

SALUGGIA, MAY 9, 2014

THE BOARD OF DIRECTORS OF DIASORIN S.P.A. APPROVES THE RESULTS FOR THE FIRST QUARTER 2014: GROWTH IN REVENUES, SOLID NET FINANCIAL POSITION AND STRONG CASH FLOW

FIRST QUARTER 2014 FINANCIAL HIGHLIGHTS

- **REVENUES: € 105.9 million** in Q1'14, up 3.1% at CER compared with Q1'13 (+0.1% at current exchange rate), with molecular business contribution equal to € 0.7 million.
- This results again confirms the strong performance of **CLIA sales, net of Vitamin D, up 21.4% at CER (+19.0% at current exchange rate)** following the success of both LIAISON XL and the new products brought to market in the field of the new HIV and Viral Hepatitis assays line, in addition to the well-consolidated success of Tumor Markers, Infectious Diseases, Prenatal Screening panel and Parvovirus.
- **MARGINALITY:** in Q1'14, **EBITDA** amounted to **€ 38.6 million** and **EBIT** totaled **€ 31.3 million**, with an incidence to revenues equal to 36.4% and 29.6%, respectively as a result of the following factors:
- negative effect related to the exchange rates fluctuation (€ 1.1 million);
 - costs in support of the molecular business (€ 1.9 million, including € 0.5 million for restructuring costs of the Norwegian branch).
- Net of the exchange rate effect and molecular business, EBITDA would be equal to 38.5% of revenues, confirming the marginality reported in the last 2 quarters of 2013.
- **NET PROFIT: € 19.7 million**, equal to 18.6% of Group revenues.
- **NET FINANCIAL POSITION: +€ 125.1 million** at March 31, 2014 (+€ 27.1 million compared with December 31, 2013).
- **FREE CASH FLOW: € 27.5 million** at March 31, 2014, up by € 2.3 million compared with Q1'13.
- **LIAISON/LIAISON XL INSTALLED BASE:** steady expansion in Q1'14, with 155 new LIAISON XL units and 4 LIAISON net placements, **equal to 159 total units** installed in Q1'14, for a total of 5,431 LIAISON AND LIAISON XL units at March 31, 2014 out of which 1,230 LIAISON XL.

SIGNIFICANT EVENTS

- **Growth in sales** of tests based on **CLIA technology**, net of Vitamin D (+21.4% at CER), as a result of higher revenues generated from diagnostic tests performed on LIAISON XL installed units and the success of several product families that met the customer's needs with a complete and high-quality solution.
- **Confirmation of the slowdown** in Vitamin D test negative contribution (-7.2% at CER, including the effect resulting from price reduction granted to LabCorp; less than -6.0% at CER when excluding the LabCorp effect) **and growth** in revenues in strategic markets such as Italy, Germany and Brazil.
- **Extension of the agreement** with **LabCorp** through the end of 2018, maintaining DiaSorin's well-consolidated Vitamin D business and increasing the number of assays on LIAISON XL with 15 new products.
- **Launch of new Rotavirus test**, in addition to the 4 tests already launched in the gastrointestinal infections clinical area and introduction of **N-TACT PTH Gen II assay** to the current Bone and Mineral menu for the quantitative determination of intact human parathyroid hormone.
- **Marketing approvals for Hepatitis B and C, Retrovirus and Syphilis assays on LIAISON XL platforms for the Chinese market.** DiaSorin becomes the Company with the most complete offering for infectious diseases on a single platform in the Chinese market.

