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DiaSorin SpA *(DIA.IT)*

Q1 2012 Earnings Call

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MANAGEMENT DISCUSSION SECTION

Operator: Good afternoon. This is the Chorus Call conference operator. Welcome and thank you for joining the DiaSorin First Quarter 2012 Results Conference Call. As a reminder, all participants are in listen-only mode. After the presentation, there will be an opportunity to ask questions. [Operator Instructions]

At this time, I would like to turn the conference over to Mr. Carlo Rosa, CEO of DiaSorin. Please go ahead, sir.

Carlo Rosa

CEO, Executive Director & General Manager, DiaSorin SpA

Thank you, operator. And welcome to everybody to the DiaSorin quarter one results. I will make some introductory comments on revenues and sales in the different markets. I will touch base on research and development, and finally I will discuss briefly the NorDiag acquisition. And then, Mr. De Angelis, our CFO, will take you through the financial results.

Let's start with the revenues. Revenues for quarter one were €105 million, down 6.8% at constant exchange rate compared to Q1 last year, but in line with revenues of Q3 and Q4 of 2011. Let me first remind you that quarter one 2011 revenues were affected by three elements that make the comparison with 2012 quite difficult.

First one is due to the Roche withdrawal of Vitamin D in late 2010. In the first half of 2011, in fact, we did benefit from an inflow of Vitamin D test coming from Roche customers, especially in certain geographies, mainly France, Germany and Australia. This effect was stopped in Q3 2011 when Roche re-entered the market.

Second effect is related to the U.S. In the U.S., Vitamin D testing, as we have discussed in the last conference calls, peaked in the first half of the year, and then sharply decreased in Q3. If you remember, we discussed a decrease in volume of 18% between Q2 and Q3. And then, the volume did settle thereafter, and we continue to see in quarter one volume in the U.S. which is in line with the quarter three and the quarter four numbers that we have reported.

Last, in Brazil, DiaSorin was awarded in 2011 a large tender in the São Paulo that was completed in quarter three 2011, so these sales are missing in Q1 2012. DiaSorin was again awarded with a tender, and shipments will start in quarter two. So, these couple of quarters of lack of sales in Brazil do affect our results in South America.

Let's now review sales by major product line, and let's start with Vitamin D. Vitamin D continues the trend already seen in quarter three and quarter four, especially in the U.S. where price continues to erode around 20%, and this is an effect of renegotiating contracts that we had to do because certain customers were threatened by competition as we have discussed in the last calls.

In Australia, Vitamin D is down almost 40% as an effect of the renewal of a strategic agreement with the Sonic group. I remind you that the Sonic group is a very large laboratory chain, with its headquarter in Australia, and it keep expanding very rapidly in Europe and especially in the U.S. So even if we had to agree to a suspension or reposition of price with Sonic, we secure Vitamin D business until December of 2015 and we opened the door to other products in this fast-growing laboratory chain, with positive effects on revenue that we will see starting from Q3 2012. So the Vitamin D contract allowed us to enter into strategic discussion with Sonic for other products that will demand in the lab with the LIASION XL platform.

In Europe, save from the Roche re-entering the market and the fact that we have discussed before, the overall Vitamin D business is stable. Now, if you look at our Vitamin D franchise worldwide as an effect of these three elements that we have discussed, overall Vitamin D is down 13% versus quarter one last year.

Let's now discuss the other CLIA products ex-Vitamin D. The remaining CLIA products are growing 6.7% at constant exchange rate. Again, we need to analyze this trend to understand how the business is performing. In Europe, the ex-Vitamin D lines are up 4% as an effect of a strong growth given by the XL introduction, and we will discuss later, placements. And on the other side, a decrease of testing volume in countries like Italy, France and Spain. This decreasing testing volume will shift across different product lines and is mainly related to the difficult financial situation that certain Southern European countries are really faced.

In all other geographies, ex-Vitamin D CLIA is growing double-digit, with a peak of almost 50% growth in China.

Last, let me comment on Murex. Murex is growing 8.6% versus last year, giving DiaSorin now learn the blood bank business. So, this line that last year in the first couple of quarters has absorbed a lot of resources from the group to transfer the business from Abbott is now providing the growth that we strategically expected to be a 2011 goal.

Finally, let's discuss about the LIAISON placements. We placed 150 LIAISON and LIAISON XL systems worldwide; 92 XL and 58 LIAISON. The 92 XLs were mainly placed in Europe. And this shows a very positive trend in instrument installation, and so we are in line with guidance that we provided to reach between 500 and 600 system placements in 2012. Just as a comment, the LIAISON today is only placed in emerging markets and the bulk of the placement today is coming from China.

Let me just make now some remarks on research and development. It is explained during the presentation of our long-term plan, DiaSorin future growth is dependent on our ability to develop and launch new products. In Q1, we launched the H. Pylori antigen test, which is the second test belonging to the stool product family that, as you know, is strategic for us. We also launched a product in the infectious disease area. By the end of the year, we plan to introduce four more LIAISON products and 12 molecular assays. I will then comment on molecular later.

Now, let's talk about the recent acquisition NorDiag, and let me just make a general comment about the space. In order to be a credible player in molecular diagnostic, a company has to control two fundamental technologies. First one is a DNA, RNA fraction that allows starting pharma-biological sample to obtain the target DNA or RNA molecule.

The second one is amplification that allows to increase the number of target DNAs and then read their result. LAMP, which is the technology that we licensed in 2008, is a very powerful amplification technology. But we were lacking the extraction. NorDiag, a Norwegian company, has invested 10 years and €30 million in the development of their extraction products. The market on extraction which is dominated today by companies like Qiagen and Roche, and we do not intend to strategically compete with them. In fact, just optimizing the distribution network of NorDiag, we plan to move up the revenues of NorDiag from the current €4 million to a more respectable figure. But this is not the reason why we bought NorDiag. However, we intend to use the NorDiag technology to develop, along with LAMP, a fully integrated molecular diagnostic platform to be made available to the market within the next 24 months.

As we speak, the development and industrialization of the first 12 molecular products is on schedule and we confirm the launch of this strategy product line in quarter four 2012 on the new platform, which is called the LIAISON IAM that is being developed by our Japanese partner, Precision System.

I will now leave the podium to Mr. De Angelis. He is going to comment on financial. And then, we will take your questions. Thank you.

