ANNUAL FINANCIAL REPORT
AT DECEMBER 31, 2015

DiaSorin S.p.A.
Via Crescentino (no building No.) - 13040 Saluggia (VC)
Tax I. D. and Vercelli Company Register n. 13144290155

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BOARD OF DIRECTORS, BOARD OF STATUTORY AUDITORS AND INDEPENDENT AUDITORS

Board of Directors (elected on April 22, 2013)

Chairman	Gustavo Denegri
Deputy Chairman	Michele Denegri
Chief Executive Officer	Carlo Rosa (1)
Directors	Antonio Boniolo Chen Menachem Even Enrico Mario Amo Giuseppe Alessandria (2) (3) Franco Moscetti (2) Maria Paola Landini (2) Roberta Somati (2) Eva Desana Stefano Altara (4) Ezio Garibaldi

Board of Statutory Auditors

Chairman	Roberto Bracchetti
Statutory Auditors	Andrea Caretti Ottavia Alfano
Alternates	Bruno Marchina Maria Carla Bottini

Independent Auditors Deloitte & Touche S.p.A.

COMMITTEES

Control and Risks Committee	Franco Moscetti (Chairman) Enrico Mario Amo Roberta Somati
Compensation Committee	Giuseppe Alessandria (Chairman) Roberta Somati Michele Denegri
Nominating Committee	Franco Moscetti (Chairman) Giuseppe Alessandria Michele Denegri
Related-party Committee	Franco Moscetti (Coordinator) Giuseppe Alessandria Roberta Somati

(1) General Manager
(2) Independent Director
(3) Lead Independent Director
(4) Director Stefano Altara was appointed by the Shareholders' Meeting on April 23, 2014

LETTER FORM THE CHAIRMAN

Dear Shareholders,

in 2015 DiaSorin confirmed its excellence in terms of financial results, reporting a ***growth*** *in* ***revenues*** *and* ***marginality*** *while* ***net profit*** *and* ***cash generation reached record highs.***

Again this year, these important results have been achieved through the Group's sound strategy, laying the foundations for an increasingly concrete future, despite the difficult and even more complex market context where the dynamics of the global economy are difficult to predict.

I am particularly proud to stress that, again in 2015, our stakeholders demonstrated trust towards DiaSorin thus we received significant ***recognition of excellence****. Our* ***capability for innovation*** *and* ***the vision of the management*** *in leading the Group will be a winning combination also for the next future.*

The excellence of the ***Research and Development*** *team confirmed the Group's ability to launch new tests in the field of clinical areas where we are already known as one of the leading diagnostic company.*

In 2015, we launched ***5 new immunoassays,*** *achieving the target of 114 products available on CLIA technology, out of which 31 specialty tests, and consolidating our position as the Company with the broadest and most competitive immunodiagnostic menu on the market.*

At the same time our commitment to increasingly challenging field of ***molecular diagnostics*** *continued: we launched* ***2 new tests*** *for fast diagnosis of Acute Promyelocytic Leukemia, which is the most urgent issue in Onco-Haematology.*

In 2015, ***successful placements of LIAISON XL*** *continued. As of December 31, 2015 DiaSorin's overall installed base totaled more than 6,300 LIAISON analyzers, with an increase of 627 LIAISON XL units compared with the previous year. Our Group has grown into one of the leading companies worldwide capable of meeting the different needs of laboratories of all sizes.*

During the year we started some special projects driven by ***innovation****.*

More specifically I am referring to the innovative use of a number of markers available in our product menu that, when used together, will provide physicians with new information to early detect complications that might possibly arise.

This is, therefore, an ambitious challenge.

We aimed at consolidating our reputation of excellence and, at the same time, creating the concept of predictive diagnostics. This an important challenge and we want to pursue it to further increase laboratories' quality standards and wider well-being for patients who come into contact with DiaSorin tests.

Along with these important challenges to develop unique innovative products we launched a new important project: LIAISON XS, our new immunodiagnostic analyzer that will be brought to the U.S. and Chinese markets in 2018 and used in small and medium-sized laboratories. We consider this *market segment as strategic for DiaSorin's future and we are sure that we will be able to achieve further success arising from our new strategic positioning.*

I am very proud to announce we have signed a binding agreement to acquire the diagnostics business of the American company Focus Diagnostics Inc.
Focus Diagnostics' wide range of excellent products combined with the expertise of the company's management will enable the DiaSorin Group to compete in the molecular diagnostic segment and further expand its presence in the US market while strengthening its position as a leading specialties diagnostics player worldwide.

Last but not least aspect involves ***Sustainability*** *and* ***Corporate Social Responsibility****. Again this year DiaSorin drafted its Report that will be published next April. The Group is strongly guided by a long-term sustainability commitment, firmly based on the three main pillars of Company Sustainability.*

The ***economic*** *pillar, upon which DiaSorin is building the precondition for a sustainable economic future, through strategic, sound and innovative visions for its business.*

The ***environmental*** *pillar around which DiaSorin is building its own business in compliance with the environment where our employees work.*

The ***social*** *pillar, on which DiaSorin is betting its future, focusing on and looking at people as fundamental assets for the Group's success and business strategy.*

Every second, 5 people come into contact with a DiaSorin test.

Our challenge and goal are to improve lives of these people, by leveraging our passion competence and our management vision shared with all people working in DiaSorin.

Their talents, entrepreneurial attitude and managerial philosophy will bring tangible results for the benefit of our stakeholders. For these reasons I want to thank each of them.

I would also to thank our shareholders for confirming through their trust the important goals we set at Group level: that is to create constant value and continue to strengthen our position as the Diagnostic Specialist.

Gustavo Denegri

Chairman

THE GROUP

DiaSorin is an Italian multinational Group and a global leader in the market for in vitro diagnostics. DiaSorin is listed on the MTA (automated stock market) in the FTSE Italia Mid Cap Index, organized and managed by Borsa Italiana S.p.A

For over 40 years the Group has been developing, producing and commercializing **diagnostic tests** for a wide range of clinical areas.

DiaSorin tests are designed for hospital and private testing laboratories, in the markets of **immunodiagnostics** and **molecular diagnostics.**

A GLOBAL REFERENCE

The DiaSorin Group is recognized as the **in Vitro Diagnostics Specialist**, as it is the only company worldwide to offer an assay menu, on CLIA technology, that is unique for its width and presence of specialty tests.

Today DiaSorin is a global diagnostic leader in **over 60 countries**.

In the last ten years its significant geographic expansion turned into a consolidation of long-standing markets, such as Europe and United States, and a steady expansion in emerging markets which started to play a more crucial role, such as China, India, Mexico and Brazil.

The Group pursued its success also through strategic acquisitions and commercial partnerships with several international partners, in order to:

- **EXPAND ITS RANGE OF TESTS** AND ENTER **NEW MARKET SEGMENTS**
- REACH **NEW CUSTOMERS**
- **STRENGTHEN** ITS COMMERCIAL PRESENCE

MISSION

DiaSorin focused its business on **improving the health and quality of people's lives**, through high-quality diagnostic products.

The DiaSorin and Group's activities business share a deep-rooted commitment to help people improve the quality of their lives, through the **early detection of potential clinical diseases.**

EVERY SECOND FIVE HUMAN LIVES COME INTO CONTACT WITH A DIASORIN TEST.

Through its research activity and the following expansion of its immunodiagnostic and molecular diagnostic products, DiaSorin supports clinical laboratory needs and activities, providing solutions that are:

- reliable,
- innovative,
- fully automated and standardized,
- easy to use,
- cost-effective.

The continuous improvement of its **products quality** and the constant **expansion of its menus** addressed to laboratories **are the main reason for the Group's success**, as well as the pillar for its growth in future.

FIVE SHARED POINTS

DiaSorin's successful products and continuous development are more than a mix of experience, research, technology, high quality standards, and attention to details. The sharing of **five core assets** - at all levels and in all our company activities - are the pillars of our business model.

CUSTOMERS	Our daily activities are carried out to fulfil our customers' expectations. We always strive to offer complete and integrated solutions to satisfy all the laboratory needs with flexibility.
PEOPLE	Ethics, expertise, passion, commitment, respect: human resources are at the core of our Group and our most valuable resource.
LEADERSHIP	DiaSorin is a leader in the in vitro diagnostic segment. This leadership is also a great responsibility. As a leader we have to be an example and stay the course: where and how do we want to develop our Company? What do we do to turn our efforts into material and useful results for our customers and patients?
EXCELLENCE	We carry out best-in-class performance because ▪ **we are Pioneers of our market:** we innovate the market with technologies and products that meet and forestall our clients' needs, ▪ **we believe in quality,** trying to be always reliable, ▪ **we believe in reliability,** trying always and with every means to keep what we promise.
INNOVATION	We constantly invest in Research and Development to deliver a high level of innovation through our own distinctive expertise in the field of immunodiagnostics.

TECHNOLOGIES

In the field of the **in vitro diagnostics**, DiaSorin is active in the market of two technological sectors: immunodiagnostics and molecular diagnostics.

Both technologies are composed of:

- **Testing kits** (reagents and consumables),
- **Instruments and equipment** (according to the different technologies used),
- **Software**.

IMMUNODIAGNOSTICS

Immunodiagnostic tests use the **immune system** to search pathologies in human fluid sample, through a biological product created in laboratory *(i.e. reagent based on antibodies)* whose purpose is to find **specific protein** or **hormones** in the patient's fluid sample.

When the reagent engages with its counterpart in the sample, an **immunoassay link** is created detecting the specific pathology that affects the patient.

MOLECULAR DIAGNOSTICS

It is based on a technology that helps physicians to diagnose pathology through the detection of **specific RNA** or **DNA sequences** *(i.e. nucleic acids)* in patients' **biological fluids** or in their abnormal cells.

This technology is used, for example, in the **diagnosis of some infectious diseases**, as each infectious agent contains the specific nucleic acid associated with the infectious disease.

Unlike immunodiagnostic tests that use antibodies, molecular diagnostic tests are based on the **amplification** of specific **DNA** or **RNA** sequences to identify nucleic acids.

OUR TECHNOLOGICAL OFFER IN IMMUNODIAGNOSTICS

In this segment, DiaSorin develops, produces and markets **immunoreagent kits** based on 3 different detection techniques.