TABLE OF RESULTS

<i>Amounts in millions of euros</i>	Q1		change	
	2014	2013	amount	%
Consolidated net revenues	105.9	105.8	+0.1	+0.1% ^(a)
EBITDA	38.6	41.6	-3.0	-7.2%
<i>EBITDA margin</i>	<i>36.4%</i> ^(b)	<i>39.3%</i> ^(c)	<i>-2.9%</i>	
EBIT	31.3	34.2	-2.8	-8.3%
<i>EBIT margin</i>	<i>29.6%</i>	<i>32.3%</i>	<i>-2.7%</i>	
Consolidated net profit	19.7	20.5	-0.8	-4.0%

^(a) At CER: +3.1%

^(b) At CER, net of molecular business: 38.5%

^(c) At CER, net of molecular business: 40.1%

FINANCIAL HIGHLIGHTS

The Board of Directors of DiaSorin S.p.A., meeting today in Saluggia under the chairmanship of Gustavo Denegri, approved the financial results at March 31, 2014.

In the foreign exchange market, the Euro appreciated against almost all currencies used by the Group, with a significant impact on the results achieved in Q1'14.

	U.S. Dollar	Australian Dollar	Brazilian Real	South African Rand
Euro	+3.7%	+20.1%	+22.9%	+25.9%

Consolidated revenues

Revenues: € 105.9 million in Q1'14, up 3.1% at CER and +0.1% at current exchange rate compared with Q1'13 with molecular business contribution equal to € 0.7 million. The depreciation of some of the currencies used by the Group had a negative impact of € 3.2 million compared with the same period last year.

In Q1'14, sales performance highlights the following factors:



- **CLIA tests, net of Vitamin D:** +21.4% at CER (+19.0% at current exchange rate), as a result of the successful LIAISON XL analyzer placements and new tests launched on the market, mainly in the field of the new HIV and Viral Hepatitis assays line, in addition to the well-consolidated success of Tumor Markers, Infectious Diseases, Prenatal Screening panel and Parvovirus (*DiaSorin continues to be the company with the broadest CLIA menu, with 108 products available*).
- **Vitamin D test (CLIA):** -7.2% at CER (-10.7% at current exchange rate), including the price reduction granted to LabCorp, confirming the negative contribution slowdown already shown throughout the 2013 in a framework of higher volumes vs. Q1'13, with growing revenues in important markets such as Italy, Germany and Brazil.
- **Instruments and consumables:** -5.9% at CER (-9.0% at current exchange rate), following an unfavorable comparison with Q1'13 with its extraordinary sales in Brazil, due to the change of the business model in the country.
- **ELISA and RIA tests:** physiological decline of the contribution provided by these dated technologies working on open systems.
- **Molecular business tests:** equal to € 0.7 million.

Steady expansion of LIAISON and LIAISON XL analyzers installed base.

Specifically, net placements in Q1'14 were equal to:

- LIAISON: +4
- LIAISON XL¹: +155
- **TOTAL: +159**

for a total of 5,431 LIAISON and LIAISON XL units at March 31 2014, out of which 1,230¹ LIAISON XL.

	Total units at Dec 31, 2013	Net placements in Q1'14	Total units at Mar 31, 2014
	4,197	+4	4,201
	1,075	+155	1,230
TOTAL	5,272	+159	5,431

¹ units in the validation phase at customers' facilities: 11

Revenues by geography

The tables below provide a breakdown of the consolidated revenues of the DiaSorin Group by geographic region.

Amounts in millions of euros	Q1		Change		
	2014	2013	Amount	%	
				@ current	@ constant
Europe and Africa	55.9	51.6	+4.3	+8.2%	+8.4%
North America	24.4	26.6	-2.3	-8.6%	-5.2%
Asia Pacific	14.8	15.7	-0.9	-5.9%	-1.7%
Central and South America	10.9	11.8	-1.0	-8.2%	+4.9%
Total	105.9	105.8	+0.1	+0.1%	+3.1%

% of revenues contributed	Q1	
	2014	2013
Europe and Africa	52.7%	48.8%
North America	23.0%	25.1%
Asia Pacific	14.0%	14.9%
Central and South America	10.3%	11.2%

Europe and Africa

In Q1'14, revenues totaled € 55.9 million, up 8.4% at CER (+8.2% at current exchange rate) compared with Q1'13, mainly driven by the growth in CLIA sales, net of Vitamin D, that confirmed the successful strategy to broaden the commercial offer by introducing new specialty tests.