Pier Luigi de Angelis

Chief Financial Officer & Senior Corporate VP, DiaSorin SpA

Okay. Thank you very much, Carlo, and good afternoon, ladies and gentlemen. In the next few minutes, I'm going to bring you through the numbers of our 2012 first quarter results. In the slide number 20, I would like to drive you through the key elements through the profit and loss statement. In the first quarter of 2012, we registered €105.7 million of revenues, and Murex contributed for more than €9 million with respect to the €8.3 million of the first quarter 2011.

Carlo already commented on the tough comparison within the last year exogenous elements and on the reason underlying the revenues performance. I just want to remind you once again that considering the sequential growth rate of our sales, our business is stabilizing in respect to the third quarter and fourth quarter of 2011.

As far as margins are concerned, notwithstanding the contraction we faced on Vitamin D revenues, we maintain a very high level of profitability, thanks to the high contribution rate of the rest of CLIA products. If we go to gross margin, which amounted to €74.7 million, it was equal to 70.7% of the total revenues, still in line with what were recorded in the first quarter of last year and slightly improving with respect to the fourth quarter of 2011. The EBIT amounted to €37.3 million, equal to a marginality in terms of percentage of 35.2%, in line with the first quarter of 2011 and improving in respect to the fourth quarter of 2011.

And as far as the total operating expenses are concerned, the incident of the total revenue was 35.2% in the first quarter of 2012 from the 30.9% last year, but still in line with last two quarters levels. It is worth mentioning that.

Sales and marketing expense of a special percentage increase is partly due to an unfavorable comparison with the unusual low level of the expenses we recorded last year in the same period, when some planned activity has been postponed to the second half of the year.

G&A expenses increased following the reinforcement of the corporate structure of DiaSorin. R&D expenses rise to support the development of the several new tests that we are going to launch in Europe and in the States during this year. In general, it's worth mentioning that in 2012, operating expenses has been significantly affected by a negative exchange effect by 1% – 100 basis point.

The EBITDA amounted to €44.1 million, equal to 41.8% of the total revenues from the 44.9% in the first quarter of last year, but once again, pretty much in line with the last two quarters of last year.

The group net result was equal to €22.5 million, as a result of the following elements: €14.7 million of income tax, equal to a tax rate of 39.6%, which increased by almost 300 basis point with respect to the first quarter of 2011, mainly because of the withholding tax on dividend which were paid by our United States subsidiary to DiaSorin SpA; lower non-cash financial income related to the measurement at fair value of forward contracts of €358,000 in Q1 2012 with respect of €1.6 million in the same period of last year; and the higher fees on factoring transactions of €534,000 on Q1 2012 with respect to €264,000 over last year.

If we go to slide number 21, which is the balance sheet, as we move to this slide, I would like to comment some key elements of our balance sheet. Total assets remained stable as December 31, 2011, while the net working capital worsen by €5.6 million for the following reason: higher inventory for €3.2 million; the deterioration of payment performance in some European markets, particularly Spain and Italy with the public administration for €5.6

million where the governments are planning austerity policy; and the decrease of €3.5 million in accounts payable.

Just one last comment on the net financial position, which improved €18.3 million moving from €41.6 million at the end of last year, up to €59.9 million as of March 2012. Now, please, if we go to slide 22, moving to the slide 22 and talking about our cash flow structure, I would like to comment the main drivers of the change in net cash. During the first quarter of 2012, the group generated €22.3 million of cash from operating activities. That's lower of – that one was generated last year in the same period because of the deteriorating of net working capital as we mentioned before.

Cash used for investing activity amounted to €6.2 million, higher by €2 million respect to the last year because of the enlargement of the installed base, as Carlo was mentioning before. The net cash used in financing activity amounted to €425,000, while in the same period of last year we used €27.9 million in financing the divest plan that took place in January of last year.

The net improvement of our cash and cash equivalents at the end of the period was €14.2 million, bringing the total amount at the end of March 2012 to €80.6 million, with respect to the €66.4 million of the same period of last year.

Carlo Rosa

CEO, Executive Director & General Manager, DiaSorin SpA

Okay. Thank you, Pier Luigi. As far as the guidance, at this stage, we confirm the guidance that we have provided at the end of last year.

So, we believe that revenues will be in line with what we have seen in 2011. The EBITDA margin is going to be decreasing by around a couple of percentage points due to erosion of pricing that we said in the Vitamin D area. And as far as instruments are concerned, 500 to 600 pieces, of which three-quarters should be – 75% should be LIAISON XL will be place in 2012.

At this point, we are open for the Q&A session. Thank you.

QUESTION AND ANSWER SECTION

Operator: Excuse me, this is the Chorus Call conference operator. We will now begin the question-and-answer session. [Operator Instructions] The first question is from Romain Zana of Exane BNP Paribas. Please go ahead.

Romain Zana

Analyst, Exane BNP Paribas SA

Q

Yeah, good afternoon. Thanks for taking my questions. Three, if I may. The first one, about the Siemens situation and the recent recall, I was wondering what is your view on this and if you expect a significant or similar impact as what we saw with Roche last year. So, any kind of timing for them to solve the issue?

And second question on the gross margin, so which was I would say rather resilient over the past – I mean in the first quarter, and you mentioned the price erosion as the main reason for the decreasing – the lightly decreasing margin for 2012. So, I was wondering if you expect any significant worsening on gross margin during the course of 2012.

And last question on the long-term guidance for 2015, that the long-term EBITDA margin guidance that you guide for is – I mean significantly exceed the lightly level of 2012. So I was wondering when do you expect to see the margin stabilizing and then recover to the level targeted for 2015, and what will be the main driver for such a catch up?

Carlo Rosa

CEO, Executive Director & General Manager, DiaSorin SpA

A

Romain, thank you. I will take the three questions. As far as Siemens is concerned, I would like not to comment on misfortunes of competitors. The – just one remark, this is a different situation from what we saw with Roche. Roche, because of continues quality issues, they decided to take off the product from the market and they left their customers without products for almost three quarters. In this case, Siemens recalled one lot, and they're probably are having some manufacturing problems. There's going to be some back order problem with customers, but this doesn't mean that Siemens is off the market with Vitamin D. So, the situation is very different.