Chemiluminescence / CLIA	Calorimetry / ELISA	Radioimmunometry / RIA
DEVELOPMENT: early 1990s	**DEVELOPMENT**: 1980s	**DEVELOPMENT**: 1960s
SIGNAL: generated by markers marked with chemiluminescent molecules.	**SIGNAL**: generated by colorimetric markers	**SIGNAL**: generated by radioactive markers
TECHNOLOGY: ▪ It can be adapted to products and instruments with features offering a **high level of usage flexibility** in terms of menus and the performance speed of the test; ▪ It is used to develop products in proprietary formats in the area of **closed systems** (cartridges capable of working only on the system developed by the particular company).	**TECHNOLOGY**: ▪ It can perform diagnostic tests with the use of minimally sophisticated instrumentation; ▪ It can automate some of the manual operations performed by laboratory staff.	**TECHNOLOGY**: ▪ It is employed for some products capable of providing results that cannot be delivered by other technologies; ▪ It is used for tests that have to be carried out manually by experienced technicians.
PROCESSING TIMES: 30-45 minutes	**PROCESSING TIMES**: 3-4 hours	**PROCESSING TIMES**: >4 hours

DiaSorin supplies its customers with instruments that make it possible to carry out the diagnostic investigation automatically thanks to the use of reagents.

CLIA

ELISA

DiaSorin produces **reagents** that are biological components whose purpose is detecting the presence of specific elements (virus, hormones, etc.) in patient's blood sample.

These reagents are **high-tech diagnostic products** with a **high level of specificity** that can detect the presence, also in **small quantity**, of the element to be searched in the patient's sample.

Through its constant commitment aimed at enriching its offering, DiaSorin exceeded the target of **114 immunodiagnostic products** available on CLIA technology, out of which **31 specialty tests**, dedicated to the most clinical areas tested in laboratory.

This result enabled DiaSorin to stand out as the Company with the broadest test **menu on CLIA technology worldwide,** confirming its vocation as the **Diagnostics Specialist.**

THE TECHNOLOGICAL OFFER FOR MOLECULAR DIAGNOSTICS

DiaSorin considers molecular diagnostics a strategic technological project for its own business. The company invests in Research and Development in this area to develop high-reliable and excellent products. In this segment DiaSorin provides end laboratory with an automated solution to implement the three phases required to deliver the final diagnostic result.

PHASE 1

EXTRACTION

It is an **extraction process** of a small quantity of virus nucleic acid.

The **nucleic acid extraction technology** uses reagents to extract high-quality viral RNA and DNA: extraction **protocols** can be used with a **number of biological samples** (plasma, serum, CSF and swabs), after minimum pre-treatment of the sample.

PHASE 2

AMPLIFICATION

The **amplification process** "multiplies" the nucleic acid after its extraction. **Q-LAMP amplification** technology was developed after a licensing agreement with Eiken Chemical Co. Ltd and today offers all the benefits of the early LAMP technology, but with the addition of real time, fluorescent and multiplexed amplification.

It performs single tube RNA amplification without the need for a reverse transcription step.

PHASE 3

DIAGNOSIS

It is a **diagnostic testing process** that uses molecular kits designed for **low-volume laboratories** that intend to **increase the number of analysers units** as the workload or test portfolio grows.

DiaSorin's Q-LAMP diagnostic testing process is performed on **proprietary analyser** through a fully automated process.

DiaSorin supplies its customers with instruments that make it possible to carry out the diagnostic investigation automatically thanks to the use of reagents. DiaSorin's molecular diagnostics kits can be performed on instruments for the extraction of the nucleic acids from different biological samples (LIAISON IXT and BULLET Pro) and to diagnose and monitor several infectious diseases and Onco-Hematology parameters (LIAISON IAM)

EXTRACTION

Bullet Pro®

AMPLIFICATION AND DIAGNOSTIC PROCESS

CLINICAL AREAS

DiaSorin has always provided hospitals and laboratories with **state-of-the art diagnostic systems and solutions.**

Its competitive strength relies not only on its efficient and high technological products and services but also on an **increasingly wide and diversified range of products** covering all the main areas for the benefit of the health and prevention of an increasing number of patients.

The company works in the following clinical areas:

	Infectious Diseases	Infectious diseases represent one of the major causes of death in the world. The growth of infectious diseases incidence has led to a continuous need for novel diagnostic tests to detect the presence of new infectious agents and improve the performance of those already launched onto the market. The growing number of diagnostic tests performed every day in a routine lab required the development of tests that are easy to perform and quick in providing results for faster diagnosis and therapy. Since 1970, DiaSorin has started to develop a product portfolio in the infectious diseases clinical area and since 2001 the Company has launched a wide range of new CLIA products, featuring unique tests for the diagnosis of infectious diseases on LIAISON analyzers.
	Bone and Mineral Metabolism	The diseases connected to bone and calcium metabolism continue to increase all over the world; DiaSorin offers a comprehensive range of immunoassays for their treatment. Among the several diagnostic parameters, DiaSorin is today recognized as a global leader in the Vitamin D test that today is considered the gold standard within the Scientific Community and thanks to which the Group has set the standard since 1985. DiaSorin's Bone & Mineral Metabolism products are unrivalled for quality, reliability and fast results. Clinicians can rely on accurate results to diagnose and monitor bone disorders. Furthermore, in 2014 DiaSorin has launched the first fully automated 1,25 Vitamin D test on CLIA technology.
	Endocrinology	The disorders of the endocrine system are connected to a complex group of glands (*thyroid, parathyroid, pancreas, ovaries, testes, adrenal, pituitary and hypothalamus*) producing hormones that control activities of our body. Diseases and disorders of the endocrine system can be grouped into several different areas: ▪ diabetes ▪ thyroid function ▪ fertility ▪ growth ▪ adrenal function ▪ gastroenterology. DiaSorin, since 1968 began the development of a portfolio of products to be used in the endocrinology field. Most of them are now available on CLIA technology.

	Hypertension	According to WHO and to the American Heart Association, Hypertension is one of the major risk factors for cardiovascular diseases. Today 1 billion people worldwide have high blood pressure and this number is expected to increase to 1.56 billion people by the year 2025, equal to 25% of the adult population. Hypertension is prevalent in developing as well as in developed countries. DiaSorin offers a unique fully automated panel for the diagnosis of a form of hypertension (Primary Aldosteronism), through two key tests (Aldosterone and Renin) on CLIA technology.
	Oncology	Every year about 10 million people are diagnosed with cancer resulting in over 6 million deaths. Cancer is considered the 2nd most common cause of death in industrialized countries. Tumor markers are biological substances produced by the tumor cells, generally found in very low concentrations in normal individuals. Tumor cells can be measured in blood and other body fluids. DiaSorin offers important products to be used in diagnostic monitoring of these markers for screening, diagnosis and monitoring the disease's progression.
	Gastrointestinal Infections	Gastrointestinal infections affect mainly newborns/children, or elderly populations and immunocompromised patients and can be potentially serious. Diagnosis of gastrointestinal infections is largely performed through laboratory tests used for culture or antigen detection from stool specimens. Today DiaSorin offers the most complete and fully automated menu for the diagnosis of the most recurrent infections (*Clostridium Difficile Toxins A & B*, *Clostridium Difficile GDH*, *Helicobacter Pylori*, *EHEC E. Coli*, *Adenovirus and Rotavirus*). Lastly, DiaSorin launched the first completely automated test for *Calprotectin* inflammatory levels.
	Autoimmunity	Autoimmune diseases are one of the top 10 leading causes of death in female children and women in all age groups up to 64 years of age. Researchers have identified 80-100 different autoimmune diseases and suspect at least 40 additional diseases of having an autoimmune basis. These diseases can be chronic and life-threatening as a hyperactive immune system attacks normal tissues as if they were foreign organisms. DiaSorin, through its experience and commitment to research, is a leading company in this growing market, with a complete line of immunodiagnostic specialty tests (*rheumatology, gastroenterology, diagnosis of thrombosis and vasculitis*).
	Cardiac and brain damages	Acute myocardial infarction and resulting complications are among the primary causes of mortality and morbidity in the western world. Modern *biochemical markers* play a consolidated role in the diagnosis and even in the risk stratification of patients suffering from ischemic myocardial disease. During the last decade the analysis of *Neurobiochemical markers for brain damage* has attracted increasing attention in a variety of Central Nervous System disorders. These markers are expected to be useful tools for diagnosis, monitoring or prognosis of brain damaged patients. DiaSorin is outstanding from its competitors in both clinical areas, thanks to a full range of products available on CLIA technology.

THE STEPS OF A SUCCESSFUL STORY

2015

DiaSorin signed a partnership agreement with Beckman Coulter for the commercialization in China of DiaSorin Hepatitis and HIV tests. The company continued to develop and launch on the market specialty tests, becoming the company with the largest menu available on CLIA technology. Launch of the two fastest molecular diagnostic tests in the world to detect fulminant leukemias.

2014

The success of the LIAISON XL and DiaSorin tests continued. The company obtained the approval of Hepatitis, Retrovirus tests in China and extended its master agreement with Laboratory Corporation of America Holdings till 2018. DiaSorin launched new tests to detect leukemias.

2013

The strategic agreement with Roche allowed the connectivity of the LIAISON XL System to the cobas 8100 platform in the high volume laboratories requesting to fully automate their diagnostic processes. New and unique specialty tests available on CLIA technology were launched worldwide. DiaSorin continued its expansion in the most important markets

2012

DiaSorin acquired NorDiag, specialized in the extraction of nucleic acids and launched on the market the first products on the LIAISON IXT and LIAISON IAM systems. The company opened a new subsidiary in India, JV DiaSorin- Trivitron

2010-2011

DiaSorin launched the LIAISON XL on the market and acquired the Murex product line and Elisa products from Abbott. The company expanded its presence in Europe, Asia and Africa and signed an agreement with PSS for developing the LIAISON IAM.

2007-2009

2008: Biotrin, world leader in the testing of Parvovirus, joined the Group. DiaSorin bought the license from Eiken Chemical for the use of LAMP technology, dedicated to Molecular Diagnostics

2007

On July 19 DiaSorin was listed on the Stock Exchange

2005-2006

The commercial expansion led to the opening of new branches in Mexico, Israel and China. The LIAISON portfolio was enriched with products for new and clinical "specialty" areas.

2000-2004

In 2002 DiaSorin acquires BYC Sangtec and the rights for the LIAISON platform. In the same period it converted ELISA technology into CLIA

2000

A major management buyout operation was backed by the Finde Group and other financial and industrial investors

1997

Sorin acquired control of the American Incstar Inc. which was active in the in in vitro diagnostics (IVD). All the activities related to IVD were spun off into a company called DiaSorin srl, which was then sold to American Standard Inc.

1986-1997

Sorin developed the in vitro diagnostic business (IVD), mainly focusing on the European market.

1968

Sorin is founded by Fiat and Montecatini as a nuclear energy production research company.