- **Italy:** +7.5% (-1.2% in the local market²)
 - growth driven by the good performance of products in the Hepatitis and Endocrinology clinical areas, the steady development of the Vitamin D market (+19.3% compared with Q1'13) and the growth in the Infectious Disease panel (+11.6% compared with Q1'13).
- **Germany:** +16.6% (+0.8% in the local market²)
 - robust and constant growth on a sequential basis driven by CLIA products, mainly in the Infectious Diseases panel (+17,2%) and by Vitamin D (+15.7%), in addition to the contribution of new products in the Endocrinology clinical area and stool testing for gastrointestinal infections.
- **France:** -10.2% (-0.9% in the local market²)
 - negative trend as a result of the downturn in Vitamin D; net of Vitamin D sales, CLIA revenues grew by 20.1% compared with Q1'13.
- **Distributors³:** +29.2%

North America

In Q1'14, revenues amounted to € 24.4 million, down 5.2% at CER (-8.6% at current exchange rate) compared with the same period in 2013, as a result of two opposing phenomena:

- **CLIA, net of Vitamin D:** +58.8% at CER (+53.1% at current exchange rate)
 - acceleration in sales, driven by the success of tests in the Infectious Diseases and Prenatal Screening clinical areas.
- **Vitamin D:** -14.9% at CER (-18.0% at current exchange rate)
 - revenues declined following bad weather conditions that hit the U.S. East Coast and the effect of price reduction granted to LabCorp. This effect was more than offset by the increase in sales of CLIA products sold to this customer, mainly in the Infectious Disease clinical area.

² EDMA latest data available

³ sales in markets where the Group has not a direct presence

Asia Pacific

In Q1'14, **revenues** amounted to **€ 14.8 million**, down 1.7% at CER (-5.9% at current exchange rate) as a result of the following trends in the main countries of the area:

- **China:** +5.3% at CER (+3.6% at current exchange rate)
 - revenue growth in line with expectations resulting from important seasonal events that led to peak sales at the end of 2013 in view of the Chinese New Year that occurred in Q1'14.
 - revenue gains for all CLIA products, up 23.1%.
 - ongoing success of LIAISON XL analyzers, with 18 placements in Q1'14, totaling 43 LIAISON XL units in the country.
- **Australia:** -2.1% at CER (-18.5% at current exchange rate)
 - stable sales following the positive performance of LIAISON products, net of Vitamin D (+28.9% at CER), that offset the decline in Vitamin D sales (-13.4% at CER), mainly due to a seasonal effect of the orders.
- **Distributors:** -10.3% at current exchange rate
 - performance resulting from the scheduling of some big distributors' orders.

Central and South America

In Q1'14, **revenues** amounted to **€ 10.9 million**, up 4.9% at CER (-8.2% at current exchange rate) compared with the same period in 2013.

- **Brazil:** +7.3% at CER (-12.7% at current exchange rate)
 - good performance of sales generated from CLIA products (+50.3% at CER) partly offset by lower instruments and consumables sales as a result of significant non-recurring sales which occurred in Q1'13.
 - good performance of Vitamin D sales (+78.9% at CER)
 - net of instruments sales, sales generated solely from reagents increased by 21.5% at CER.
- **Mexico:** +54.1% at CER (+42.0% at current exchange rate) as a result of business development of blood banks.
- **Distributors:** -16.1% at current exchange rate
 - performance affected by socio political instability in Venezuela, which is a strategic country in this area.

Revenues by technology

The table that follows shows the percentage of the Group's consolidated revenues contributed by each technology.

