completion of the approval process at the end of 2008, which contributed to the overall revenue growth by posting an increase of 40 percentage points, at constant exchange rates;

d) the contribution provided by Biotrin products, which helped drive the revenue expansion in the North American market to the tune of 7.3 percentage points, at current exchange rates, aided by a positive translation effect of 0.9 percentage points.

In the first nine months of 2009, sales generated in North America accounted for 33.5% of the Group's total revenues (up from 24% in 2008), contributing 67.7 percentage points to the Group's overall growth.

Rest of the world

In the remaining markets, Group revenues were up 13.2 percentage points in the third quarter of 2009 compared with the same period last year. As a result, cumulative revenues for the first nine months of 2009 grew to 36.6 million euros, or 17.0% more than at September 30, 2008.

The Israeli subsidiary continued to produce outstanding results, with revenues growing by 109.8 percentage points in the first nine months of 2009. However, the rate of increase is 68.1% when the data are restated to eliminate the impact of the acquisition of the business operations of a local distributor, which are being incorporated into the Group as planned.

In other regions where the Group does not have a direct sales organization, operating instead through independent distributors, revenues were up 36.5% in the third quarter of 2009, due mainly to rising sales in the Australian market.

Lastly, in the Chinese market, where the installed based of LIAISON systems has grown to about 170 systems, cumulative sales for the first nine months of 2009 showed an increase of 30.6% compared with the same period in 2008. This rate of growth is evidence of the potential that China represents as the Group's strategic market of the future.

Breakdown of revenues by technology

Concurrently with its geographic expansion, the Group continued to increase the revenues generated by the LIAISON closed technology platform.

The table that follows shows the percentage of consolidated revenues contributed by each technology:

	Third quarter		First nine months	
	2009	2008	2009	2008
	% of revenues contributed			
RIA	7.4%	8.7%	8.0%	9.6%
ELISA	18.5%	24.3%	20.2%	22.8%
CLIA	64.7%	57.1%	62.8%	57.0%
Equipment sales and other revenues	9.4%	9.9%	9.0%	10.6%
Total	100.0%	100.0%	100.0%	100.0%

In the third quarter of 2009, the revenues generated by LIAISON products increased by 40.3 percentage points compared with the same period last year.

As a result, sales of CLIA technology products accounted for 62.8% of total Group revenues at September 30, 2009 (up from 57.0% at September 30, 2008). At September 30, 2009, about 2,869 automated LIAISON analyzers were installed at facilities operated by direct and indirect customers of the Group.

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Andrea Alberto Senaldi, the Officer Responsible for the preparation of corporate financial reports of Diasorin S.p.A., in accordance with the second subsection of art. 154-*bis*, part IV, title III, second paragraph, section V-*bis*, of Legislative Decree February 24, 1998, no. 58, declares that, to the best of his knowledge, the financial information included in the present document corresponds to the book of accounts and bookkeeping entries of the Company.

About Diasorin

Diasorin S.p.A., an international player in the market for in vitro diagnostics, develops, produces and markets reagent kits for clinical laboratory diagnostics. The Diasorin Group is comprised of 20 companies based in Europe, the United States, Central and South America and Asia. It has more than 1,100 employees, including about 110 research and development specialists, and operates four manufacturing and research facilities in Saluggia (Vercelli, Italy), Dietzenbach (Germany), Stillwater (USA) and Dublin (Ireland). Thanks to its direct sales organization and an international network of over 80 independent distributors, the Group is present in more than 60 countries, offering a broad array of high quality products that includes comprehensive lines for each of the clinical segments in which it operates: infectious and viral diseases, management of bone and calcium related diseases, thyroid pathologies, oncology and fertility testing.