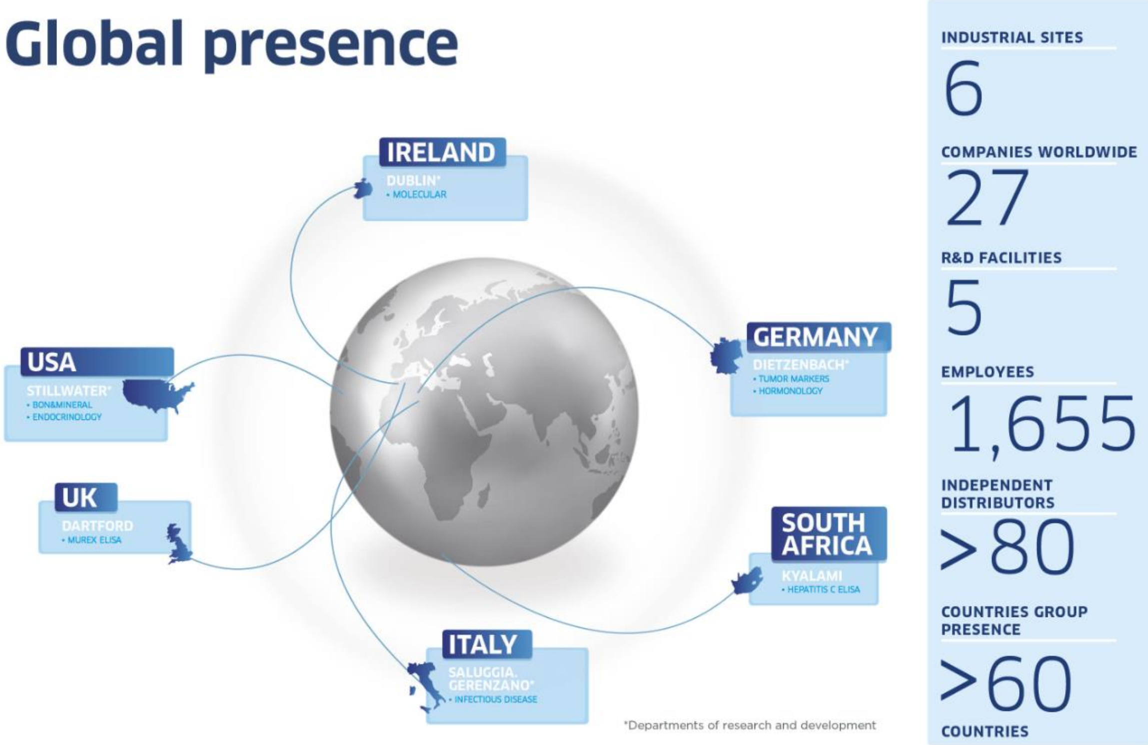
A GLOBAL PRESENCE

DIASORIN IN THE WORLD

The Group headed by DiaSorin S.p.A. is comprised of **23 companies** and **4 branches** on **5 continents**.

The Group's manufacturing organization consists of several facilities located in Europe, USA and Africa.

Head office location	Companies
Saluggia Italy	Group's Parent Company
Stillwater USA	DiaSorin Inc.
Dietzenbach Germany	DiaSorin Deutschland GmbH
Dublin Ireland	DiaSorin Ireland Ltd
Dartford UK	DiaSorin S.p.A-UK Branch
Kyalami South Africa	DiaSorin South Africa (Pty) Ltd



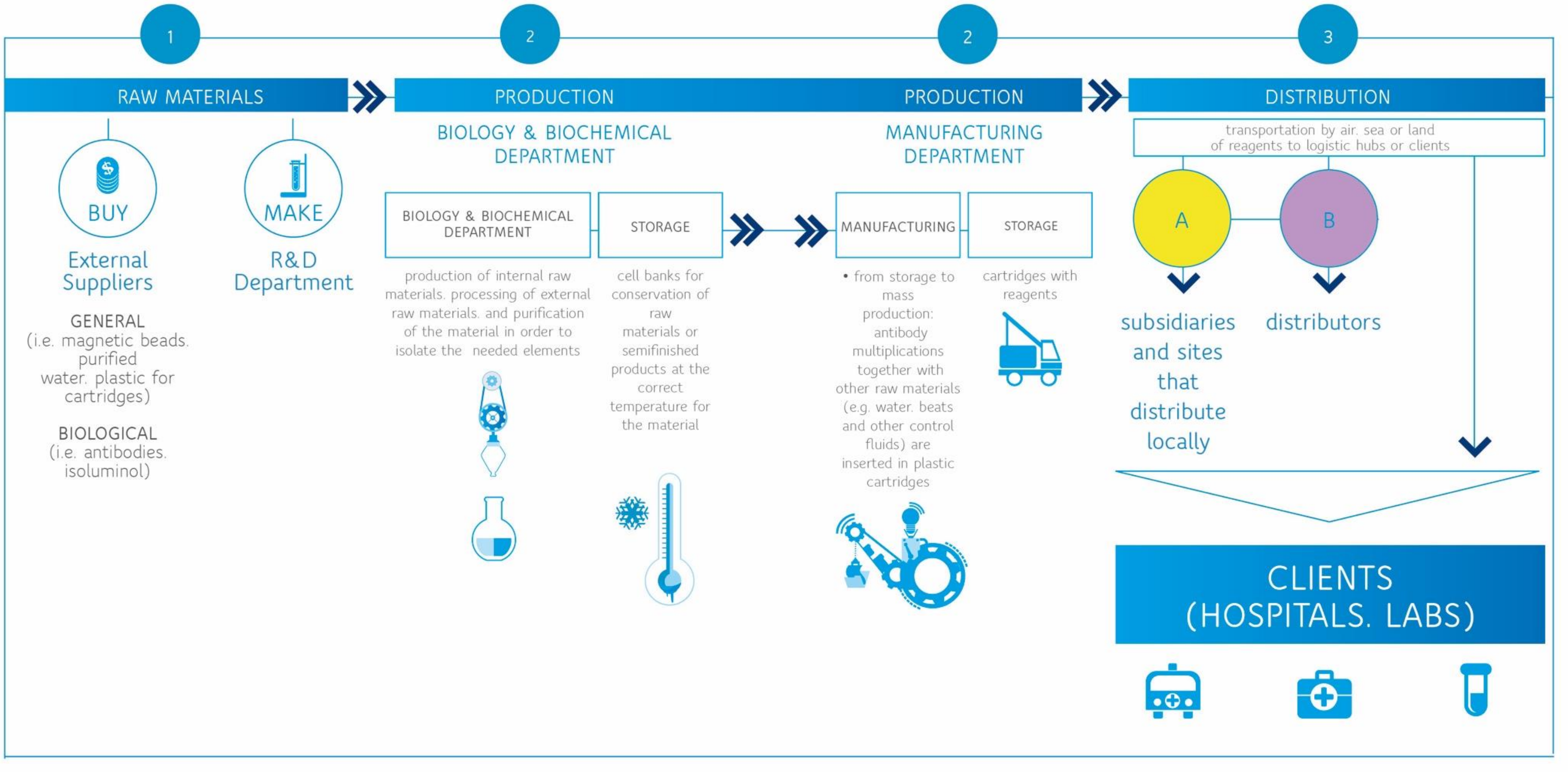
In Europe, United States, Mexico, Brazil, China, Australia and Israel, the DiaSorin Group sells its products mainly through its commercial subsidiaries that are part of the DiaSorin Group.

In countries where the Group does not have a direct presence, it operates through an international network of more than 80 independent distributors.

A LONG VIRTUOUS PATH

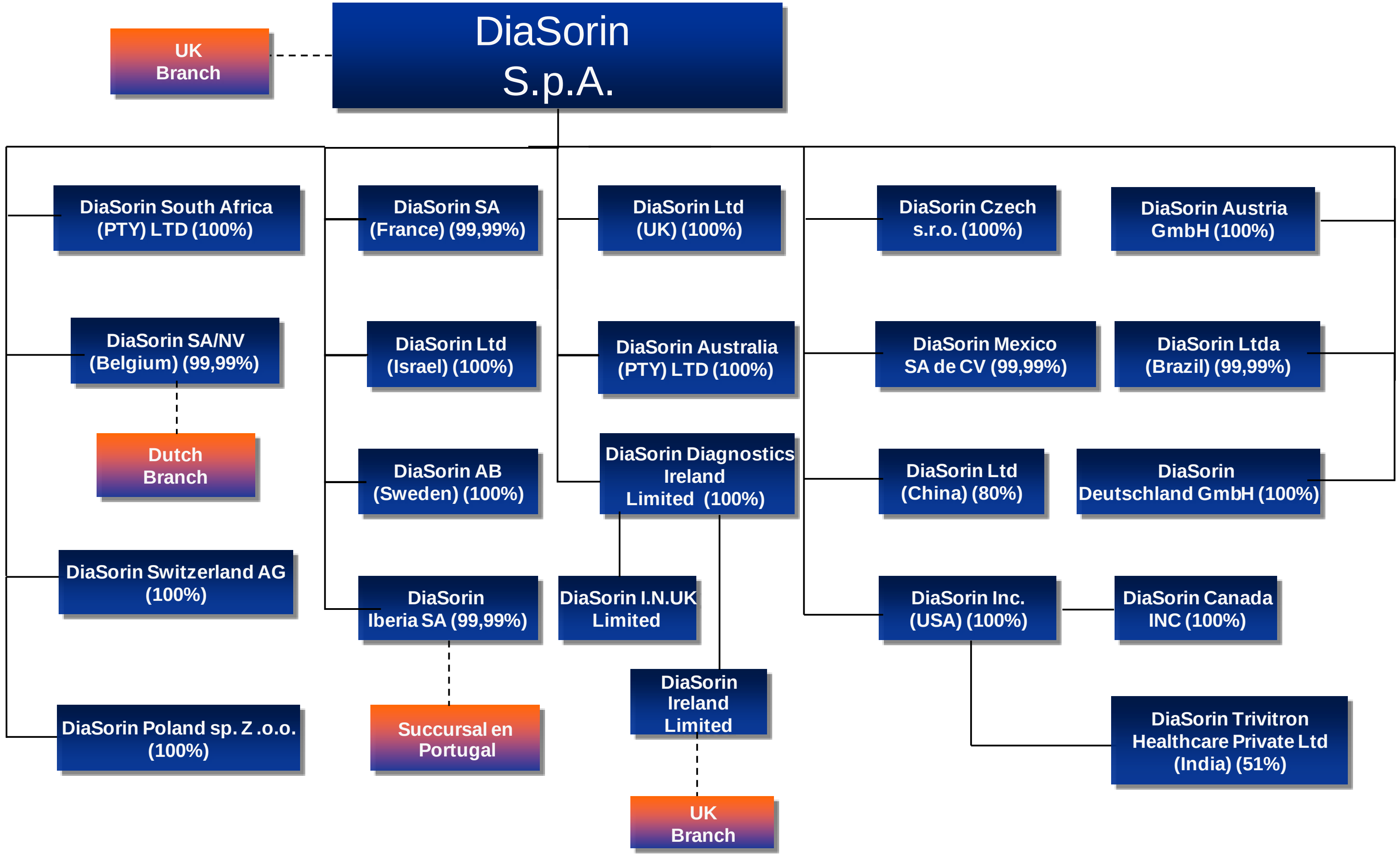
THE COMPANY DISTRIBUTION CHAIN

DiaSorin internally manages the primary processes involved in the research, production, and distribution aspects, that is the process that, starting with the development of new products, leads to the marketing of those products.