However, it shows one thing. It took DiaSorin 15 years to set up the perfect quality for our Vitamin D test. And keeping pace with growing volumes and – growing volume testing and different patient population which have tested for Vitamin D, it takes a lot of experience, which DiaSorin – and some of these competitors, even if they are larger than DiaSorin, don't have because they just entered this space

As far as the gross margin is concerned, yes, in fact, you're right, it is resilient because, as I always tell you before, our gross margin has been – it may have been misunderstood by many people and let me explain what I mean. 70% of our revenues comes from CLIA. Within the CLIA family, there is Vitamin D and there are 85 other products. The difference in gross margin contribution between our specialty product like Vitamin D and other products is not as big as some of the investors and analysts believe it to be. For this reason, our gross margin, even if we are already – clearly, we are taking additional Vitamin D, but we are growing in other areas of CLIA. This per se is going to be hit by this – the Vitamin D decline, but not to the catastrophic levels of – that some analyst have predicted.

Lastly on the long-term plan, I do not want to honestly comment on the LTT. I think it's too early to do so. I think that we already said before that we are going to come back to the market by year-end looking at the trend in the

different markets for our business, and then commenting if needed on – on the LTT, so the long-term expectation of business. Keep in mind that we would at any way to give – if we change the plan because of molecular. We made an acquisition on molecular, that is giving to our program clearly a different pace and we need time in order to understand the opportunity and we would plan anyway by the end of the year to come back to the investor and giving everybody a better insight to our expectation with molecular diagnostic, that clearly is increasing, because we see more opportunity with this acquisition.

Romain Zana

Analyst, Exane BNP Paribas SA

Q

Okay, that's clear. Maybe just a follow-up question, very short, rapid, on the tax rate, so we understood that the first quarter was exceptionally high. What would be the fair assumption for the full year, please?

Carlo Rosa

CEO, Executive Director & General Manager, DiaSorin SpA

A

The difference between our Q1 tax rate last year and this year is 2.7 percentage points, if I remember correctly. And this is given fundamentally by one-time event, which is the payment of dividend coming from an affiliate to DiaSorin SpA and that happened in quarter one. So, we expect that in the following quarter, the tax rate will go back to the – what is typical for us to achieve 37%.

Romain Zana

Analyst, Exane BNP Paribas SA

Q

How much rate?

Pier Luigi de Angelis

Chief Financial Officer & Senior Corporate VP, DiaSorin SpA

A

37%.

Carlo Rosa

CEO, Executive Director & General Manager, DiaSorin SpA

A

37%, 37%.

Romain Zana

Analyst, Exane BNP Paribas SA

Q

Thank you very much.

Carlo Rosa

CEO, Executive Director & General Manager, DiaSorin SpA

A

Thank you, Romain.

Operator: Your next question is from Philippa Gardner of Jefferies. Please go ahead.

Philippa J. Gardner

Analyst, Jefferies International Ltd.

Q

Hi there. I've got a couple of questions, if I could please. Firstly, just on molecular diagnostics. Can you maybe just talk a little bit more about your technology and what benefits it might be able to offer than what competitors have at the moment? And I guess I'm also just a little bit confused about what you said regarding not competing with

Roche and Qiagen. So, can you just help me to understand what you mean by that? And then, just a follow-up to the previous questions on the long-term 2015 guidance, and I may have misheard. Did you say that you're basically reassessing your guidance because of the molecular diagnostics acquisition that you've made? Thank you.

Carlo Rosa

CEO, Executive Director & General Manager, DiaSorin SpA

A

Philippa, yes, let me take the three questions. First, about molecular diagnostics. Molecular diagnostics, as far as technologies as we said, we have the LAMP amplification technology which is the technology which compares to the PCR, which is a widely used technology in our space. The reason why we decided from the get-go not to go with the PCR is not because PCR is a bad technology, it's because PCR is an expensive technology. And if you use PCR, I keep saying my mantra is the only one making money at the end of the story is Roche because you end up paying a royalty stream that kills your P&L. And there are vivid examples of companies, I believe Cepheid is a good one, where the use of PCR sometimes is not so good for the business.

But as far – as far as my comments on – sorry, as far as LAMP versus PCR, in certain applications, LAMP is better meaning it allows the development of faster assays. And this is something that we have seen, for example, for onco-hematology, which as you know is going to be 5 products out of the 12 that we are developing and launching in 2012, and is one of the key areas within infectious disease where we intend to invest as far as molecular diagnostics is concerned.

But the second element which is extremely important to me is that it's very a cheap technology and allows the manufacturing of cheap molecular products. My strong belief is that the molecular space will grow in volume, but as you've seen, the price will decrease significantly. And we expect that from the current range of €30 to €35 per person for molecular in the next two to three years, we will go down to €15 to €20. So either we have a technology which is intrinsically cheap and allows to manufacture products at a low cost or we will not be able to compete and make money in this space going forward.

Now, second comment on non-competing with Roche and Qiagen. As I said, NorDiag was an extraction company. Now, within the molecular diagnostics space, there is space as the Qiagen has shown to sell just extraction either to research labs or to diagnostic labs especially in the U.S., that having to set up their own home-brew assays, they buy just the extraction from companies, they buy reagent for the amplification, and they put together their own assay. I think some of the market research assigned a value of just extraction of several billion euros. Now, Qiagen is a dominating player in the extraction space, Roche is dominating, we do not intend to develop the NorDiag business as an extraction company, which was the mandate that the company had when it was acting alone. We want to use their extraction technology to put it together with our own amplification and design a platform to fully automate and decentralize molecular diagnostic found in big labs to the hospital lab, something like I believe Cepheid has demonstrated, it can be done quite successfully. The difference would be that we intend to make money doing that.

Last, as far as 2015 is concerned, my comment is I do not intend to review the 2015 expectations for two reasons. First, I would like to go through 2012 and understand some of the fundamental trends of the market. What is very relevant to me and it seems to all of us who understand is what will happen to European market per se, that today is deflating. So, we see in different countries less testing volume done. And this is a fundamental trend that we need to understand how it evolved. On the positive side, I think that we need to rethink our expectations vis-à-vis molecular because now we added a very strategic key element to our strategy. And I believe that molecular can represent more than what we expected. So, combination of these sorts of events will force us by year-end to come back and give you guidance for 2015, but I'm not prepared to do it now.

Philippa J. Gardner

Analyst, Jefferies International Ltd.

Thank you. That's very clear.

Q

Carlo Rosa

CEO, Executive Director & General Manager, DiaSorin SpA

Thank you.

A

Operator: The next question is from Martin Wales of UBS. Please go ahead. Mr. Wales your line is open.

Martin R. Wales

Analyst, UBS Ltd. (Broker)

Hi. Can you hear me?

Q

Carlo Rosa

CEO, Executive Director & General Manager, DiaSorin SpA

Yes.

