DiaSorin The Diagnostic Specialist

Press Release

DIASORIN S.P.A., THE BOARD OF DIRECTORS APPROVES THE FULL-YEAR RESULTS FOR 2009: STEADY GROWTH IN REVENUES AND SHARP GAINS IN PROFITABILITY

2009 Full-year Financial Highlights

- Consolidated net revenues reach 304.1 million euros, or 24.3% more than the 244.6 million euros reported in 2008;
- EBITDA[1] grow to 122.6 million euros, up 43.2% compared with 85.6 million euros in 2008;
- EBIT rise to 105.4 million euros, for a gain of 49.0% compared with 70.8 million euros in 2008;
- Consolidated net profit reaches 70.0 million euros, or 87.0% more than in 2008;
- Net financial position positive by 11.2 million euros, as against net borrowings of 19.8 million euros at December 31, 2008;
- The Board of Directors agreed to submit a motion to the Shareholders' Meeting convened for April 27, 2010, on the first calling, and April 30, 2010, on the second calling, recommending:
  - the approval of the financial statements at December 31, 2008 and a motion for the appropriation of net income, including the distribution of a dividend of 0.20 euros per share, with coupon record date of June the 21st 2010 and payment date of June the 24th 2010;
  - the establishment of a new stock option plan pursuant to Article 114-*bis* of Legislative Decree No. 58/98;
  - the establishment of a program to purchase and dispose of treasury shares, pursuant to Articles 2357 and 2357-*ter* of the Italian Civil Code, for use in connection with the abovementioned stock option plan.

[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, is 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 the 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, March 22, 2010 – 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 a draft of the 2009 Annual Report and the Consolidated Financial Statements presented by Carlo Rosa, the Company's Chief Executive Officer.

Highlights of the 2009 consolidated income statement and balance sheet

DiaSorin continued to outperform the market averages in 2009, a turnaround year for the global economy compared with 2008. However, the recovery has been tentative and uneven both in the global economy and the financial markets, which appeared to be only marginally confident in 2009 that the corrective and stimulus programs implemented by governments to address the deep credit and liquidity crisis that started in 2008 would be effective.

DiaSorin reported further gains in its operating and financial results, compared with the previous year. This positive performance confirms the wisdom of the Group's strategy to expand its geographic presence and broaden its product portfolio, with a steady focus on specialty tests.

Specifically, the Group's continued revenue growth was driven by the following factors in 2009:

1) increased market share in the areas with direct distribution in which the Company has a long-established presence and expansion into markets where the sales networks operated by independent distributors have been replaced by Company-operated sales networks (Israel, Mexico and China);
2) a broader menu of LIAISON products, which over the past few years has become the largest available in the market and, more importantly, the one with the largest number of specialty tests in the fastest growing clinical segments;
3) the growth in demand for Vitamin D testing, an area in which the Company has a leadership position, both in North America and the main countries in Europe;
4) further expansion of the base of equipment installed at customer facilities, which reached 2,975 units at December 31, 2009, up from 2,510 units at the end of 2008 (465 new systems installed in 2009);
5) the contribution provided by the product line developed by Biotrin, an Irish company acquired in 2008 with a global leadership position in the diagnosis of maternal-fetal infections caused by Parvovirus, which contributed 3 percentage points to revenue growth in 2009.

As a result of these positive developments, the DiaSorin Group reported **revenues** of 304.1 million euros in 2009. The gain of 24.3% compared with 2008 (+23.0% at constant exchange rates) is equal to five times the average growth rate of the global market for in vitro diagnostics, estimated at about 5% a year.

In 2009 the increase in revenues again translated into a proportionally larger improvement in the main indicators of the Group's profitability: 2009 ended with a **gross profit** of 213.6 million euros (33.0% more than in 2008), an amount equal to 70.2% of revenues, up from 65.7% at the end of 2008.

EBIT totaled 105.4 million euros in 2009, for a gain of 49.0% compared with 2008, causing the ratio of EBIT to revenues to rise from 28.9% in 2008 to 34.7% in 2009.

EBITDA were up 43.2% year-over-year, reaching 122.6 million euros, equal to 40.3% of revenues (35.0% in 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;
- revenue growth that was proportionally larger than the increase in operating expenses, causing the ratio of operating expenses to revenues to decrease to 34.7% at the end of 2009, down from 36.1% in 2008.

Turning to the Group's **financial performance,** net financial expense amounted to 2.7 million euros at December 31, 2009, down from 10.9 million euros in 2008.

Interest and other financial expense included 918,800 euros in interest on borrowings (1.4 million euros in 2008), 1.1 million euros in factoring transaction fees (1.9 million euros in 2008) and 868,000 euros in financial expense on employee benefit plans (901,000 euros in 2008).

