

Half-year 2013 results

Successful transformation of Diaxonhit, validated by the strong growth in revenues

Operations

- Renewal of major **HLA** contracts in the field of transplantation;
- Acquisition of an exclusive license for marketing **AlloMap** in Europe;
- Signature of a research services contract with **Boehringer Ingelheim**;
- Appointment of a new **Chief Business Officer** to accelerate development;

Half-year 2013 key financial information

- Consolidated revenues of € 15.9 million multiplied by 7 and up 8.2% compared to *pro forma* revenue at June 30, 2012;
- Sales of products by InGen growing by 10.6% to € 13.6 million in a stable market;
- Rationalization of expenses;
- Reduction of losses;

Perspective

- Launch in Q1 2014 of AlloMap, a new test with strong potential;
- Advances in the portfolio of products under development;
- Signature of new agreements for marketing partners products;
- Active pursuit of external growth.

Paris, France – September 17, 2013 – The Management Board of Diaxonhit (NYSE-Alternext: ALEHT), the leading French provider of specialty diagnostic solutions, met on September 16 to close the consolidated half-year accounts for the six-month period ended June 30, 2013. These accounts were verified by the Supervisory Board and were subject to a limited review by the auditors.

Commenting on the half-year results, Loïc Maurel, M.D., President of the Management Board of Diaxonhit said: « *The first half marked a new stage in the development of Diaxonhit. Stronger today with the successful integration of InGen BioSciences, the acquisition has been generating strong value for the Group. From a financial point of view, many synergies were recorded resulting in a substantial jump in our sales, while streamlining our costs and improving our results. But even more significant, the Group now ranks among the leading players in its sector, with increased attractiveness to sign new contracts and attract new talent, who will both become the future growth drivers for the Group. We are at the beginning of a transformation that will allow us to reach our goal to become over the next 5 years a European leader in in-vitro diagnostics.* »

Consolidated Key figures

	June 30, 2013 (1) (million EUR)	June 30, 2012 (million EUR)
Total revenues	15.9	2.3
COGS	(8.6)	-
R&D expenses	(3.6)	(3.5)
Marketing and sales expenses (2)	(3.7)	(0.6)
G&A expenses	(3.2)	(1.8)
Operating result	(3.2)	(3.6)
Net result	(2.7)	(3.1)
Consolidated cash & cash equivalents at June 30	5.9	11.2

(1) Includes InGen BioSciences accounts that are consolidated since December 14, 2012

(2) Includes amortization of intangible assets derived from Purchase Price Allocation for -697K€

MAIN FINANCIAL INFORMATION

Growth in consolidated revenues reflecting the Group's new dimension

Consolidated revenues for the Group at June 30, 2013 amounted to € 15.9 million, 6.9 times revenues published at June 30, 2012. Following the acquisition of InGen BioSciences ("IBS") in December 2012, this growth reflects the new commercial dimension of the Group that, together with the development of its own products, commercializes many proprietary, licensed and partnered products. Compared to *pro forma* revenues of € 14.7 million at June 30, 2012, these revenues are up 8.2 %. During the first half of this year, sales of diagnostic products made by our subsidiary, InGen, rose 10.6% to € 13.6 million against € 12.3 million for the comparable period in 2012.

First synergies post-acquisition: streamlining costs and reducing losses

With synergies that were recorded in the first half as a result of the acquisition of IBS, the Group reported a decline in the relative share of general and administrative costs from 79% to 20% of revenues. In addition, the consolidation of R&D activities produced its first effects, resulting in stable expenses (+111 K €) even with one additional product in Diaxonhit's portfolio (Inoplex).

These rationalizations of expenses allow the Group to reduce its operating loss at € -3.2 million, a decrease of € 400K for the period.

Upon acquisition of IBS on December 14, 2012, Diaxonhit recorded a goodwill of € 16.9 million in its accounts. During the first half of 2013, the purchase price at the date of acquisition was reallocated among several assets ("PPA"), marketing and sales assets for € 12.9 million and R&D assets for € 979 K. Accordingly, goodwill was reduced to € 3.1 million.

Marketing and sales assets are amortized over 10 years. Accordingly, an amortization expense of € 697 K was added to marketing and sales expenses for the first semester of 2013. R&D assets will also be amortized over 10 years when the developed products will be marketed.