% of revenues contributed	Q1	
	2014	2013
CLIA tests	70.8%	67.1%
ELISA tests	13.8%	15.9%
RIA tests	3.0%	3.3%
Instruments sales and other revenues	11.8%	13.0%
Molecular	0.6%	0.7%

- **CLIA tests:** higher percentage on total revenues (+3.7 percentage points) as a result of an increase in CLIA tests sales on LIAISON analyzers, which offset the drop in Vitamin D sales.
- **ELISA and RIA tests:** progressive and physiological decline of the contribution provided by these dated technologies (-2.1 and -0.3 percentage points, respectively), working on open systems.
- **Instruments sales and other revenues:** lower percentage on total revenues (-1.2 percentage points) mainly as a result of the extraordinary sales in Brazil and Spain in Q1'13.
- **Molecular:** lower percentage on total revenues (-0.1 percentage points).

Operating performance

The following provides the Group operating performance in Q1'14.

Gross Profit

Gross Profit: € 71.8 million; 67.7% of revenues, equal to -0.4% compared with Q1'13, deriving from the stable margins of CLIA products, which more than offset the slowdown in Vitamin D sales entirely due to the price effect.

EBITDA

EBITDA: € 38.6 million; 36.4% of revenues, equal to -2.9% compared with Q1'13, as a result of:

- negative effect related to the exchange rates fluctuation (€ 1.1 million);
- costs in support of the molecular business (€ 1.9 million, including € 0.5 million for restructuring costs of the Norwegian branch).

Excluding from the results of the periods under comparison the contribution related to the molecular business expenses and the impact of the exchange rate effects, EBITDA margin would be equal to 38.5% (40.1% in 2013).

EBIT

EBIT: € 31.3 million; 29.6% of revenues, equal to -2.7% compared with Q1'13.

Financial performance

In Q1'14, **net financial expense** totaled **€ 0.5 million**, compared with -€ 1.1 million in Q1'13, due to:

- translation effect⁴: +€ 0.1 million, related mainly to the financial transactions of subsidiaries that use currencies different from the Group's Parent Company.
- fees on factoring transactions: -€ 0.3 million.

Income taxes

In Q1'14, **income taxes** totaled **€ 11.2 million**, equal to a 36.2% tax rate, with a lower incidence when compared with 38.0% in Q1'13, as a result of a lower amount of non-deductible taxes withheld on dividends owed to the Group's Parent company.

Net profit

Consolidated net profit: € 19.7 million, equal to 18.6% of revenues, -0.8% compared with Q1'13.

NFP

At March 31, 2014 the **consolidated Net Financial Position** was positive by **€ 125.1 million**, for an increase of € 27.1 million compared with the balance at the end of 2013, due to the Group's strong cash flow in Q1'14.

Free Cash Flow

In Q1'14, the **Free Cash Flow** of the Group was equal to **€ 27.5 million**, compared with € 25.2 million in Q1'13.

⁴ accounting only entry, with no negative monetary impact

In view of the Group's operating performance after March 31, 2014 and taking into account possible evolutions of the global macroeconomic scenario and the diagnostic sector in particular, management confirms the guidance already provided for 2014:

- **Revenues:** growth between 3% and 5% at CER compared with 2013
- **EBITDA:** growth equal to ca. 3% at CER compared with 2013
- **LIAISON/LIAISON XL installed base:** ca. 500

Luigi De Angelis, 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 book-keeping entries of the Company.

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CONSOLIDATED INCOME STATEMENT