A

Martin R. Wales

Analyst, UBS Ltd. (Broker)

Thanks, Carlo. Just a little bit – I have a few questions on NorDiag. I guess firstly, why buy the company rather than license the technology given they appear to be [indiscernible] some rescue rights issue and clearly were struggling? Secondly, now you've owned it, I'd like to see why you want the technology but how much management talent will it be taking up achieving this €10 million to €15 million in sales, and I believe you have cost-cutting plans, this is going to have an adverse effect on your numbers in the short term bottom line. So, let's start with those two if that's okay.

Q

Carlo Rosa

CEO, Executive Director & General Manager, DiaSorin SpA

Okay, Martin. Listen, why to buy is very simple, because as I said, strategically, we wanted to – we want to develop a fully integrated system, I want to control the technology and I just don't want to license it. Second, as I said, if you are going to be a player long term in this space, you need to have all the elements that allow to manufacture cheap products. And it might be on the lower license fee you add to the process, the less attractive this space becomes, as I see different organization, different companies out there have already showed. So, to me it was key and it was an opportunity that's presented to us in the last few weeks to buy very cheaply a technology, a very good technology, to be able then to incorporate this technology in our platform, to enjoy practically sales and margins which are very healthy in the extraction business, I said, not because we want to become a new Qiagen for extraction but because we believe that these guys – 30 people from Norway, this €4 million, I think the DiaSorin infrastructure, we can probably do better than that. And then, strategically, again, incorporating their technology in our next-generation instrument.

A

Now, cost cutting. I don't think that we bought General Electric. We bought 18 people. So the original 33, so 18 moved with us in Norway. And so, the amount of costs that we brought in-house is not so significant. And I believe that the fact that we will be able to increase revenues will allow us to put the right leverage on the existing structure and bring back the needed profitability. But again, we are not talking about a restructure, Martin.

Martin R. Wales

Analyst, UBS Ltd. (Broker)

Q

But you would expect this to be fairly neutral to earnings in 2012, accretive thereafter, then the real value coming from the next-generation platform?

Carlo Rosa

CEO, Executive Director & General Manager, DiaSorin SpA

A

Sorry, Martin, the signal – the line is not that good. Can you just repeat it a little bit louder?

Martin R. Wales

Analyst, UBS Ltd. (Broker)

Q

So if you would expect this to be fairly neutral in terms of profitability in 2012, accretive thereafter, but the real value would come from the next-generation platform?

Carlo Rosa

CEO, Executive Director & General Manager, DiaSorin SpA

A

This is, I believe, that we – I think that we will be at neutral probably this year. Because of increased revenues on the extraction, we will see margins surfacing. But then strategically, I didn't get into these because of margins from extraction. I did it because now we have all the elements to become, in my opinion, a key player in this space.

Martin R. Wales

Analyst, UBS Ltd. (Broker)

Q

Okay. And just one more question, a more general question. Also looking at your – progression of your revenues across the year, I'm assuming Q2 is going to look fairly similarly in terms of revenue and profit decline in Q1 with a pickup in the second half of the year, given that we're now sort of half way through May, half way through the second quarter. How confident – and you've reiterated your guidance, can you give us a little bit more color in what's giving you the confidence we will see that pickup in the second half of the year going into 2013?

Carlo Rosa

CEO, Executive Director & General Manager, DiaSorin SpA

A

It's a very good question, but as you know, I cannot give a good answer to this because I'm not going to comment on quarter two. However, let me just tell you a couple of things, that the best thing that makes me positive in the LIAISON XL. As you know, our base business, immunoassay, is going to lead and prosper with the success of LIAISON XL, as you have seen now consistently in the second quarter where we have a good patient rate. I see where these instruments are going. I see that the original strategy that we explain vis-à-vis our positioning with Hepatitis, HIV, in current – in our microbiology account is working well. I see that in the big labs where we were first to position the XL as a high throughput system for vitamin D, as a defensive strategy, it is working very well. It is not in this quarter's number, but we started the deployment of the XLs with – last quarter. We have concluded the first of two big labs, and by August, all LabCorp labs will be completely converted to the LIAISON XL. And just to give you an understanding, the ratio between LIAISON and XL placed is 60%, meaning that every 10 LIAISON we were able to place only six XLs because of the very large throughput of the XL. So it is an instrument that was designed for high throughput account, it is performing as we expected.

For this reason, I expect that this quarter two is going to show progression vis-à-vis the quarter one. Clearly, as we have discussed in many times before, the comparison versus Q1 and Q2 last year is unfair because in a sense that there were certain unrepeatabe events Q1 and Q2 that this – where this benefit have not repeated – repeatable or repeated in 2012. But I think that we will see each other in a couple of months discussing the Q2 results.

Martin R. Wales

Analyst, UBS Ltd. (Broker)

Okay. Thank you very much.

Q

Carlo Rosa

CEO, Executive Director & General Manager, DiaSorin SpA

Thank you, Martin.

A

Operator: The next question is from Andrew Olanow of Morgan Stanley. Please go ahead.

Andrew E. Olanow

Analyst, Morgan Stanley & Co. International Plc

Good afternoon. Thanks for taking my questions. I just have a few. First, just to go back to Siemens for a second. You weren't very clear. Do you think there is a chance that you'd drive additional volumes from Siemens' issues? Do you think there's any chance that it would drive an upgrade to your numbers for this year, or is it a more basic issue? It's my first question. My second question is looking at your EBITDA margin guidance, it is confirmed but before it was a bit broader of a circle where you're saying it might be somewhere between flat and slightly negative. What happened or what didn't happen that has made you now say more concretely that it will be decreasing by around 200 basis points at list, start with that please?

Q

Carlo Rosa

CEO, Executive Director & General Manager, DiaSorin SpA

So, let me start with Siemens. Again, I hate just to discuss misfortunes of competitors. At this point, I don't see that the Siemens – since Siemens did not leave the business, Siemens just withdrew one lot worldwide, it doesn't mean that they're withdrawing their product. And therefore, tactically, we may enjoy for some big order days with customers that their trying to send out. But intangible matter, it is possible to say that we will benefit from Siemens. There is an intangible value to this which is an another demonstration to the public that the DiaSorin is for quality, and some of these big guys which have outstanding products on their platforms are not there yet with Vitamin D. And I would leave it there.