The remaining goodwill is also being amortized over 10 years, which led to a € 96 K amortization expenses deducted from the operating profit at June 30, 2013.

As a result, Diaxonhit recorded a net loss of € -2.7 million for the first half of 2013, down 13% compared to the loss of € 3.1 million recognized at June 30, 2012. Excluding amortization of marketing and sales assets derived from the PPA and amortization of the remaining goodwill for a total of € -793 K, the net loss for the first half of 2013 would have been € -1.9 million.

€ 5.9 million of cash at June 30, 2013

At the beginning of 2013, Diaxonhit cash position was € 9.8 million.

During the first half of 2013, changes in the Group's cash position include the following items:

- Funding received for a net total of € 1.3 million primarily from a capital increase under the TEPA law, PACEO⁽¹⁾ exercises, and the reserved capital increase for XDX,
- Operating use of cash⁽²⁾ for a total of € 2.3 million,
- An increase in working capital requirements of € 2.9 million, mainly due to the increase in commercial activity during the second quarter of 2013.

Including these changes, the Group's cash position amounted to € 5.9 million at June 30, 2013.

OPERATIONS

A broad and diversified portfolio of diagnostic products in development

The acquisition of IBS expanded Diaxonhit's *in vitro* diagnostic development portfolio, which now includes three products :

- AclarusDx™, a blood-test for Alzheimer's disease, which results of the on-going observational real life clinical study are expected in 2014.
- Inoplex, a serological test for the detection of osteo-articular infections in patients with prosthesis that is currently in a validation study, the results of which should be available early 2015.
- DX15, a tissue test for thyroid cancer for which a signature identification study is in progress and will be followed by a validation study in 2014.

Moreover, Diaxonhit develops companion diagnostics in cancer through its participation in both the Responsify and TEDAC projects.

Finally, in early September, Diaxonhit signed with Boehringer Ingelheim a research services contract to identify new therapeutic targets in cancer with its hGWSA proprietary platform technology. Depending on the results, Boehringer Ingelheim may acquire the rights for the development of therapeutic treatments against the newly discovered targets. This contract confirms the interest of the hGWSA discovery platform and its potential to generate revenues for Diaxonhit.

Transplantation: Diaxonhit strengthens its leading position in this market segment

With its expertise and its reference position in the field of transplantation with over 70% market share with HLA laboratory in the France, Diaxonhit **renewed its contracts with**

the Paris Hospitals (AP-HP) and the French Blood Bank by winning two tenders for respectively € 11 million by the end of 2014 and €13.8 million by the end of 2016.

In June, Diaxonhit strengthened its leading position in the field of transplantation by **signing with XDx, an American molecular diagnostics company specializing in the development of non-invasive tests in the fields of transplantation and autoimmune diseases, an exclusive license agreement for commercialization in Europe of the AlloMap® molecular expression test.**

Already marketed in the United States since 2005, AlloMap, XDx flagship product, is a diagnostic blood test used in transplant centers to monitor the risk of graft rejection in heart transplant patients. AlloMap is approved by the FDA (Food and Drug Administration), and CE marked for Europe.

With its leading position in the field of HLA testing and the upcoming launch of AlloMap in Europe (Q1 2014), Diaxonhit is now present on the entire value chain of the transplant market. The products marketed by the Group cover both biological responses, humoral and cellular, involved in graft rejection. These complementary tests are prescribed before transplantation to assess the compatibility between donor and recipient, and after transplantation to monitor rejection. Beyond the implied reference position, the presence of Diaxonhit throughout this specialty market allows the company to achieve strong synergies in terms of customers, logistics and sales organization.

Appointment of a new Chief Business Officer

Diaxonhit announced the appointment of Thomas Iff as Chief Business Officer. Thomas is responsible for the global and strategic marketing of the Group to accelerate specifically its international development.

For over ten years, Thomas Iff held the position of International Marketing Director at Bio-Rad Laboratories, a U.S. biotechnology company specializing in the development and commercialization of diagnostic tests and systems for laboratories, blood banks and industrial control laboratories.