For additional information, please visit our website: www.diasorin.it

Contacts:

Investor Relations Officer
Laura Villa
DiaSorin S.p.A.
laura.villa@diasorin.it
+39 0161487532
+39 348 15 11 542

Press Office
Carolina Mailander
c.mailander@mailander.it
+39 335 655 56 51
Bruno Caprioli
caprioli@mailander.it
+39 335 590 14 02

CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	*Third quarter*	
	2009	***2008***
Sales and service revenues	74,155	59,850
Cost of sales	(22,581)	(20,026)
Gross profit	**51,574**	**39,824**
	69.5%	*66.5%*
Sales and marketing expenses	(13,081)	(11,757)
Research and development costs	(3,735)	(3,571)
General and administrative expenses	(7,373)	(6,578)
Total operating expenses	(24,189)	(21,906)
	(32.6%)	*(36.6%)*
Other operating income (expense)	(1,994)	661
EBIT	**25,391**	**18,579**
	34.2%	*31.0%*
Net financial income (expense)	(126)	(7,085)
Profit before taxes	**25,265**	**11,494**
Income taxes	(8,394)	(4,425)
Net profit	**16,871**	**7,069**
Basic earnings per share	**0.31**	**0.13**
Diluted earnings per share	**0.31**	**0.13**
EBITDA (1)	**29,781**	**22,015**
	40.2%	*36.8%*

CONSOLIDATED INCOME STATEMENT

	First nine months	
(in thousands of euros)	*2009*	*2008*
Sales and service revenues	225,025	176,116
Cost of sales	(67,298)	(60,905)
Gross profit	**157,727**	**115,211**
	70.1%	*65.4%*
Sales and marketing expenses	(41,219)	(34,688)
Research and development costs	(11,392)	(9,762)
General and administrative expenses	(23,301)	(19,406)
Total operating expenses	(75,912)	(63,856)
	(33.7%)	*(36.3%)*
Other operating income (expense)	(2,497)	(137)
EBIT	**79,318**	**51,218**
	35.2%	*29.1%*
Net financial income (expense)	(1,425)	(7,343)
Profit before taxes	**77,893**	**43,875**
Income taxes	(23,931)	(16,542)
Net profit	**53,962**	**27,333**
Basic earnings per share	**0.98**	**0.50**
Diluted earnings per share	**0.98**	**0.50**
EBITDA (1)	**91,951**	**61,703**
	40.9%	*35.0%*

(1) The Company 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.

CONSOLIDATED BALANCE SHEET

(in thousands of euros)	*9/30/09*	*12/31/08*
ASSETS		
Non-current assets		
Property, plant and equipment	39,459	35,446
Goodwill	59,892	59,892
Other intangibles	36,941	33,413
Equity investments	123	276
Deferred-tax assets	17,776	9,844
Other non-current assets	363	273
Total non-current assets	154,554	139,144
Current assets		
Inventories	48,934	41,443
Trade receivables	72,056	62,708
Other current assets	5,685	4,632
Cash and cash equivalents	40,571	16,790
Total current assets	167,246	125,573
TOTAL ASSETS	**321,800**	**264,717**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Shareholders' equity		
Share capital	55,000	55,000
Additional paid-in capital	5,925	5,925
Statutory reserve	2,427	1,140
Other reserves	(1,399)	(751)
Retained earnings (Loss carryforward)	84,801	55,374
Net profit for the period	53,962	37,459
Total shareholders' equity	**200,716**	**154,147**
Non-current liabilities		
Long-term borrowings	31,295	31,238
Provisions for employee severance indemnities and other employee benefits	19,680	19,306
Deferred-tax liabilities	2,619	1,997
Other non-current liabilities	2,654	1,594
Total non-current liabilities	56,248	54,135
Current liabilities		
Trade payables	28,561	28,780
Other current liabilities	17,061	16,166
Income taxes payable	10,295	6,174
Current portion of long-term debt	8,919	5,315
Total current liabilities	64,836	56,435
Total liabilities	**121,084**	**110,570**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**321,800**	**264,717**

CASH FLOW STATEMENT

	Third quarter		First nine months	
(in thousands of euros)	*2009*	*2008*	*2009*	*2008*
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	26,437	14,092	16,790	8,367
Net cash from operating activities	20,516	18,037	46,391	32,410
Cash used in investing activities	(5,212)	(25,298)	(20,153)	(31,625)
Cash used in financing activities	(1,170)	13,570	(2,457)	11,249
Contribution provided by acquisitions	-	1,227	-	1227
Change in net cash and cash equivalents	*14,134*	*7,536*	*23,781*	*13,261*
CASH AND CASH EQUIVALENTS AT ED OF PERIOD	40,571	21,628	40,571	21,628