In 2009, the Group reported a net foreign exchange translation gain of 656,000 euros, as against a net foreign exchange translation loss of 6.3 million euros in 2008. This different performance is due primarily to the different exchange rates prevailing in 2008 and 2009 and to their impact on the Group's indebtedness in foreign currency, which, while reflected on the bottom line, is recognized only for valuation purposes and does not entail a cash outlay.

Lastly, 2009 ended with a **net profit** of 70.0 million euros, up from 37.5 million euros at the end of 2008.

However, the following factors should be taken into account:

- 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;
- in the third quarter of 2009, the Group's Parent Company benefited from the effect resulting from the payment of a 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 691,000 euros, and the concurrent reversal of deferred-tax liabilities totaling 1.7 million euros.

The net positive effect was 4.5 million euros.

Basic **earnings per share** (1.27 euros at December 31, 2009, compared with 0.68 euros at December 31, 2008) were computed by dividing the Group's interest in net profit by the number of shares outstanding (55 million). The existing stock option plan had no dilutive effect on the 2009 earnings per share.

The Group's Parent Company reported an annual net profit of 41.8 million euros at December 31, 2009, compared with 25.7 million euros in 2008.

The **net financial position** was positive by 11.2 million euros at December 31, 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 47.9 million euros at December 31, 2009, up from 16.8 million euros at the end of 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)	2009	2008	Change
Italy	56,313	51,523	9.3%
Rest of Europe	96,607	86,293	12.0%
North America (U.S.A., Canada)	101,912	62,350	63.5%
Rest of the world	49,297	44,446	10.9%
Total	**304,129**	**244,612**	**24.3%**

Italy

Despite some weakness in a couple of quarters caused by delays in activity by the national health system, an installed base of 705 LIAISON analyzers helped drive the revenues booked in Italy in 2009 to grow by 9.3% to 56.3 million euros, equal to 18.5% of total Group revenues (21.1% in 2008).

Rest of Europe

In the rest of Europe, Group revenues were up 12.0% in 2009 (+13.3% at constant exchange rates), driven mainly by strong sales in markets where the Company has an established presence, such as France, where revenues were up 31.8% compared with 2008. This positive performance was offset in part by a slowdown caused by a continuation of negative economic conditions in some countries — specifically, Greece, Turkey and Russia — where DiaSorin operates through independent distributors.

As a net result of these developments, the revenues generated in the rest of Europe accounted for 31.8% of the Group’s total revenues, compared with 35.3% in 2008.

North America

In North America, revenues increased by 63.5% (+55.0% at constant exchange rates) to 101.9 million euros in 2009.

This positive performance reflects the impact of the following factors:

a) Steady growth in the demand for the Vitamin D test and increasing demand for products that became available only recently on the LIAISON platform in the American market: mixed-menu systems (Vitamin D and infectious diseases) accounted for about 50% of new installations;

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

c) The contribution provided by Biotrin products, which helped drive the revenue expansion in the North American market to the tune of 4.6 percentage points, at current exchange rates, aided by a positive translation effect of 0.4 percentage points. Higher sales of these products (on ELISA technology) offset a contraction in demand for more mature products in this technology segment (serum proteins, especially).

In the 12 months ended December 31, 2009, sales generated in North America accounted for 33.5% of the Group's total revenues (up from 25.5% in 2008), contributing 66.5 percentage points to the overall growth of the DiaSorin Group.

Rest of the world

In markets other than Europe and North America, revenues grew by 10.9%, accounting for 16.2% of total revenues, compared with 18.2% in 2008.

The Israeli subsidiary performed exceptionally well, with 2009 revenues totaling 6.5 million euros, or 88.4% more than in 2008 (+95.9% at constant exchange rates). The acquisition of the business operations of a local distributor, which are being incorporated into the Group according to plan, accounts for about 38% of the increase. However, when revenues are restated to eliminate the impact of this non-recurring transaction and using constant exchange rates, the year-over-year growth is still about 61%.

In the markets where sales are handled through independent distributors, revenues were up 20.7% compared with the previous year.

Lastly, the performance achieved in the Chinese market in 2009 confirmed China's potential as a future strategic market for the Group: revenues grew to 6.6 million euros, an increase of 28.4% compared with 2008, and the installed based of LIAISON systems reached 182 units, or 55 more than at December 31, 2009.

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 below shows the percentage of consolidated revenues contributed by each technology:

	Full year	
	2009	2008
	% of revenues contributed	
RIA	7.7%	9.3%
ELISA	19.5%	23.0%
CLIA	63.6%	57.4%
Equipment sales and other revenues	9.2%	10.3%
Total	100.0%	100.0%

In 2009, the revenues generated by LIAISON products increased by 37.9% compared with 2008. As a result, sales of CLIA technology products accounted for 63.6% of total Group revenues in 2009, up from 57.4% the previous year. A total of 465 new LIAISON analyzers were installed in 2009. As a result, the installed base grew to 2,975 systems, up from 2,510 at December 31, 2008.