A SOLID AND WELL-ORGANIZED STRUCTURE

THE DIASORIN GROUP AT DECEMBER 31, 2015



Data in millions of euros

CONSOLIDATE FINANCIAL HIGHLIGHTS

Income statement *(in thousands of euros)*	**2015**	**2014**
Net revenues	499,181	443,770
Gross profit	341,897	298,738
EBITDA (1)	184,985	160,290
Operating result (EBIT)	152,001	129,891
Net profit for the period	100,548	84,074

Statement of financial position *(in thousands of euros)*	**12/31/2015**	**12/31/2014**
Capital invested in non-current assets	213,574	214,741
Net invested capital	319,245	317,231
Net financial position	267,913	166,342
Shareholders' equity	587,158	483,573

Cash flow statement *(in thousands of euros)*	**2015**	**2014**
Net cash flow for the period*	67,323	39,745
Free cash flow (2)	108,169	91,313
Capital expenditures	32,048	30,716
Number of employees	1,655	1,620

FINANCIAL HIGHLIGHTS OF THE GROUP'S PARENT COMPANY

Income statement *(in thousands of euros)*	**2015**	**2014**
Net revenues	281,261	253,007
Gross profit	126,028	115,734
EBITDA (1)	68,615	64,392
Operating result (EBIT)	56,273	52,794
Net profit for the period	46,004	56,622

Statement of financial position *(in thousands of euros)*	**12/31/2015**	**12/31/2014**
Capital invested in non-current assets	202,389	205,123
Net invested capital	287,456	281,654
Net financial position	102,986	75,996
Shareholders' equity	390,442	357,650

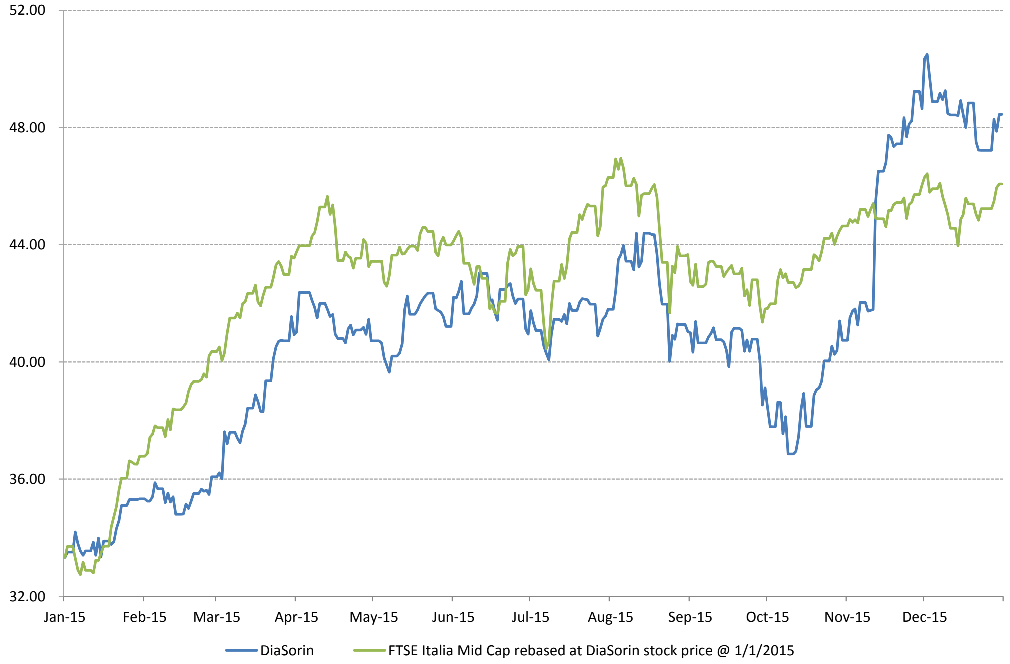
Cash flow statement *(in thousands of euros)*	**2015**	**2014**
Net cash flow for the period *	14,666	34,370
Free cash flow (2)	33,873	27,766
Capital expenditures	12,476	12,337
Number of employees	650	633

* Including investments amounting to 30 million euros in bank term deposit opened in 2015.
(1) Looking at the data on the Table, the Board of Directors defines EBITDA as the "operating result (EBIT)" before amortization of intangibles and depreciation of property, plant and equipment.
(2) Free cash flow is the cash flow from operating activities, counting utilizations for capital expenditures but before interest payments and acquisitions of companies and business operations.

SHAREHOLDERS

Performance of the DiaSorin stock in 2015

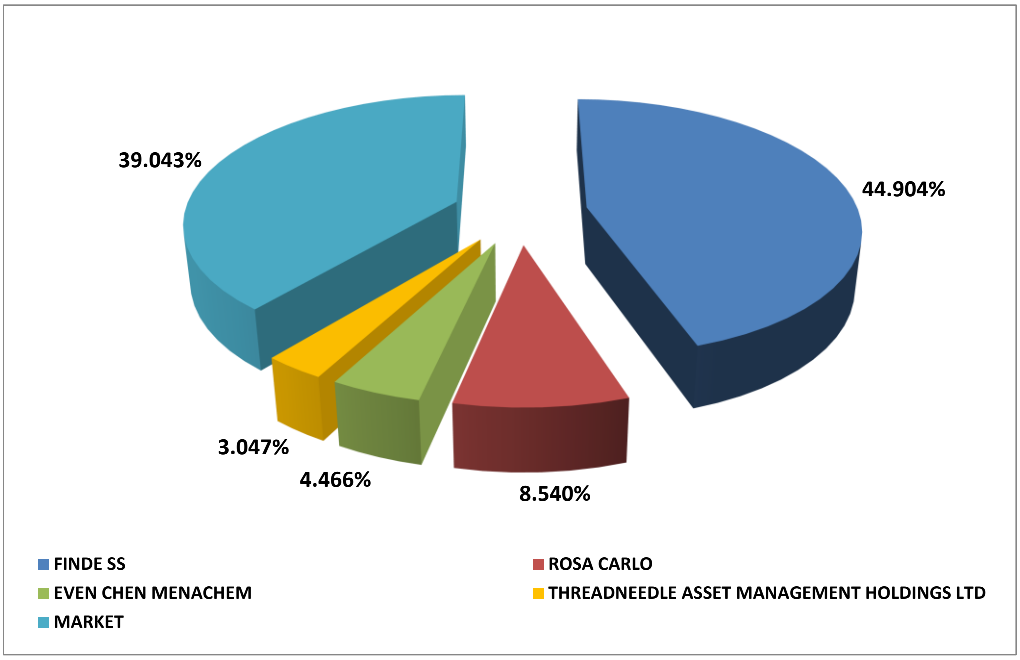
In 2015 the DiaSorin stock showed an upward trend, with an increase of +45.4%, compared with the positive trend recorded in its reference stock market Index, the FTSE Italia Mid Cap (+38.2% in 2015).



Stock ownership

The chart below shows a breakdown of the shareholders of DiaSorin S.p.A., based on information in the Shareholder Register, disclosures received pursuant to law and other available information processed up to December 31, 2015.

IP Investimenti e Partecipazioni S.r.l. (FINDE SS) continues to be the Company's reference shareholder and a significant stake is held by DiaSorin's management.



Financial Communications and Investor Relations

In 2015, in order to provide complete and updated information about its objective and the development of its businesses, DiaSorin continued to implement activities to interact and communicate with shareholders, institutional investors, financial analysts and the Italian and International press.

For DiaSorin, the support and confidence of its shareholders has always represented, and continues to be, one of the key factors of its success.

Financial communications provide as an essential interaction tool, through which DiaSorin can carry out a **constant dialog with its stakeholders**, based on a clear understanding of corporate developments, transparent management choices and accessible corporate information.

With this in mind, the **Investor Relations** team is constantly in contact with shareholders, investors and financial analysts, both on the occasion of corporate events and through an on-going relationship in the course of the year, by spontaneously creating opportunities for communications and interaction.

DiaSorin also participates in industry conferences and organizes roadshows that visit all of the main financial centers, continuously providing opportunities to obtain a more in-depth understanding of the Group's operating performance and strategic choices.

Contact information with the offices responsible for communications and investor relations is provided below:

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Website for a more in-depth insight about DiaSorin business: www.business.diasorin.com

OVERVIEW OF THE GROUP'S PERFORMANCE IN 2015 AND COMPARISON WITH 2014

Macroeconomic scenario and the foreign exchange market

In 2015, global economic growth remained subdued: Europe reported a modest recovery, the U.S. consolidated its recovery while emerging countries recorded a declining growth. In this context, the Chinese economy gradually slowed down and raw material prices declined.

In the last quarter of 2015, the U.S. started to wind down its expansionary monetary policy (quantitative easing) and raise the interest rates, following positive macroeconomic signals. The U.S. is expected to raise interest rates progressively also throughout 2016. Europe and Japan continued to implement measures to expand their monetary policy.

In the foreign exchange market, the average exchange rate of the euro lost value against almost all currencies used by the Group compared with 2014. Particularly, the euro lost value against the U.S. dollar (-16.5 percentage points), the Chinese Yuan (-15 percentage points) and the South African Rand (ca. -2 percentage points). In this context worth mentioning is the Brazilian real that depreciated by 19 percentage points against the euro.

The exchange rate of the euro at December 31, 2015 depreciated by 10 percentage points versus the U.S. dollar, decreasing from 1.2141 at the end of December 2014 to 1.0887 at the end of 2015, while the euro appreciated vis-à-vis the Brazilian real (+34 percentage points) and the South African Rand (+21 percentage points).

The exchange rates impacted significantly on the Group's operating performance of the period.

The table below provides a comparison of the average and end-of-period exchange rates for the periods under comparison concerning the main currencies used by the Group (Source: Banca d'Italia).