A

Now, as far as the EBITDA, as our – as I said, our guidance was a decrease of EBITDA of 200 basis points, which I think that what you have seen in Q1 vis-à-vis not quarter one last year which was fairly [indiscernible] have in EBITDA and not repeatable. But as the average of 2012, which was if I remember correctly, 43-point-something. So, yes, I believe that we will see this – the repetition but I believe that the profitability of this business registered before this fundamental impact.

Andrew E. Olanow

Analyst, Morgan Stanley & Co. International Plc

Okay. And then, just two more questions, please. First on Vitamin D, given that we've seen a 40% decrease in Vitamin D prices for Sonic in Australia, do you – you'd previously stated that after this year's of Vitamin D price hits, you thought that we'd see somewhat stable price developments in the U.S. from here on now. Is that something you still feel? Do you still feel after this year's minus 18%, minus 20% U.S. hits, that we wanted to do price decreases perhaps from smaller to mid-sized labs? And then, last question is around – around the new products which I think that everyone is impressed with the R&D you've done in the first half and what's coming in the second half. When do you think we're really going to start to see upside to growth in the underlying CLIA business from these products? Are these more of a 2013 story, do you think? Thank you.

Q

Carlo Rosa

CEO, Executive Director & General Manager, DiaSorin SpA

A

Now, as far as pricing for Vitamin D, I don't think that you can use the Sonic example as an example, because it can apply worldwide. As I said, Sonic to us is a strategic partnership, and we intended to leverage our relationship on Vitamin D with Sonic to extend our corporation is big labs and expanding labs from Vitamin D to other product lines. So again, the negotiation and discussions on Vitamin D has many different angles that you will see will surface going forward in 2012, because these strengthened collaboration with these labs. And so, we expect to expand our product line in the Sonic lab with LIAISON XL.

As far as the new product contribution, I think that today you have seen the contribution of products that we have launched in 2011. And the tender we are doing in 2012 is what fueled the growth for mid to long term of the company, so as long as we continue to beat that timeline that we have promised. And I'm really proud about the timeline on the stool assay, as I said, as I told you, this is a very strategic area for us. We already have the top two products, the third one is the GDH that will come in December. And that will give us the critical asset to start placements with these products in mid- to big-sized labs. On top of that, we are working with the LAMP on the development of a series of products that will complete our line on stool that will be launched next year. So, I think we have all the elements to be very successful in this space. As I've said, what you see coming out now will have a contribution starting from the following year. Today, we are benefiting from HIV, HPV, all these products that were launched last year.

Operator: The next question is from Stéphane Sumar of Natixis. Please go ahead.

Stéphane Sumar

Analyst, Natixis SA (Broker)

Q

Hi. Hello, everybody. This is Stéphane Sumar from Natixis. I've got three questions. The first one is related to the pricing environment in the U.S. You have mentioned that it's down 18%. How do you see the situation – do you believe that the situation is stabilizing? What do you have to expect going forward? And my question also the same on Europe. So, what kind of trend do we see there? I've got a second question on research and development, which have remained rather under control in Q1. Is it something that which is sustainable? I remember that you used to mention some – to have research and development around 6%. We're now below this level, so do we have to expect a slight increase just to support new development? And my last question is just on NorDiag. What kind of operating losses do we have to expect on 2012? Thank you.

Carlo Rosa

CEO, Executive Director & General Manager, DiaSorin SpA

A

Yes, Sumar, listen, in terms of pricing, I think that I answered to these question before. 80% is what we have predicted already in the last quarter. We discussed about this. We said that clearly there is acceleration of pricing deterioration because of the effect of competition. So what we had foreseen – what we thought would have happen over four years, it is happening in 12 months. And so, we continue to renew contract, we continue to see where the price go and we will continue to see a 20% drop through the end of the year until pricing will be stabilized for the new level, mainly for the U.S. As far as Europe is concerned, the problem for Europe is not necessarily pricing. The problem for Europe is volume, because as I said volume is lingering. And I've seen results every quarter by some of the competitors, and if read well between the lines, you'll see that unfortunately Europe is weak for all of us.

On products, we have on one side the deflation of volume. On the other side, we have a successful year for XL. So for the time being, they're balancing. As far as R&D, the expense rate as you see today is the one that we expect to see going forward. We don't intend to increase our start production development. What we have is what we need,

as we demonstrated through launch effectively of our products. As far as NorDiag, to be honest with you, it's a little early because we didn't look too much into this. NorDiag, again, we transferred 18 people, 19 people, whatever it is. I don't expect honestly to have a negative contribution in 2012. I believe that between volumes picking up and the cost structure, it is very much reduced from what they had. Because don't forget the numbers that they reported included 31 employees, we transferred only 18. That pretty much gives us a neutral business in 2012.

Stéphane Sumar

Analyst, Natixis SA (Broker)

Q

Thank you.

Carlo Rosa

CEO, Executive Director & General Manager, DiaSorin SpA

A

Thank you.

Operator: The next question is from Amy Wilson of Ramsey Asset Management. Please go ahead.

Amy Wilson

Analyst, Ramsey Asset Management LLC

Q

Good morning. Thanks for taking my question. Could you please comment on the increase in days inventory outstanding? I know you mentioned receivables, they were also up significantly. And if you could break that out for what was Europe versus x-Europe, particularly the United States? So, maybe inventories first?

Carlo Rosa

CEO, Executive Director & General Manager, DiaSorin SpA

A

You mean inventory or DSO? You mean receivables?

Amy Wilson

Analyst, Ramsey Asset Management LLC

Q

So, maybe talk about days inventory outstanding first, which were 246 days in the first quarter versus 197 a year ago?

Carlo Rosa

CEO, Executive Director & General Manager, DiaSorin SpA

A

Okay. Inventory, the increase of inventory is fundamentally given by all the new products that we are launching. Inventory, in fact, is growing in raw material and intermediates, which are all the products, all – let me say, the materials that you need to stock when you launch a product. The consequence of a very strong R&D program, as said, this year, we will be launching overall six LIAISON products and 12 molecular. The downside of this is that during the development phase, lots of new raw material is produced and stocked in our inventory. So, that the price to pay for this.

As far as the receivable, there has been an increase in receivable fundamentally for two reasons. One, which is endemic unfortunately. The other one is being addressed already in April. So one is endemic in Spain. Today, in Spain, is 480 days. Unfortunately enough, it looks like there is good news for all of us. The Spanish government has recently announced that they have dedicated €35 million to repayment of suppliers in the healthcare sector. However, there is a condition to this. They will pay all the receivables through December 31, 2011. However, companies that already initiated legal action and now the government has stop it. You need to give up on interest

rate and on legal expenses, which we plan to do. So, by in May, you need to register all you receivables with the government. And as of December of this year, everything through December 2011 will be paid. But unfortunately, today, every month, your receivable in Spain is increasing.