At December 31, 2009, the average annual revenues per system was about 76,000 euros, up from 61,300 euros at the end of the previous year, reflecting the positive impact of a steady optimization of the installed base and the high yield per analyzer of systems used for Vitamin D testing.

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Key events of 2009

In 2009, the Group's research and development activities continued to contribute to the expansion of the DiaSorin product line in terms both of its system platforms and the assay menu it can offer. More specifically:

- The prenatal screening panel was strengthened with the launch in Europe of a next-generation LIAISON TOXO IgM test for diagnosing toxoplasmosis infections, followed early in 2010 by products of the BIOTRIN LIAISON PARVOVIRUS line (IgG and IgM);
- The development of the new LIAISON XL analyzer was completed and the validation on this new system of the existing CLIA menu of products was successfully carried out, as required;
- Newly developed tests included the LIAISON HIV and HCV tests, which will be released concurrently with the launch of the LIAISON XL system in Europe in 2010, and a test for the Hepatitis B surface antigen (LIAISON HBsAg), which is the result of the development and licensing agreement signed in 2008 with Advanced Life Science Institute (ALSI) Fujirebio in Japan;
- The LIAISON product line was further expanded in some strategic markets: in the United States, following their inclusion in the Food and Drug Administration's Device Listing, the Group began to market the LIAISON Estradiol, LIAISON Progesterone and LIAISON Insulin tests; in China, the registration of eight LIAISON products in the clinical areas of oncology and hormonology brought to 30 the total number of LIAISON products available locally;
- Some existing CLIA products were reintroduced in a revised formulation that delivers better performance with lower production costs, as was the case for the LIAISON FT3, an important test for the diagnosis of thyroid diseases;
- On July 1, 2009, further to the research and development activities carried out at the Nerviano Medical Sciences facility, the Company established a new Business Unit devoted to the development of new technologies for molecular assays, located at Biotrin's headquarters in Ireland. The goal of this unit, which will engage in research, development and marketing of products based on NAT technology, is to bring to market new molecular diagnostics systems based on the LAMP amplification technique, designed for a panel of tests for infectious diseases and using a an innovative, fully integrated and automated instrument platform.

In 2009, the Group continued to implement the strategy of geographic expansion it has been pursuing in recent years, opening branches in Canada and the Czech Republic in the first quarter of the year and establishing DiaSorin Belgium in December. The Belgian branch began direct distribution in the Dutch market in the first quarter of 2010. Lastly, the process of converting the Chinese subsidiary from a service company into a commercial company was completed in the fourth quarter of 2009, enabling it to begin operating directly in the Chinese market at the beginning of 2010.

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The Board of Directors agreed to convene a Shareholders' Meeting for April 27, 2010, on the first calling, and April 30, 2010, on the second calling, to approve the Annual Report and vote on a motion recommending that the Shareholders' Meeting distribute a dividend in the amount of 0.20 euros per share, with coupon record date of June the 21st 2010 and payment date of June the 24th 2010, and establish a new stock option plan pursuant to Article 114-*bis* of Legislative Decree No. 58/98 and a program to purchase and dispose of treasury shares, pursuant to Articles 2357 and 2357-*ter* of the Italian Civil Code, for use in connection with the abovementioned stock option plan.

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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 book of accounts and bookkeeping entries of the Company.

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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

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INCOME STATEMENT OF DIASORIN S.P.A.

(in thousands of euros)	2009	2008
Sales and service revenues	143,756	129,354
Cost of sales	(74,109)	(65,883)
Gross profit	**69,647**	**63,471**
	48.4%	*49.1%*
Sales and marketing expenses	(20,148)	(17,187)
Research and development costs	(9,465)	(9,107)
General and administrative expenses	(16,137)	(13,824)
Total operating expenses	**(45,750)**	**(40,118)**
Other operating (expenses) and income	(1,327)	(170)
EBIT	**22,570**	**23,183**
	15.7%	*17.9%*
Financial income/(expense)	22,864	8,538
Profit before taxes	**45,434**	**31,721**
Income taxes	(3,594)	(5,984)
Net profit	**41,840**	**25,737**
Basic earnings per share	**0.76**	**0.47**
Diluted earnings per share	**0.76**	**0.47**
EBITDA	**29,749**	**29,806**
	20.7%	23.0%

(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, is 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 the 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.

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BALANCE SHEET OF DIASORIN S.P.A.