Currency	Average exchange rates		Exchange rates at	
	2015	2014	12/31/2015	12/31/2014
U.S. dollar	1.1095	1.3285	1.0887	1.2141
Brazilian real	3.7004	3.1211	4.3117	3.2207
British pound	0.7258	0.8061	0.7340	0.7789
Swedish kronor	9.3535	9.0985	9.1895	9.3930
Swiss franc	1.0679	1.2146	1.0835	1.2024
Czech koruna	27.2792	27.5359	27.0230	27.7350
Canadian dollar	1.4186	1.4661	1.5116	1.4063
Mexican peso	17.6161	17.6550	18.9145	17.8679
Israeli shekel	4.3122	4.7449	4.2481	4.7200
Chinese yuan	6.9733	8.1857	7.0608	7.5358
Australian dollar	1.4777	1.4719	1.4897	1.4829
South African rand	14.1723	14.4037	16.9530	14.0353
Norwegian krone	8.9496	8.3544	9.6030	9.0420
Polish zloty	4.1841	4.1843	4.2639	4.2732

OVERVIEW OF 2015 FOR THE DIASORIN GROUP

In 2015, the DiaSorin Group's **revenues** totaled **499,181 thousand euros** (443,770 thousand euros in 2014), up by 12.5% compared with 2014 (+6.0% at constant exchange rates). The foreign exchange market led to a positive net effect of 29 million euros on the Group's revenues, due to the appreciation of the U.S. dollar and the Chinese yuan, partly offset by the depreciation of the Brazilian real.

The 2015 reporting year was characterized by the strong performance of CLIA products, net of Vitamin D, with a +23.5% (+18.5% at constant exchange rates) that offset the downward trend in sales of RIA and ELISA reagents.
Vitamin D sales increased by 9.7% at current exchange rates (-1.7% at constant exchange rates); instrument sales were equal to +7.3% (+2.0% at constant exchange rates).

The **gross profit** totaled **341,897 thousand euros**, up 14.4% compared with 298,738 thousand euros in 2014. The ratio of gross profit to revenues was equal to 68.5% (67.3% in 2014), due to higher sales and to the different geographic and product mix recorded in the periods under comparison.

EBITDA amounted to **184,985 thousand euros** (160,290 thousand euros in 2014), up by 15.4% or 24,695 thousand euros compared with 2014. EBITDA incidence to revenues increased from 36.1% in 2014 to 37.1% in 2015. The rise compared to last year is attributed to a growth in gross profit and to a lower incidence of operating costs while it was negatively impacted by exchange rate differences on operating items. When excluding the impact of the exchange rates from the periods under comparison, EBITDA was up 6.4% in absolute value and equal to 36.3 percentage points of revenues compared with 2014.

EBIT amounted to **152,001 thousand euros** (129,891 thousand euros in 2014), equal to 30.5% of revenues, up 1.2 percentage points. (equal to 29.3% of revenues in 2014).

In 2015, **net financial expenses** totaled **1,899 thousand euros**, compared with net financial expenses of 1,767 thousand euros in 2014, mainly as a result of the effect of exchange rate differences.

Income taxes totaled **49,554 thousand euros** (44,050 thousand euros in 2014); the tax rate decreased to 33.0% from 34.4% in 2014, mainly as a result of the computation of the Group's taxable profit across the different geographical areas in the periods under comparison and a lower amount of non-deductible taxes withheld on dividends the Group's Parent Company received from foreign subsidiaries in 2015.

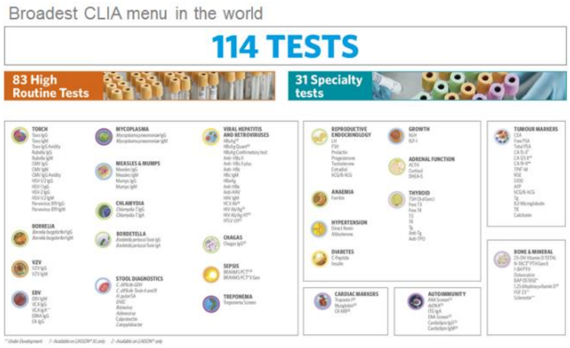
The **net profit** totaled **100,548 thousand euros,** with an increase of 16.474 thousand euros or +19.6% compared with 2014. The net profit was equal to 20.1% of revenues (18.9% of revenues in in 2014).

ACTIVITIES OF THE DIASORIN GROUP IN THE DIFFERENT AREAS OF ITS ORGANIZATION

MARKETING AND SALES

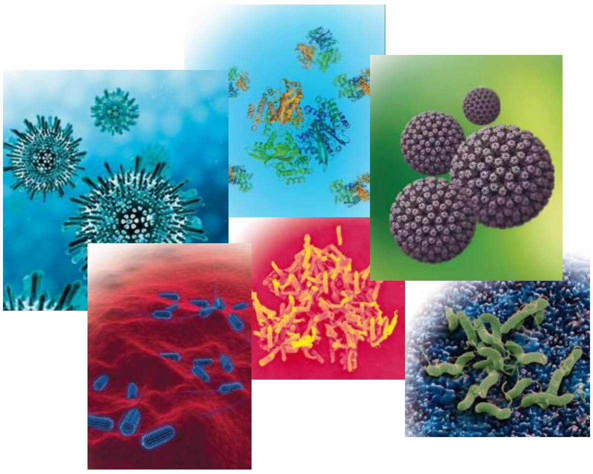
In 2015, the Corporate Marketing department focused on the following activities:

- **launch of new tests** on LIAISON and LIAISON XL platforms, extending the DiaSorin menu to **114 CLIA products**, out of which 31 specialty tests, including the novel 1,25 (OH)2 Vitamin D test and "Best in Class"25 (OH) Vitamin D;



- **commercial promotion** of **LIAISON XL** in Europe, United States, China, Latin America and Asia Pacific, with a further **expansion** of the **analyzers' installed base** (627 new units in 2015, for a total of 2,292 units worldwide), through either stand-alone solution or automation connectivity provided by DiaSorin or by strategic partnership with Roche and Beckman;

- launch of **2 new tests** *(Campylobacter and Calprotectin* in **gastrointestinal infections on stool samples** to complete the best-selling tests panel that is now fully automated and available on LIAISON and LIAISON XL platforms:
  - *Rotavirus,*
  - *Adenovirus,*
  - *Enterohemorrhagic Escherichia Coli,*
  - *Clostridium Difficile Toxins A&B,*
  - *Clostridium Difficile GDH,*
  - *Helicobacter Pylori,*
  - *Campylobacter,*
  - *Calprotectin;*



- commercial promotion to support its **market leadership** in **Vitamin D** test, especially in the U.S, European and Asian markets, also in view of the future expansion in the Japanese market;

- promotion of the Group in the clinical area of Onco-Hematology in **molecular diagnostics**.

FOCUS ON LIAISON® XL
More reliability, more tests, more productivity

627 placements in 2015, expanding the installed base to **2,292 units**.

The higher amount of placements compared with 2014 confirms an increasing level of users' satisfaction for the platform and for its tests menu which is today the broadest available on the market, with high throughput designed for large-sized laboratories.

Customers chose and still choose LIAISON XL mainly for:

- **Infectious Diseases tests**, where DiaSorin continues to consolidate and strengthen its position on the market (e.g. United States and Europe), through a mix of high routine products and a growing number of new specialty tests for the diagnosis of Infectious Diseases;
- **Hepatitis and Retrovirus panel**, with the addition of a high-throughput HIV Combo assay having unique featuring;
- **Diagnosis of Gastrointestinal Infections**, featuring a fully automated menu with random access and chemiluminescent;
- **Consolidation of Infectious Diseases, Hepatitis and Retrovirus panels**, where DiaSorin offers the most extensive menu available on the market as well as the consolidation of tests for **gastrointestinal infections** on stool samples;
- **25(OH) Vitamin D tests** (hereinafter Vitamin D), due to the quality and doubling of LIAISON XL hourly productivity compared with LIAISON; furthermore, the test was enrolled into the Vitamin D Standardization Program (VDSP) and it is used in the main laboratories in the U.S.;
- **Novel 1,25(OH)2 Vitamin D test** (hereinafter 1,25 Vitamin D), that is highly efficient and sensitive and does not require the up-front extraction step, to simplify significantly laboratories activities that have been so far complex and laborious.

FOCUS ON PRODUCT MENU AND TESTS LAUNCH

A broader portfolio for a simple and reliable system in a global market.

IMMUNODIAGNOSTICS

In 2015, **immunodiagnostic menu** on CLIA automated platform totaled **114 products,** becoming the broadest offer on the market, thanks to **31 specialty tests**.

INFECTIOUS DISEASES

In the **Infectious Diseases** clinical area, DiaSorin continued to offer the widest automated menu in its reference market, with an increasing market share.
In 2015, DiaSorin increased its panel of tests through the launch of **2** unique **CLIA tests** for the quantitative determination of ***IgG* and *IgA*** antibodies to ***Bordetella pertussis Toxin*** in human serum or plasma samples.
Pertussis, also known as whooping cough, is a bacterial diseases of the respiratory tract. It can affect adults and young children.
These 2 new tests for the diagnosis of Pertussis expanded DiaSorin respiratory panel together with the launch of 2 tests for the determination of *IgG* and *IgM* to *Mycoplasma pneumoniae* in human serum or plasma samples.
Furthermore, DiaSorin developed in agreement with Brahms, **1 new test** for the in vitro quantitative determination of **Procalcitonin (PCT)** in human serum or plasma samples and entering a potential market which is estimated to be around 120 million tests worldwide.
The new **LIAISON BRAHMS PCT II GEN assay**, in addition to further expand the Group's CLIA specialty menu, will offer health-care professionals an integrated solution for accurate detection of severe bacterial infections, such as **sepsis,** significantly improving medical decision making.

HEPATITIS AND RETROVIRUS

Again in 2015 the Group successfully achieved important goals in **Hepatitis** and **Retrovirus** clinical areas.
DiaSorin products have been addressed to clinical laboratories and blood centers, particularly in the Latin American area.
The Chinese market where important tests, such as **Hepatitis B** and **C**, **Retrovirus**, **Syphilis** combined with LIAISON XL flexibility that can be connected to different diagnostic operators' platforms, such as Beckman Coulter, expanded DiaSorin offer concerning infectious diseases on a single platform in a market which is estimated to grow about 20% per year on CLIA technology.

GASTROINTESTINAL INFECTIONS

In the clinical area of **gastrointestinal infections** in human stool samples DiaSorin continued to strengthen its competitive edge through the launch of **2 new tests**: the **Campylobacter** test to diagnose acute bacterial gastroenteritis and the **Calprotectin** test to identify mucosal inflammation. The Calprotectin test can be used to detect inflammatory bowel diseases (IBD), particularly the Crohn's disease and ulcerative colitis, and to distinguish and separate IBD from and irritable bowel syndrome (IBS).

These important tests added to the automated product panel available on LIAISON and LIAISON XL platforms, such as *Rotavirus, Adenovirus, Helicobacter Pylori, Clostridium Difficile Glutamate Dehydrogenase - GDH* and the *Clostridium Difficile Toxins A&B* and *Enterohaemorrhagic Escherichia Coli.*

Thanks to its important offer in this clinical area, **DiaSorin** is today the **only player on the market to provide 8 tests on a fully automated platform**, helping laboratories to deliver fast result for infections detection and isolation.