The second one which has been affecting the first quarter is Brazil. Because of the way the Brazilian government pays, especially these are large tenders, fundamentally, they don't pay you until products have been supplied. And then, after the products been supplied, they verify all the documentation. And then, they pay all the outstanding amount, which happened in April. So, you will see in the second quarter that the receivable would be positively affected by the fact that all Brazil have been paid back to us in essence.

Amy Wilson

Analyst, Ramsey Asset Management LLC

Q

Okay. And could you quantify the benefit to gross margin in the quarter from the increase in your inventory levels?

Carlo Rosa

CEO, Executive Director & General Manager, DiaSorin SpA

A

Really not. I don't think that we do this right now.

Amy Wilson

Analyst, Ramsey Asset Management LLC

Q

Okay. Thank you very much.

Operator: The next question is from Massimo Vecchio of Mediobanca. Please go ahead.

Massimo Vecchio

Equity Analyst, Mediobanca SpA

Q

Good afternoon. On the slide 18, you speak about [indiscernible] in molecular diagnostic dividing it in two phases. The Phase 1, which you separate instruments, Phase 2 the unique instrument. Can you have the timeline to the Phase 2? Is it next year or is it in seven years? That's the first question. The second one, sorry to bother you again, in Siemens in U.S. Now, we are two quarters after the launch of their product. I was wondering if can share with us the feedback or your feelings that you had from your customers on the quality of the tests such as their test? Did you had any customer who you lost in the past that came back to you, switching back to DiaSorin, or anything from that front could be helpful? Thanks.

Operator: Ladies and gentlemen, please hold your line. The conference will resume shortly. Thank you.

Carlo Rosa

CEO, Executive Director & General Manager, DiaSorin SpA

A

Yes, sorry.

Operator: Mr. Rosa, please go ahead.

Carlo Rosa

CEO, Executive Director & General Manager, DiaSorin SpA

A

Yes, sorry, we were cut out. As far as the Phase 1 and Phase 2, we are launching the LIAISON IAM in Q4, as I said. And then, when we finish the launch of this new instrument, we will start the development of the second-generation system, which we're having now access again to the technology or coming from NorDiag. And NorDiag not only makes reagents, they also design that on a structure. So, with this know-how, combining the amplification system, we have designed with PSS and the structure that they have, I think that we will be able to shorten a bit with the new platform. If I have to bet right now, but again I think we will be much more specific by year-end when we will present our strategy, I would expect that by the end of 2014 we should be able to be on the market with an integrated system.

Massimo Vecchio

Equity Analyst, Mediobanca SpA

Q

Thanks.

Operator: The next question is from Laurent Saglio with Zadig. Please go ahead, madam.

Laurent M. Saglio

Founding Partner & Chief Investment Officer, Zadig Asset Management LLP

Q

It is not a madam but it's okay. I want to come back to this new product, with the LAMP technology. So, you're saying the new product, which will include obviously the input of NorDiag, will be launched in 2014. I understand that your business plan is for 2015 for €15 million to €20 million of turnover. The downward EBIT, I mean it's a bit puzzling because if you took cheaper technology, a better technology, because of I think you mentioned in the slides you gave to the press at the beginning of the week, some pretty interesting data. Why in a market of €3.4 billion I should only restrict myself to make €20 million of sales? What am I missing beyond 2015?

Carlo Rosa

CEO, Executive Director & General Manager, DiaSorin SpA

A

Laurent, this is, I think is, a good observation. As I explained many times before, when you put together our focus for molecular, we are discounting the fact that we were new comers to this field. And as you know, I'm a quite conservative person in nature, and I know that it's not easy to come to a market with a new system and to make it against the big guys. However, I think that having seen the performance of the LAMP Technology, giving much more feasibility on a viability of products and quality of products, and now gaining access also to NorDiag and the know-how, I think that the expectations can be reset. However, in order to have an educated discussion on this, I would like to look into the full picture, which means the NorDiag, the extraction opportunity with us, a reasonable timeline for the introduction of the new platform, and then come back to you and the other investors by the end of 2012 and lay out in front of you what at this point we believe can be the expectation for this.

Laurent M. Saglio

Founding Partner & Chief Investment Officer, Zadig Asset Management LLP

Q

Okay. So, you're just telling me its early days, you're not telling me it's impossible?

Carlo Rosa

CEO, Executive Director & General Manager, DiaSorin SpA

A

I'm telling you that I'm a conservative guy, and I want to come in front of you when I have all the elements to justify a number which is different from the I gave you. However, compared to when we put together that plan last year, now we have better visibility and now we have another key technology. One thing I can confirm to you, we are able to make products cheap. And this to me, as we said and we discussed when we met is a key element to be competitive in this space. So we will make money with molecular, that's a fact.

Laurent M. Saglio

Founding Partner & Chief Investment Officer, Zadig Asset Management LLP

Q

Okay, great. I mean, it's obviously a big market, so it's important, a big question. In the second quarter, before you said – and obviously you're doing well with XL. Can you compare with the 92 machine you placed in the first quarter, can you already said to me how many machines you expect to place in the second quarter of XL?

Carlo Rosa

CEO, Executive Director & General Manager, DiaSorin SpA

A

I cannot. As you know, I cannot do it. However...

Laurent M. Saglio

Founding Partner & Chief Investment Officer, Zadig Asset Management LLP

Q

You cannot say if it's higher than the first quarter?

Carlo Rosa

CEO, Executive Director & General Manager, DiaSorin SpA

A

Since I enjoy my freedom and I really would like to continue...

Laurent M. Saglio

Founding Partner & Chief Investment Officer, Zadig Asset Management LLP

Q

Okay.

Carlo Rosa

CEO, Executive Director & General Manager, DiaSorin SpA

A

To enjoy my freedom, I don't think that – seriously, I don't think I can do it. I am saying DiaSorin is doing good. I expect that the positive trend will continue, but I need to respect rules and regulations. So...

Laurent M. Saglio

Founding Partner & Chief Investment Officer, Zadig Asset Management LLP

Q

Okay, okay, okay.

Carlo Rosa

CEO, Executive Director & General Manager, DiaSorin SpA

A

These comments [indiscernible] .