Previously, he served as General Manager for Organon Teknika, a subsidiary of the Dutch group Akzo Nobel, specializing in microbiology, No. 2 worldwide in blood culture, and acquired by bioMérieux in 2001.

PERSPECTIVE

In order to achieve the strategic objectives set out in the diagnostic field, Diaxonhit intends to accelerate its growth in this sector.

With continued development of its proprietary products in order to reach market stage, with the launch of innovative new licensed products such as AlloMap during the first quarter of 2014, and with the signing of new agreements for the commercialization of specialty diagnostic products, the Group is confident in its continued organic growth.

In parallel, Diaxonhit wants to benefit from the consolidation momentum of *in vitro* diagnostics, to accelerate its growth through acquisitions, and thus reach breakeven faster.

(1) *PACEO : Programme d'Augmentations de Capital par Exercice d'Options – Equity line*

(2) *Includes all changes in cash except financing and change in working capital requirements*

Next financial communication: 2013 annual results, March 2014.

About Diaxonhit

Diaxonhit (NYSE Alternext, FR0004054427, ALEHT) is a French fully integrated leader in the in-vitro diagnostic field, involved from research to commercialization of specialty diagnostic products.

With many partnerships and a strong presence in hospitals, Diaxonhit has an extensive commercialization network. Through its affiliate, InGen, it commercializes and services, mostly under exclusivity agreements, in-vitro diagnostic kits and advanced equipment. It operates mainly in the fields of transplantation, infectious diseases and autoimmunity, product quality control and rapid tests, including Tetanus Quick Stick®, a proprietary product. InGen is the leading supplier in France of HLA tests manufactured by Thermo-Fisher/One Lambda, of which it is the largest distributor worldwide.

The group also owns a diversified portfolio of products in development, including both innovative molecular and non-molecular diagnostics, covering three main specialty areas: immuno-infection, Alzheimer's disease and cancer.

Diaxonhit headquarters are located in Paris and its affiliate in the Paris region. The Group is listed on NYSE Alternext in Paris and is part of the NYSE Alternext OSEO innovation index.

For more information, please visit: <http://www.diaxonhit.com>.

Disclaimer

This press release contains elements that are not historical facts including, without limitation, certain statements about future expectations and other forward-looking statements. Such statements are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those anticipated.

In addition, Diaxonhit, its shareholders, and its affiliates, directors, officers, advisors and employees have not verified the accuracy of, and make no representations or warranties in relation to, statistical data or predictions contained in this press release that were taken or derived from third party sources or industry publications, and such statistical data and predictions are used in this press release for information purposes only.

Finally, this press release may be drafted in the French and English languages. In an event of differences between the texts, the French language version shall prevail.

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CONSOLIDATED INCOME STATEMENT (in thousands of euros, except per share data)

	6 months June 30, 2012 (1)	6 months June 30, 2012 (1)(2)	12 months December 31, 2012
Sales of in vitro diagnostic products	13 580	-	691
Research and Development revenues	2 008	2 245	4 375
Other products	130	2	16
Research & Development grants	182	71	305
Total revenues	15 900	2 318	5 387
Cost of goods sold	(8 618)	-	(449)
Research and Development expenses	(3 608)	(3 497)	(6 983)
Marketing and Sales expenses (3)	(3 656)	(558)	(898)
General and Administrative expenses	(3 193)	(1 842)	(3 531)
Total operating expenses	(10 457)	(5 898)	(11 412)
Loss from operations	(3 175)	(3 580)	(6 474)
Interest expense	(72)	(21)	(48)
Interest income	41	50	64
Currency exchange gain (loss) - net	(87)	56	(184)
Financial income (loss)	(117)	85	384
Extraordinary expense	(65)	-	-
Extraordinary income	71	-	-
Extraordinary income (loss)	6	-	-
Income (loss) before tax	(3 286)	(3 495)	(6 643)
Tax benefit	656	363	943
Depreciation of goodwill	(96)	-	(71)
Net income (loss)	(2 726)	(3 132)	(5 770)
Weighted average number of shares outstanding	55 942 675	34 199 318	35 941 997
Net loss per share	(0,05)	(0,09)	(0,16)
Net loss per share (diluted)	(0,05)	(0,09)	(0,16)