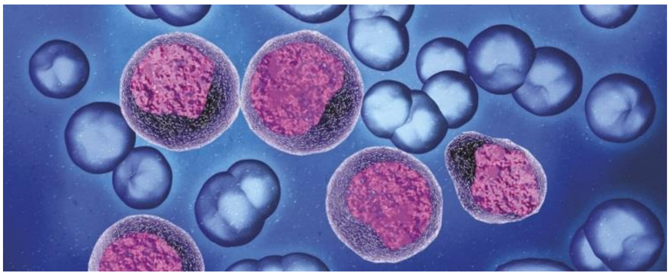
BONE & MINERAL

DiaSorin continued to promote the novel **1,25(OH)2 Vitamin D test** in the **Bone & Mineral** clinical area. This unique test is fully automated, it does not require the extraction step and delivers results in just 60 minutes. It analyses a small quantity of blood performing more tests on the same blood sample. Up today the detection of 1,25(OH)2 Vitamin D was very difficult for laboratories, because test performance required over 24 hours and it strictly depended on the operator ability in performing the test.

MOLECULAR DIAGNOSTICS

As far as **molecular diagnostics** is concerned, DiaSorin worked to consolidate its presence in the market of Onco-Hematology, focusing on three tracks:

1. scientific diffusion;
2. expanding the products menu;
3. creating a commercial team.



The first **Onco-Hematology** test (**Iam BCR-ABL**) has been used in 10 prominent Italian centers to carry out a **national multicentral study** demonstrating DiaSorin kit benefits.

The results of the study were published and submitted to seminars and conferences dedicated to the health-care sector, including those held at the Italian Hematology Society (SIE) and LabNet.

In September 2015, DiaSorin launched **two new tests** for **ultra-rapid molecular diagnosis of Acute Promyelocytic Leukemia (APL)** that represents the urgency par excellence in the field of Onco-hematology.
Thanks to DiaSorin tests allowing the detection of the genetic cause of APL in only 15 minutes, medical staff can treat promptly this pathology being, in many cases, fatal and allowing patients to survive in more than 90% of cases.

In October 2015, the Group promoted the first international symposium of **molecular diagnostics in onco-hematology** organized by the prestigious association GIMEMA gathering all the major Italian Hematology centers to discuss issues such as molecular diagnostic approach in cases of *Philadelphia chromosome-positive Leukemia* and *Acute Myeloid Leukemia*, with a proper analysis carried out by international experts on available molecular approaches, including the innovative DiaSorin Q-LAMP technology.

The company trained and employed a **team of product specialists** on the field to promote new products launched on local areas through presentations, demos and comparative studies and started the acquisition of products in several hospitals' labs becoming today DiaSorin customers.

Throughout 2015, the molecular diagnostic Marketing activity focused on promoting the innovative DiaSorin Q-LAMP technology in Onco-haematology and on promoting on local areas 3 DiaSorin tests available on the market to diagnose the following diseases:

- *suspected Chronic Myeloid Leukemia* in patients that will then be treated with a specific targeted drug (Tyrosine kinase Inhibitors);
- *Acute Lymphoblastic Leukemia* in patients that will initiate in time the right therapy;
- *Acute Promyelocytic Leukemia* in patients that will be treated very quickly reducing, therefore, the risk of life-threatening complications.

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RESEARCH & DEVELOPMENT AND REGISTRATION ACTIVITIES

One of the pillars of DiaSorin growth is its consolidated capability to innovate its products and evaluate new business opportunities deriving from current research activities.

DiaSorin has **132** highly qualified **researchers** who acquired their expertise within the Group, both in immunodiagnostics and in molecular diagnostics areas. They are located mainly in the company facilities in Italy, United States and Ireland.

Gender diversity		
Men	63	48%
Women	69	52%
Total	**132**	**100%**

Length of service		
0-3 years	24	18%
3-5 years	29	22%
5-10 years	36	27%
> 10 years	43	33%
Total	**132**	**100%**

Every research facility is highly specialized in different technologies and product clinical areas. In 2015, R&D focused on the **expansion project of the product menu** available on LIAISON and LIAISON XL in Immunodiagnostics and on LIAISON Iam in Molecular Diagnostics.

The excellence in research and sharing of know-how among the several research facilities enabled the DiaSorin Group to develop, again in 2015, innovative tests recognized as a global benchmark by diagnostic laboratories.

	**IMMUNODIAGNOSTICS:** ▪ INFECTIOUS DISEASES ▪ SEPSIS ▪ DEVELOPMENT OF RAW MATERIALS AND NEW TECHNOLOGIES **MOLECULAR DIAGNOSTICS** **(PRE-FEASIBILITY AND FEASIBILITY):** ▪ ONCO-HAEMATOLOGY
IMMUNODIAGNOSTICS: ▪ GASTROINTESTINAL INFECTIONS AND DISEASES ▪ BONE AND MINERAL	
	**MOLECULAR DIAGNOSTICS** **(INDUSTRIAL VALIDATION):** ▪ ONCO-HAEMATOLOGY

NEW IMMUNODIAGNOSTICS PRODUCTS

In 2015, the Research & Development team, continued its commitment to immunodiagnostics technology and focused on the constant broadening of CLIA menu on LIAISON and LIAISON XL analyzers, launching a new automated test for the determination of antibodies to Pertussis toxin, the second generation of specialty tests for the detection of sepsis, the test for gastrointestinal infections caused by Campylobacter Pylori, the tests for the quantitative determination of Calprotectin in stool samples to identify inflammatory bowel diseases, (specifically ulcerative colitis and Crohn's disease) and the test for the quantitative determination of Sclerostin (marker used to monitor kidney function in patients suffering from chronic kidney diseases).

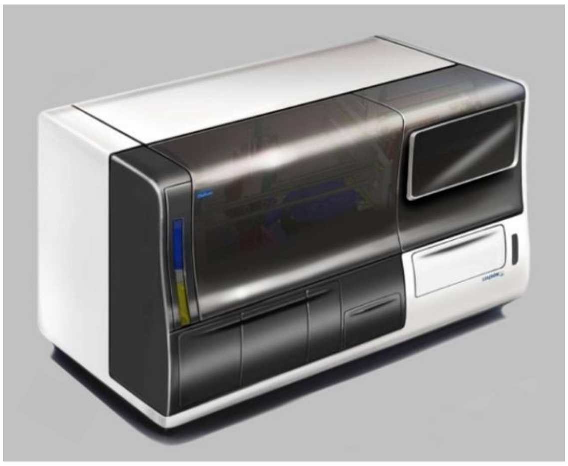
CLINICAL AREAS		NEW PRODUCTS
	Infectious diseases	Bordetella pertussis toxin IgG and IgA Procalcitonin II generation
	Gastrointestinal infections and diseases	Campylobacter Calprotectin
	Bone and Mineral	Sclerostin

IMPROVEMENTS TO LIAISON XL PLATFORM

Again in 2015, Research & Development continued to improve its LIAISON analyzers focusing on:

- Further consolidation of hardware and software components to make LIAISON XL "stronger and stronger" and meet the needs of a growing range of instruments installed at laboratories;
- Further expansion of the compatibility of the LAS version (Laboratory Automation System) of LIAISON XL, to connect additional automated sample-handling systems at large clinical laboratories, also, and above all, in the light of strategic partnership in this area.

DEVELOPMENT OF THE NEW LIAISON XS ANALYZER



In 2015 DiaSorin started to develop a new LIAISON analyzer, known as LIAISON XS that will be launched at the end of 2018.

The main characteristics of the new analyzer are provided below:

- Designed for positioning requiring lower dimensions, productivity and costs compared to the current DiaSorin's instrument offer;
- Suitable to tackle significant market segments in low volumes laboratories that require a large number of specialty tests, especially in China and USA;
- Designed to have fully continuity with LIAISON XL technology and be compatible with tests and consumables already used on it.

NEW MOLECULAR DIAGNOSTIC PRODUCTS

In 2015, the Company continued to extend its product menu based on LAMP technology and available on LIAISON Iam.

CLINICAL AREAS		NEW PRODUCTS
	Onco-Hematology	PML-RARA detection bcr 1,3 PML-RARA discrimination bcr2

Through the launch of the test to identify bcr1/bcr2/bcr3 positivity, the menu of tests available in molecular diagnostics in the clinical area of onco-hematology is as follows:

- BCR-ABL p210-p190
- PML-RARA detection bcr 1,3
- PML-RARA discrimination bcr2

The menu available in the **infectious diseases** clinical area includes the following tests:

- BKV
- Toxoplasmosis
- VZV
- Parvovirus
- Cytomegalovirus
- Herpes Virus 1&2

Future research and development in molecular diagnostics will be dedicated to further develop the menu of tests in the onco-hematology clinical area.

The following provides the LAMP pipeline under development.

CLINICAL AREAS		PRODUCTS UNDER DEVELOPMENT
	Onco-Hematology	BCR-ABL v 1.5 (exon 3 rare transcripts) AML1-ETO CBF-MYH A CBF-MYH D, E Quant BCR-ABL p210 Quant ABL

RESEARCH & DEVELOPMENT COSTS AND INVESTMENTS

In 2015, the Group capitalized development costs equal to 1,577 thousand euros and charged directly to income research and development costs amounting to 24,032 thousand euros which included 9,401 thousand euros in costs incurred to register products available for sale and comply with quality standards.

(in thousands of euros)	**2015**	**2014**
Research and development costs that were not capitalized	24,032	22,642
Annual amortization of capitalized costs	2,126	2,352
Total research and development costs charged to income	**26,158**	**24,994**
Development costs capitalized during the year	1,577	1,401
Total research and development costs	***25,609***	***24,043***

In 2015, the Group's Parent Company capitalized development costs totaling 526 thousand euros and charged to income research and development costs amounting to 13,295 thousand euros which included 3,366 thousand euros in costs incurred to register products available for sale and comply with quality standards and 1,227 thousand euros in costs incurred in annual amortization of previous years capitalized costs.

HUMAN RESOURCES AND ORGANIZATION

TALENTS AS RESOURCE FOR BUSINESS DEVELOPMENT

In 2015, through its international presence, DiaSorin continued to invest structurally in developing and valuing the Group's Human Capital.

Every person is unique and, with his/her background and talent, fundamental to create an excellent work environment that meets the needs of a market in continuous evolution.

The Human Resources department, working in close collaboration with management, operates in an international framework, promoting the professional and managerial growth of people, providing training programs, incentive plans, organizational restructuring to support better the management of the company.

In 2015, over a half of managerial positions held were filled through internal promotions on the basis of meritocracy and through the identification of resources having the greatest potential for growth. The remaining position were held bay high qualified employees through external recruitment.