Laurent M. Saglio

Founding Partner & Chief Investment Officer, Zadig Asset Management LLP

Q

Sorry, I didn't want to push you too much. And the third question I have, and is the last one, I read your communiqué, you took a lot obviously and it's a big topic of the Vitamin D sales development in the first quarter, but I can't find the absolute number. What is the absolute number of testing in Vitamin D in the first quarter of 2012, the one which is declining as you say on comparable business by 13%?

Carlo Rosa

CEO, Executive Director & General Manager, DiaSorin SpA

A

We never – as you know, we never give our Vitamin D number isolated, we always talk about trend.

Laurent M. Saglio

Founding Partner & Chief Investment Officer, Zadig Asset Management LLP

Q

Okay. So, am I correct, it's around €30 million or I'm wrong?

Carlo Rosa

CEO, Executive Director & General Manager, DiaSorin SpA

A

€30 million? No, you are not right.

Laurent M. Saglio

Founding Partner & Chief Investment Officer, Zadig Asset Management LLP

Q

I am not right. So, it's higher than €30 million?

Carlo Rosa

CEO, Executive Director & General Manager, DiaSorin SpA

A

You are not right with €30 million.

Laurent M. Saglio

Founding Partner & Chief Investment Officer, Zadig Asset Management LLP

Q

Okay, okay, okay. Thank you.

Carlo Rosa

CEO, Executive Director & General Manager, DiaSorin SpA

A

Thank you.

Operator: The next question is a follow-up from Martin Wales of UBS. Please go ahead. Mr. Wales, your line is open. The next question is a follow-up from Luigi de Bellis of Equita SIM. Please go ahead.

Luigi de Bellis

Analyst, Equita SIM SpA

Q

Yes, good afternoon. Just a quick question on Brazilian tender; how much were the revenues per quarter related to the Brazilian tender expected to be resumed in the second quarter? Thank you.

Carlo Rosa

CEO, Executive Director & General Manager, DiaSorin SpA

A

In excess of €1 million.

Luigi de Bellis

Analyst, Equita SIM SpA

Q

Thank you.

Operator: The next question is from Amy Wilson of Ramsey Asset Management. Please go ahead.

Amy Wilson

Analyst, Ramsey Asset Management LLC

Q

Hi, just a quick follow-up. On the last quarter call, you said that you hadn't lost any Vitamin D accounts in the United States with the launches of both Siemens and Abbott. Can you comment of whether that's still the case?

Carlo Rosa

CEO, Executive Director & General Manager, DiaSorin SpA

A

I think that in the last conference call, I said that we didn't lose any significant Vitamin D customer. And I didn't say that in absolute terms we didn't lose any customer, which clearly would be false. We have seen – Amy, I think you are referring to the U.S. now, right?

Amy Wilson

Analyst, Ramsey Asset Management LLC

Q

Yes.

Carlo Rosa

CEO, Executive Director & General Manager, DiaSorin SpA

A

Okay, We have seen in – at the beginning of this quarter, we have seen one large account, that has moved their testing from our platform to a competitor platform. And the reason was that they have a track system, to a fully automated track system provided by the competitor. And therefore, being high routine, they decided to move it from testing into their system. This is what I know so far.

Amy Wilson

Analyst, Ramsey Asset Management LLC

Q

So, I'm hearing Abbott is pricing their test at \$3 to \$4 versus your \$7 to \$9, would that be in the right range?

Carlo Rosa

CEO, Executive Director & General Manager, DiaSorin SpA

A

I don't think so. And by the way, I think both ranges are wrong, including ours.

Amy Wilson

Analyst, Ramsey Asset Management LLC

Q

So, yours would be higher than \$7 to \$9?

Carlo Rosa

CEO, Executive Director & General Manager, DiaSorin SpA

A

I'm not commenting on this.

Amy Wilson

Analyst, Ramsey Asset Management LLC

Q

It would be helpful for us to understand this more, both the Vitamin D revenue and the pricing?

Carlo Rosa

CEO, Executive Director & General Manager, DiaSorin SpA

A

I understand, but listen, to be honest with you, one of the last interviews that we had when we are hiring people from the market, and I found very funny that one – a marketing manager coming from a competitor told me that all the competitive information, they get from the – of Vitamin D are coming from research written on DiaSorin. So to that sense, I do not intend to provide this viable information including pricing to my competitors.

Amy Wilson

Analyst, Ramsey Asset Management LLC

Okay. Thank you for answering my questions

Q

Operator: The next question is from Elisa Corgi of Intermonte. Please go ahead.

Elisa Corgi

Analyst, Intermonte Sim SpA

Thanks. Just two quick questions on my side, please. In terms of Q1 delivery, was it in line with your budget in terms of reported results? And more generally speaking, was business development in line with your expectations? And, well, perhaps, one more question. Did you start some pre-marketing activities in molecular diagnostics, and is it possible to comment on the initial feedback events for your customers? Thank you.

Q

Carlo Rosa

CEO, Executive Director & General Manager, DiaSorin SpA

Quarter one was, in general, in line what we had expected. Clearly, I'm talking about sum of the parts. There are some geographies where we've been surprised, mainly in a negative way, and mainly it has to do with what I did comment on deflation in certain European countries. There were some positive news coming from other countries. Overall, it is what we pretty much expected to see. As far as the molecular pre-marketing, yes, we are doing with clinical studies with our products in hospital settings throughout Europe, and so far so good.

A

Elisa Corgi

Analyst, Intermonte Sim SpA

Thank you.

Q

Operator: The next question is from Romain Zana of Exane BNP Paribas. Please go ahead.

Romain Zana

Analyst, Exane BNP Paribas SA

Yeah. Hello again. Just a follow-up question. You mentioned that you should launch about four new tests on LIAISON XL this year. I was wondering how this figure can be compared to the run rate you had over the past years, I mean in terms of new product launches on the platform, just give us more color?

Q

Carlo Rosa

CEO, Executive Director & General Manager, DiaSorin SpA

Romain, I think that historically we have been able to develop between six and eight products per year on the LIAISON and LIAISON XL. Then clearly, it depends on how difficult the products are when we had to put our resources on HIV and HPV development, the amount of resources were being disproportionate to a regular assay. This I think that we launched are more a routine parameters. But again, six to eight, I think is fair enough for DiaSorin, and it is what we historically have been achieving.

A

Romain Zana

Analyst, Exane BNP Paribas SA

And do you consider the 2012 launches as whether high market opportunity test or rather routine test?