(1) Unaudited

(2) Accounts before acquisition of InGen BioSciences

(3) Including amortization of intangibles assets derived from PPA : (697)

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CONSOLIDATED BALANCE SHEET (in thousands of euros)

ASSETS	June 30, 2013 (1)	December 31, 2012
Goodwill, net	2 911	16 850
Intangible assets, net	14 093	599
Property and equipment, net	1 055	1 223
Other long term assets	424	440
Total long-term assets	18 484	19 112
Accounts and grants receivable	5 634	4 108
Other short term assets	5 856	5 472
Cash and cash equivalents	5 908	9 802
Total short-term assets	17 398	19 382
TOTAL ASSETS	35 882	38 494
LIABILITIES AND SHAREHOLDERS' EQUITY		
Share capital	915	886
Additional paid-in capital	103 868	102 590
Acquisition premium	9 795	9 795
Accumulated deficit	(93 396)	(90 670)
Other	1 092	1 057
Shareholders' equity	22 274	23 658
Other equity	843	843
Provisions for risks	632	569
Long-term debt less current portion	1 650	1 867
Long-term capital lease obligations less current portion	52	131
Long-term portion of deferred income	81	126
Total long-term liabilities	1 783	2 125
Current portion of long-term debt	475	444
Current portion of capital lease obligations	210	237
Accounts payable	5 119	5 870
Accrued liabilities	3 212	3 291
Deferred income short-term	1 334	1 456
Total short-term liabilities	10 350	11 299
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	35 882	38 494

(1) Unaudited

DIAXONHIT S.A.

CONSOLIDATED CASH FLOW STATEMENT

<i>(in thousands of euros)</i>	6 months ending June 30, 2013 (1)	6 months ending June 30, 2012 (1)	Year ending Dec 31, 2012
OPERATIONS			
Net loss	(2 726)	(3 132)	(5 770)
Less :			
Depreciation and amortization of property & equipment	344	136	268
Depreciation of intangible assets	738	7	16
Amortization of goodwill	96	-	71
Net book value of impaired assets	64	-	8
Retirement liability accrual and other	62	(270)	(296)
Other	16	20	37
Increase (decrease) in cash from:	(2 908)	(276)	1 221
Inventory	520	56	(132)
Accounts receivable	(1 526)	(166)	673
Research tax credit receivable	(656)	(363)	423
Prepaid expenses and other assets	(249)	55	(776)
Accounts payable and accrued expenses	(751)	112	1 832
Accrued compensation	(79)	125	(654)
Current portion of long-term debt	(18)	-	-
Deferred income, short term	(52)	(94)	(146)
Deferred income, long term	-	-	-
Grants - deferred income, short term	(52)	-	-
Grants - deferred income, long term	(46)	-	-
Net cash used in operations	(4 314)	(3 513)	(4 447)
INVESTING ACTIVITIES			
Purchase of property and equipment	(630)	(64)	(87)
Payment of patent and acquisition of other intangibles	-	25	-
Acquisition of shares in subsidiaries (net of cash acquired) (2)	-	-	(5 659)
Net cash used in investing activities	(630)	(39)	(5 746)
FINANCING ACTIVITIES			
Issuance of shares (net of fees)	1 307	404	5 943
Loan – redeemable advances	-	642	646
Reimbursement of loans and lease obligations	(292)	(9)	(27)
Grants - deferred income, short term	-	525	475
Grants - deferred income, long term	-	206	86
Net cash provided by (used in) financing activities	1 015	1 769	7 123
Net increase (decrease) in cash and cash equivalents	(3 929)	(1 784)	(3 070)
Effects of currency exchange rate on cash	35	80	(52)
Cash and cash equivalents, beginning of period	9 802	12 925	12 925
Cash and cash equivalents, end of period	5 908	11 221	9 802

(1) Unaudited

(2) Amount Equal to : amount of capital increase approved at the December 14, 2012 Extraordinary General Meeting (€ +10.0 million), minus acquisition costs (equity investment and acquisition related costs for a total of € -19.635 million), less payment of dividends to the sellers on the acquisition date (€ -1.592 million), and plus the amount of InGen Biosciences Group's cash on the day of acquisition (€ +5.569 million).