In 2015, consistent with previous year, DiaSorin continued its policy regarding the Group's Human Capital based on the growth and retention of key resources. Furthermore, the Group performed an in-depth analysis on staff turnover to monitor the flows into and out of the company and to promote awareness of the real business needs, fostering company talents.

Attention has been given to the quality of channels to recruit young people. Communication with top universities in some important local areas, such as in Italy, North America, China led to internship opportunities and interactive meetings with young students in this countries.

ORGANIZATIONAL DEVELOPMENT: STABILITY AND STRATEGIC GROWTH

GROUP'S STRUCTURE

In organizational terms, the Group undertook an in-depth analysis to strengthen and strategically align its industrial processes and synergies arising from business activities, evaluating to strengthen the connection between sale force and marketing in the perspective of customer focus. Structures and staff functions and roles have been analyzed to support business.

REGIONS:

Commercial regions showed their wish to improve the allocation of resources, with higher investments in sale resources and after-sale services and optimizing indirect resources addressed to staff and administration.

EUROPE SALES REGION: EASTWARDS EXPANSION AND STABILITY

- In Europe DiaSorin maintained a strong level of managerial and organizational stability, adopting different development strategies depending on market needs.
- The Group has also strengthened its direct commercial presence opening a new subsidiary in Poland last July. This has led to the recruitment of about 20 new employees, in the second half of 2015, and the integration of the *Poland Ortho Diagnostic organizational structure.*

STRATEGIC MARKETS: GROWTH AND ORGANIZATIONAL DEVELOPMENT
DiaSorin recorded a steady upward trend in strategic markets, with a double-digit growth in China that led to an increase of about 17.5% in the number of the Group employees, mainly in the sales area

USA: COMMERCIAL PARTNERSHIP AND INVESTMENTS IN SUPPORTING ORGANIZATIONAL STRUCTURES
Partnerships signed with some important laboratories *(LabCorp, Quest Diagnostics and Sonic Healthcare)* in the United States involved new investments. Resources of North America sale network and organizational structure to support after-sale support increased by 5.3%.

DEVELOPMENT AND EVALUATION OF PEOPLE

In 2015 the Group continued its action to enhance people belonging to the DiaSorin consolidating development and evaluation systems, including:

- *LeadLab*: development program based on the company Leadership Model and on the company business, involving over 50 top managers worldwide on Strategic Management of Resources issues.
- *Performance Management Process* (P.M.P.): Program to assess Management based on the company Leadership Model and on Performance results. Following the pilot program launched in 2014, the Group carried out an in-depth analysis about the results arising from management evaluating lower level employees and highlighting DiaSorin's current resources and those on the basis of which the company will be able to define the future managerial development, coherently with the strategic business plan.
- Performance Management Process *YOU* (P.M.P YOU): in 2015 DiaSorin launched a pilot program to assess all levels of its organization. This program has been implemented in two manufacturing facilities involving the local management in the preliminary communication and training procedure aimed at launching the assessment program in 2016.

In 2015 the Group implemented internal communication initiatives to increase employees' knowledge of strategies, organization and business to strengthen their feeling of being part of the DiaSorin Group

THE HUMAN CAPITAL OF THE GROUP

At December 31, 2015, the DiaSorin Group had 1,655 employees, up by 2.2% (equal to 35 people) compared with December 31, 2014, as a result of a significant investment in the human resources working in the commercial areas of such strategic markets as China, Asia and the United States.

The Human Resources department works actively to maintain a balanced and heterogeneous mix of employees, in order to place the individual at the center of DiaSorin business model, as shown in the Group's charts.
As to the Group's Parent company, DiaSorin S.p.A. and its U.K. Branch had 650 employees (571 and 79, respectively) out of which 29 managers, 543 office staff and 78 production staff as at December 31, 2015.

SUSTAINABILITY, HEALTH AND TRAINING: 3 STRATEGIC WORDS FOR THE GROUP

SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

Again in 2015 the Group published its Sustainability Report, available on *http://csr.diasorin.com*, where the company confirms the culture DiaSorin shares within the Group on important issues in terms of economic, environmental and social sustainability.

REVIEW OF THE GROUP'S OPERATING PERFORMANCE AND FINANCIAL POSITION

Foreword

The 2015 consolidated financial statements were prepared in accordance with the international accounting principles ("IFRSs"), as published by the International Accounting Standards Board ("IASB") and officially approved by the European Commission, and are consistent with the regulation enacted to implement Article 9 of Legislative Decree No. 38/2005.

Operating performance in 2015 and comparison with 2014

(in thousands of euros)	**2015**	**As % of revenues**	**2014**	**As % of revenues**
Net revenues	499,181	100.0%	443,770	100.0%
Cost of sales	(157,284)	31.5%	(145,032)	32.7%
Gross profit	**341,897**	**68.5%**	**298,738**	**67.3%**
Sales and marketing expenses	(98,047)	19.6%	(88,949)	20.0%
Research and development costs	(26,158)	5.2%	(24,994)	5.6%
General and administrative expenses	(55,494)	11.1%	(50,578)	11.4%
Total operating expenses	**(179,699)**	**36.0%**	**(164,521)**	**37.1%**
Other operating income (expense)	(10,197)	2.0%	(4,326)	1.0%
Non-recurring amount	*(2,108)*	*0.4%*	*(2,388)*	*0.5%*
EBIT	**152,001**	**30.5%**	**129,891**	**29.3%**
Net financial income (expense)	(1,899)	0.4%	(1,767)	0.4%
Result before taxes	**150,102**	**30.1%**	**128,124**	**28.9%**
Income taxes	(49,554)	9.9%	(44,050)	9.9%
Net result	**100,548**	**20.1%**	**84,074**	**18.9%**
EBITDA (1)	**184,985**	**37.1%**	**160,290**	**36.1%**

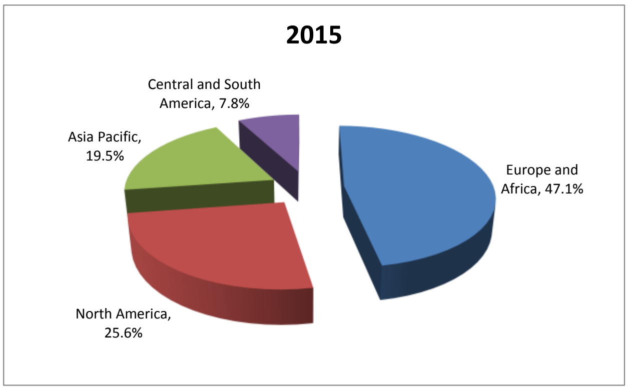
(1) With regard to the income statement data provided above, please note that the Board of Directors defines EBITDA as the "result from operations" before amortization of intangibles and depreciation of property, plant and equipment. EBITDA, which the Company uses to monitor and assess the Group's operating 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.

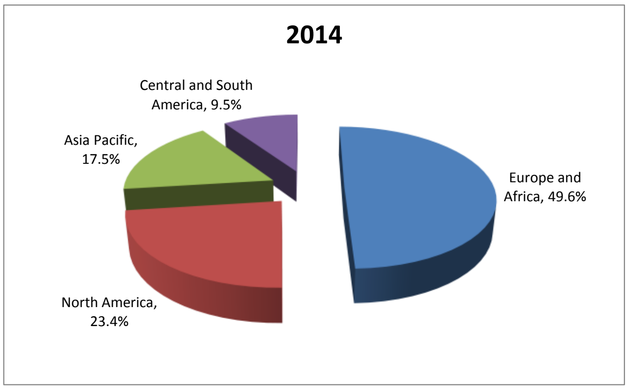
Net revenues

In 2015, the DiaSorin Group reported **net revenues** equal to **499,181 thousand euros** (443,770 thousand euros in 2014). A breakdown of revenues by geographic region of destination is as follows:

Breakdown of revenues by geographic region

(in thousands of euros)	**2015**	**2014**	**% Change at current exchange rates**	**% Change at constant exchange rates**
Europe and Africa	235,333	220,243	+6.9%	+5.7%
North America	127,783	103,770	+23.1%	+3.2%
Asia Pacific	97,361	77,504	+25.6%	+14.8%
Central and South America	38,704	42,253	-8.4%	-2.2%
Total	**499,181**	**443,770**	**+12.5%**	**+6.0%**





Europe and Africa

Europe and Africa sales region generated sales equal to 235,333 thousand euros, up 6.9 percentage points (+5.7% at constant exchange rates) compared with 2014. Specifically:

i) growth in revenue (+2.1%) in the Italian market, despite the downward trend in the local market (-0.8%[1]), driven by the Hepatitis clinical area, the good performance of Vitamin D sales, the Infectious Diseases and Gastrointestinal panels;

ii) increase of 9.5% recorded in the German market (-1.1%[1] in the local market), as a result of higher sales of CLIA products, especially 1,25 Vitamin D, Vitamin D and Gastrointestinal tests;

iii) sales slowdown in the French market (-4.0% following the downward trend in the local market equal to -8.1[1]%), due to the Vitamin D effect as a result of the recent health care reform that has drastically cut the number of Vitamin D tests approved for reimbursement (- 39.5%[1] in the local market). Net of these sales, the subsidiary recorded a growth of 8.2 percentage points. Sales of CLIA reagents, net of Vitamin D, grew by 15.3 percentage points compared with 2014;

iv) growth in all countries of the area where the Group has a direct presence; sales in Spain and UK grew by 14.0% and 15.4% (the latter in local currency) respectively, due to the positive

[1] Source: EDMA latest data available

performance of CLIA sales. Higher sales in Poland (32.0%), also as a result of the opening, during the second half of the year, of a subsidiary that acquired the business from a local distributor. Sales through distributors registered a 3.4% decrease at current exchange rates (-5.2% at constant exchange rates) compared with 2014, mainly due to socio-political tension in Russia.

North America

In 2015, the North America sales region reported revenues of 127,783 thousand euros, up 23.1% at current exchange rates (+3.2% at constant exchange rates) compared with 2014 (103,770 thousand euros). This is the net result of:

i) CLIA sales, net of Vitamin D, increased by 41.5 percentage points, driven by the success of products in the clinical areas of Infectious Diseases, Prenatal Screening and 1,25 Vitamin D that were positively impacted by the agreement signed with LabCorp;

ii) stable trend in Vitamin D sales, as a result of the growth generated from the agreement with Quest that started in the second quarter of 2015 and offset by lower sales to other clients due to the price reduction;

iii) physiological decline in more dated ELISA and RIA technologies.

Asia Pacific

In 2015, revenues of the Asia Pacific sales region amounted to 97,361 thousand euros, up 25.6% (14.8% at constant exchange rates) compared with 2014.