Q

Carlo Rosa

CEO, Executive Director & General Manager, DiaSorin SpA

A

No, I think that for a lot of different reasons, I consider the product strategic and let me tell you why. As I said, two of the six are in stool. And that's – it's going to complement the CD product we already launched in December, so very strategically. Aldosterone is a key product. We already have the Renin products for hypertension. What we've seen are very strong success on this product. We are in the process of bringing Renin to the U.S. Aldosterone is exactly the same story, because it complements Renin. So, to every Renin account, we will be able now to sell an Aldosterone product. So, this key. And the pricing, there is no competition fundamentally there and pricing is really high. Recent demand are more routine testing, but in spite of a strategy that we have which is to continue to raise the barrier of entry to our infectious disease customer base, as you know, we have a vast menu in infectious disease and some assays, the more routine ones, everybody has but the most of the others, nobody else. So, we try to develop this to be able to fend everybody off.

And the last one is HPV, which is key because we have launched already four parameters for blood banking, so that these, HIV, and HCV is the last parameter that is mandatory in certain countries for blood screening. We have already submitted the filing to the CE authorities, and we expect to have the release by year-end. So, that's a strategic advantage.

Romain Zana

Analyst, Exane BNP Paribas SA

Q

Okay, that's helpful. Thank you.

Operator: The next question is a follow-up from Laurent Saglio of Zadig. Please go ahead.

Laurent M. Saglio

Founding Partner & Chief Investment Officer, Zadig Asset Management LLP

Q

Yes. Very quickly, when you mentioned this LAMP technology being cheaper than the PCR, were you talking about which order of magnitude in percentage for same result?

Carlo Rosa

CEO, Executive Director & General Manager, DiaSorin SpA

A

Sorry, it's – I'm not saying that it is cheaper for the user, it is cheaper for me to manufacturer. Because one of the problems with the PCR again that the cost of manufacturing product is high. Then, on top of that, you pay royalties, a whole series of royalties. And at the end of the story, you are left with lean margins, unless again you reach a certain critical mass or you've been trading off the patents and technology with Roche to decrease your royalty rate. This technology is extremely cheap. We can make products at – with cost – a manufacturing cost that is very low. And so, we are very well-positioned to enter into a market where pricing is going to be dictated by customers rather than companies.

The second issue – the second positive effect of this technology is that – is isothermal. I'm sorry, I don't want to become – get too technical. But when you use a PCR product, you need to run up and down temperature, from room temperature to 90 degrees continuously. Because this is the way the enzyme of PCR works. So this technology, you work at 60 degrees pretty much, so at constant temperature. And this is very interesting because it simplifies a lot the structure of the instrument that you need to use to run assays on LAMP.

Laurent M. Saglio

Founding Partner & Chief Investment Officer, Zadig Asset Management LLP

Q

So all in all, I mean I know it's a rough number, but all in all, it give you what percentage of advantage if you compare with – not Roche, Qiagen for instance?

Carlo Rosa

CEO, Executive Director & General Manager, DiaSorin SpA

A

I don't know what percentage we get, because I'm talking about my standard cost of manufacturing...

Laurent M. Saglio

Founding Partner & Chief Investment Officer, Zadig Asset Management LLP

Q

Yes. Are you at capacity to make margin in a market where it's already dominated by big players exactly?

Carlo Rosa

CEO, Executive Director & General Manager, DiaSorin SpA

A

Absolutely.

Laurent M. Saglio

Founding Partner & Chief Investment Officer, Zadig Asset Management LLP

Q

No, no. I totally understand.

Carlo Rosa

CEO, Executive Director & General Manager, DiaSorin SpA

A

It will allow us margin which is in line with our existing business, and you know the profitability of our existing business is extremely good.

Laurent M. Saglio

Founding Partner & Chief Investment Officer, Zadig Asset Management LLP

Q

Okay, okay, okay. Well, that sounds good. And the other question I wanted to ask you to make sure, the Vitamin D sales which I understand you don't want to discuss this number for absolute competitive reasons, but the low part is second quarter 2012?

Carlo Rosa

CEO, Executive Director & General Manager, DiaSorin SpA

A

Sorry, Laurent, I didn't understand the question.

Laurent M. Saglio

Founding Partner & Chief Investment Officer, Zadig Asset Management LLP

Q

The low part in the sales of Vitamin D testing is in second quarter 2012, or I misunderstood something?

Carlo Rosa

CEO, Executive Director & General Manager, DiaSorin SpA

A

No, no. I said that the peak was in Q2 2011.

Laurent M. Saglio

Founding Partner & Chief Investment Officer, Zadig Asset Management LLP

Q

Yes.

Carlo Rosa

CEO, Executive Director & General Manager, DiaSorin SpA

A

Okay. Then I said that since then, we saw a increasing – now this for the U.S. we saw a hit on volume of minus 18%. And then, the market stabilized there pretty much. And then, we saw an effect of pricing deterioration. I expect to continue to see pricing deterioration throughout – in the U.S. throughout 2012.

Laurent M. Saglio

Founding Partner & Chief Investment Officer, Zadig Asset Management LLP

Q

Okay, okay. So unfortunately that's for 2013 first quarter result effectively, yes?

Carlo Rosa

CEO, Executive Director & General Manager, DiaSorin SpA

A

We're expecting the results – meaning that reposition in pricing throughout 2012, yes.

Laurent M. Saglio

Founding Partner & Chief Investment Officer, Zadig Asset Management LLP

Q

Yeah, okay, okay understood. And in the second quarter – or in the first quarter, I noticed in your balance sheet, you didn't buyback more shares. You only did it fourth quarter of 2011.

Carlo Rosa

CEO, Executive Director & General Manager, DiaSorin SpA

A

The numbers that was given by the board was to just complete repurchase of a certain amount, which was completed in last year.

Laurent M. Saglio

Founding Partner & Chief Investment Officer, Zadig Asset Management LLP

Q

Okay.

Carlo Rosa

CEO, Executive Director & General Manager, DiaSorin SpA

A

And we don't intend for the time being to continue do this.

Laurent M. Saglio

Founding Partner & Chief Investment Officer, Zadig Asset Management LLP

Q

You don't do. Okay, okay. Thank you. Thank you very much.

Operator: [Operator Instructions] Mr. Rosa, there are no more questions registered at this time.

Carlo Rosa

CEO, Executive Director & General Manager, DiaSorin SpA

Thank you, operator. Bye bye.

Operator: Ladies and gentlemen, thank you for joining. The conference is now over. You may disconnect your telephones. Thank you.

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