(in thousands of euros)	12/31/09	12/31/08
ASSETS		
Non-current assets		
Property, plant and equipment	17,638	14,503
Goodwill	27,591	27,591
Other intangibles	16,161	15,486
Equity investments	80,916	75,660
Deferred-tax assets	11,730	3,387
Other non-current assets	1,703	4,679
Total non-current assets	*155,739*	*141,306*
Current assets		
Inventories	32,824	26,188
Trade receivables	44,437	33,139
Loans receivable	9,894	13,449
Other current assets	3,175	3,184
Cash and cash equivalents	18,607	6,933
Total current assets	108,937	82,893
TOTAL ASSETS	264,676	224,199
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	1,129	560
Retained earnings (Loss carryforward)	40,750	22,900
Net profit for the year	41,840	25,737
Total shareholders' equity	147,071	111,262
Non-current liabilities		
Long-term borrowings	27,135	29,645
Provisions for employee severance indemnities and other employee benefits	5,606	5,708
Other non-current liabilities	919	774
Total non-current liabilities	33,660	36,127
Current liabilities		
Trade payables	26,301	25,559
Short-term borrowings	43,946	40,526
Other current liabilities	9,151	8,115
Income taxes payable	4,547	2,610
Total current liabilities	83,945	76,810
TOTAL LIABILITIES	117,605	112,937
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	264,676	224,199

STATEMENT OF CASH FLOWS OF DIASORIN S.P.A.

(in thousands of euros)	2009	2008
Cash and cash equivalents at January 1	**6,933**	**3,834**
Net cash from operating activities	2,483	12,907
Cash used in investing activities	(13,035)	(31,682)
Cash used in financing activities	22,226	21,874
Change in net cash and cash equivalents	**11,674**	**3,099**
Cash and cash equivalents at December 31	**18,607**	**6,933**

CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	*2009*	*2008*
Sales and service revenues	304,129	244,612
Cost of sales	(90,484)	(84,010)
Gross profit	**213,645**	**160,602**
	70.2%	*65.7%*
Sales and marketing expenses	(56,949)	(47,478)
Research and development costs	(16,074)	(13,835)
General and administrative expenses	(32,384)	(27,111)
Total operating expenses	(105,407)	(88,424)
	(34.7%)	*(36.1%)*
Other operating (expenses) and income	(2,796)	(1,388)
EBIT	**105,442**	**70,790**
	34.7%	*28.9%*
Financial income/(expense)	(2,705)	(10,903)
Profit before taxes	**102,737**	**59,887**
Income taxes	(32,690)	(22,428)
Net profit	**70,047**	**37,459**
Basic earnings per share	**1.27**	**0.68**
Diluted earnings per share	**1.27**	**0.68**
EBITDA (1)	122,640	85,618
	40.3%	*35.0%*

* Unaudited data.

(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, is 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 the 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.

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CONSOLIDATED BALANCE SHEET

(in thousands of euros)	*12/31/09*	*12/31/08*
ASSETS		
Non-current assets		
Property, plant and equipment	41,963	35,446
Goodwill	59,333	59,892
Other intangibles	36,673	33,413
Equity investments	123	276
Deferred-tax assets	18,910	9,844
Other non-current assets	462	273
Total non-current assets	157,464	139,144
Current assets		
Inventories	50,331	41,443
Trade receivables	75,868	62,708
Other current assets	5,359	4,632
Cash and cash equivalents	47,885	16,790
Total current assets	179,443	125,573
TOTAL ASSETS	**336,907**	**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	(455)	(751)
Retained earnings (Loss carryforward)	84,911	55,374
Net profit for the year	70,047	37,459
Total shareholders' equity	**217,855**	**154,147**
Non-current liabilities		
Long-term borrowings	27,862	31,238
Provisions for employee severance indemnities and other employee benefits	19,837	19,306
Deferred-tax liabilities	2,492	1,997
Other non-current liabilities	3,019	1,594
Total non-current liabilities	53,210	54,135
Current liabilities		
Trade payables	29,778	28,780
Other current liabilities	17,370	16,166
Income taxes payable	9,902	6,174
Current portion of long-term debt	8,792	5,315
Total current liabilities	65,842	56,435
Total liabilities	**119,052**	**110,570**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**336,907**	**264,717**
Net financial position	**(11,231)**	**19,763**

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of euros)	*2009*	*2008*
CASH AND CASH EQUIVALENTS AT JANUARY 1	16,790	8,367
Net cash from operating activities	64,219	47,779
Cash used in investing activities	(26,792)	(40,845)
Cash used in financing activities	(6,332)	262
Cash contributed by acquisitions	-	1,227
Change in net cash and cash equivalents	*31,095*	*8,423*
CASH AND CASH EQUIVALENTS AT DECEMBER 31	47,885	16,790