<i>(Amounts in thousands of euros)</i>	Q1		Change	
	2014	2013	amount	%
Sales and service revenues	105,915	105,839	+76	+0.1%
Cost of sales	(34,161)	(33,791)	-370	+1.1%
Gross profit	71,754	72,048	-294	-0.4%
	67.7%	68.1%	-0.4%	
Sales and marketing expenses	(21,750)	(20,581)	-1,169	+5.7%
Research and development costs	(5,936)	(6,010)	+74	-1.2%
General and administrative expenses	(11,791)	(11,803)	+12	-0.1%
Total operating expenses	(39,477)	(38,394)	-1,083	+2.8%
	(37.3)%	(36.3)%	-1.0%	
Other operating income (expense)	(929)	528	-1,457	<i>n.m.</i>
EBIT	31,348	34,182	-2,834	-8.3%
	29.6%	32.3%	-2.7%	
Net financial income (expense)	(459)	(1,052)	+593	-56.4%
Profit before taxes	30,889	33,130	-2,241	-6.8%
Income taxes	(11,187)	(12,604)	+1,417	-11.2%
Net profit	19,702	20,526	-824	-4.0%
EBITDA ⁽¹⁾	38,587	41,580	-2,993	-7.2%
	36.4%	39.3%	-2.9%	

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, 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 STATEMENT OF FINANCIAL POSITION

<i>(Amounts in thousands of euros)</i>				
	ASSETS	03/31/2014	12/31/2013	Change
Non-current assets				
Property, plant and equipment		67,522	66,258	+1,264
Goodwill		65,659	65,503	+156
Other intangibles		52,903	53,911	-1,008
Equity investments		541	498	+43
Deferred-tax assets		21,010	20,872	+138
Other non-current assets		1,429	1,860	-431
	Total non-current assets	209,064	208,902	+162
Current assets				
Inventories		88,651	86,439	+2,212
Trade receivables		115,303	117,442	-2,139
Other current assets		10,496	8,689	+1,807
Other financial assets		21,798	34	+21,764
Cash and cash equivalents		110,449	105,110	+5,339
	Total current assets	346,697	317,714	+28,983
	TOTAL ASSETS	555,761	526,616	+29,145
<i>(Amounts in thousands of euros)</i>				
	LIABILITIES AND SHAREHOLDERS' EQUITY	03/31/2014	12/31/2013	Change
Shareholders' equity				
Share capital		55,948	55,948	-
Additional paid-in capital		18,155	18,155	-
Statutory reserve		11,181	11,181	-
Other reserves and retained earnings		373,934	290,523	+83,411
Treasury shares		(44,882)	(44,882)	-
Net profit for the period attributable to shareholders of the Parent Company		19,702	83,028	-63,326
	<i>Equity attributable to shareholders of the Parent Company</i>	434,038	413,953	+20,085
Other reserves and retained earnings attributable to minority interests		166	99	+67
Net profit for the period attributable to minority interests		-	83	-83
	<i>Equity attributable to minority interests</i>	166	182	-16
	Total shareholders' equity	434,204	414,135	+20,069
Non-current liabilities				
Long-term borrowings		324	423	-99
Provisions for employee severance indemnities and other employee benefits		26,505	26,199	+306
Deferred-tax liabilities		3,537	3,499	+38
Other non-current liabilities		4,501	4,727	-226
	Total non-current liabilities	34,867	34,848	+19
Current liabilities				
Trade payables		38,364	36,601	+1,763
Other current liabilities		24,326	26,303	-1,977
Income taxes payable		17,133	7,977	+9,156
Current portion of long-term debt		6,867	6,752	+115
	Total current liabilities	86,690	77,633	+9,057
	Total liabilities	121,557	112,481	+9,076
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	555,761	526,616	+29,145

Unaudited data as of March 31, 2014.

CONSOLIDATED STATEMENT OF CASH FLOWS

(Amounts in thousands of euros)	Q1	
	2014	2013
Cash and cash equivalents at beginning of period	105,110	104,599
Net cash from operating activities	34,708	30,098
Cash used in investing activities	(7,319)	(5,219)
Cash used in financing activities	(292)	(44,068)
<i>Change in net cash and cash equivalents before investments in financial assets</i>	27,097	(19,189)
Investments in financial assets	(21,758)	-
<i>Change in net cash and cash equivalents</i>	5,339	(19,189)
Cash and cash equivalents at end of period	110,449	85,410

Unaudited data.