Specifically:

i) positive performance of the Chinese subsidiary with a 30.2 percentage point growth in local currency for all CLIA products that more than offset the decline in sales connected to ELISA technology;

ii) decline in revenues in the Australian market (-3.2% in Australian dollars) due to lower Vitamin D sales volumes deriving from the reduction in reimbursement following the health-care reform. Noteworthy is the growth of 30.9 percentage points in sales of CLIA reagents, net of Vitamin D, compared with 2014;

iii) upward trend in sales generated through distributors in markets where the Group does not have a direct presence (+13.5% at current exchange rates or +8.7% at constant exchange rates).

Central and South America

The Latin American sales region recorded revenues of 38,704 thousand euros in 2015, down 8.4 percentage points (-2.2% at constant exchange rates) compared with 42,253 thousand euros in 2014. This result is mainly attributable to:

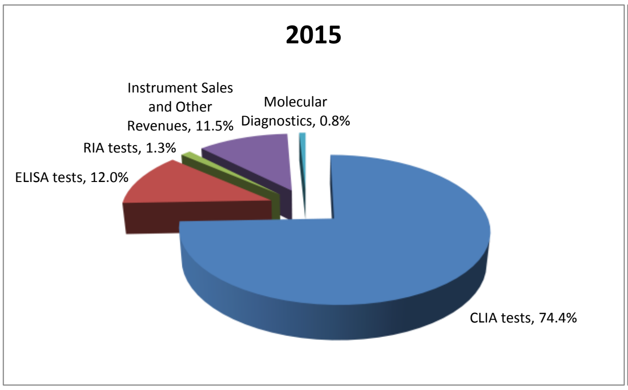
i) downward trend in the Brazilian market (-10.8% in local currency), due to the overall macroeconomic crisis affecting the country and partly to disruptions of some important local distributors;

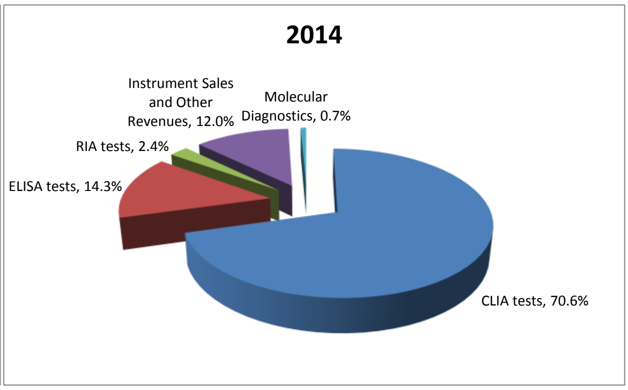
ii) growth in the Mexican subsidiary's sales (+9.2% in local currency), driven by Hepatitis and Infectious Diseases panels;

iii) positive performance of distributors' network in countries where the Group does not have a direct presence (+10.1% at current exchange rates or +7.7% at constant exchange rates compared with 2014).

Breakdown of revenues by technology

% of revenues contributed	**2015**	**2014**
CLIA Tests	74.4%	70.6%
ELISA Tests	12.0%	14.3%
Instrument Sales and Other Revenues	11.5%	12.0%
RIA Tests	1.3%	2.4%
Molecular Diagnostics	0.8%	0.7%
Total	**100.0%**	**100.0%**





The following provides the main elements of revenues by technology:

i) growth of 23.5% (18.5% at constant exchange rates) in sales generated from CLIA products, net of Vitamin D;

ii) upward trend in Vitamin D sales amounting to +9.7% (-1.7% at constant exchange rates), negatively impacted by the health-care reforms in the French and Australian markets and an ongoing price pressure that were offset by higher volumes and the start of the agreement with Quest in the United States;

iii) stable instruments and consumables sales (+2% at constant exchange rates and +7.3% at current exchange rates);

iv) growth in molecular diagnostic sales (4,003 thousand euros) compared with 3,222 thousand euros in 2014;

v) increase in the installed base: 464 new instruments have been placed in the period, for a total of 6,336 installed units. LIAISON XL new installations amounted to 627 (590 in 2014), totaling 2,292 units.

Operating performance

At the end of 2015, the gross profit totaled 341,897 thousand euros, up 14.4% compared with 298,738 thousand euros in 2014. The ratio of gross profit to revenues increased from 67.3% in 2014 to 68.5% in 2015. This result was mainly due to higher sales and a different sales mix (geography and product) of the periods under comparison.

Operating expenses totaled 179,699 thousand euros, up 9.2 percentage points compared with the previous year (164,521 thousand euros). The ratio of operating expenses to total revenues decreased from 37.1% in 2014 to 36.0% in 2015. The increase in the periods being compared was negatively impacted by the exchange rate fluctuations (4.6 percentage points at constant exchange rates). This is the net result of the increase in sales and marketing expenses, costs for technical assistance (driven by the growing number of the installed base) as well as general and administrative expenses.

Sales and marketing expenses amounted to 98,047 thousand euros, up 9,098 thousand euros or 10.2% compared with 2014 (88,949 thousand euros). In addition to the costs incurred to support the sales force, this item includes marketing costs incurred to promote and distribute DiaSorin products and costs for technical assistance. Higher sales and marketing expenses are related to the exchange rate effects, together with an increase in business volumes: their ratio to revenues (19.6%) was unchanged compared with the previous year (20.0%).

Research and development costs, equal to 26,158 thousand euros, increased by 1,164 thousand euros or 4.7% compared with 2014 (24,994 thousand euros): their ratio to total revenues equal to 5.2 percentage points compared with 5.6 percentage points in 2014.

General and administrative expenses amounted to 55,494 thousand euros, their ratio to total revenues equal to 11.1 percentage points (11.4% in 2014).

Other operating expenses equal to 10,197 thousand euros (4,326 thousand euros in 2014) include 1,987 thousand euros in tax charges (1,861 thousand euros in 2014), 2,826 thousand euros in bad debt allowance (1,507 in 2014) relating to some customers of the Brazilian subsidiary suffering from particularly financial stress and 1,290 thousand euros in provisions for risks (694 thousand euros in 2014). Particularly, the Legislative Decree no. 125 of August 6, 2015 extended the pay-back mechanism to medical devices on the basis of which any amount exceeding the ceiling on public expenditure for the purchase of medical devices must be paid partly by the supplying company. In virtue of the lack of implementing decrees to specify how to compute the payback measure, the Company carried out the best possible estimate allocating 1,150 thousand euros in risk provision.

This item includes 1,962 thousand euros of negative exchange differences on operating items (a positive exchange differences of 686 thousand euros in 2014) and 2,108 thousand euros in non-recurring expenses (2,388 thousand euros in 2014). Specifically, in 2015 non-recurring expenses related to activities aimed at identifying potential acquisitions and extraordinary consultancy expenses to make the Group's supply chain processes more efficient.

In 2015, EBITDA amounted to 184,985 thousand euros, up 15.4% compared with 160,290 thousand euros in 2014 and equal to 37.1% of revenues (36.1% of revenues in 2014) up 1 percentage points. When excluding the impact of the exchange rates from the periods under comparison, EBITDA was up about 6.4% and equal to about 36.3 percentage points of revenues.

EBIT totaled 152,001 thousand euros, up 17.0% compared with 2014 (129,891 thousand euros), and equal to 30.5% of revenues, up 1.2 percentage points compared with 2014.

Financial income and expense

In 2015, net financial expense amounted to 1,899 thousand euros, compared with net financial expense of 1,767 thousand euros in the previous year.

The exchange differences on financial items, which were negative by 402 thousand euros (positive by 181 thousand euros in 2014) include 852 thousand euros in income from changes in subsidiaries' financial balances that use currencies different from the Group's Parent Company currency (income of 1,705 thousand euros in 2014) and a loss of 1,254 thousand euros for the closure of financial instruments (expense of 1,524 thousand euros in 2014).

This item includes fees on factoring transactions equal to 1,093 thousand euros (1,185 thousand euros in 2014), collection of interests accrued on past-due position amounting to 1,039 thousand euros (929 thousand euros in 2014) and interests accrued on bank deposits equal to 738 thousand euros (704 thousand euros in 2014).

Profit before taxes and net profit

The 2015 reporting year ended with a result before taxes of 150,102 thousand euros, up 17.2% compared with 128,124 thousand euros in 2014, equal to 30.1% of revenues (28.9% of revenues in 2014).

Income taxes amounted to 49,554 thousand euros, compared with 44,050 thousand euros in 2014. The tax rate decreased to 33.0% in 2015 from 34.4% in 2014 as a result of the computation of the Group's taxable profit across the different geographic areas, and a lower amount of non-deductible taxes withheld on dividends the Group's Parent Company received from foreign subsidiaries.

Finally, the consolidated net profit totaled 100,548 thousand euros, up 19.6% compared with 84,074 thousand euros in 2014, equal to 20.1% of revenues (18.9% of revenues in 2014) for the combined effect of the abovementioned elements.

STATEMENT OF FINANCIAL POSITION OF THE GROUP AT DECEMBER 31, 2015

A statement of financial position of the Group at December 31, 2015 is provided below:

(in thousands of euros)	**12/31/2015**	**12/31/2014**
Total intangible assets	117,906	116,950
Total property, plant and equipment	74,493	72,207
Other non-current assets	21,175	25,584
Net working capital	143,979	142,281
Other non-current liabilities	(38,308)	(39,791)
Net capital employed	**319,245**	**317,231**
Net financial position	**267,913**	**166,342**
Total Shareholders' equity	**587,158**	**483,573**

Non-current assets decreased to 213,574 thousand euros at December 31, 2015 compared with 214,741 thousand euros at December 31, 2014, mainly as a result of the decline in other non-current assets, particularly long-term receivables from the Brazilian subsidiary and deferred tax assets of the Group's Parent company.
Non-current liabilities decreased to 38,308 thousand euros at December 31, 2015 compared with 39,791 thousand euros at December 31, 2014, following the decline in provisions for employees benefits (31,334 thousand euros at December 31, 2015, as against 32,106 thousand euros at December 31, 2014) due to the reorganization of some functional areas in Italy, as defined at the end of 2014.

A breakdown of net working capital is provided below:

(in thousands of euros)	**12/31/2015**	**12/31/2014**	**Change**
Trade receivables	105,609	109,521	(3,912)
Inventory	106,193	101,320	4,873
Trade payables	(40,775)	(39,311)	(1,464)
Other current assets/liabilities (1)	(27,048)	(29,249)	2,201
Net working capital	**143,979**	**142,281**	**1,698**

(1) Other current assets/liabilities is defined as the algebraic sum of receivables and payables other than financial and commercial items

In 2015 the net working capital increased by 1,698 thousand euros, due to a growth in inventory. Inventory increased by 4,873 thousand euros compared with December 31, 2014 (out of which 1.8 million euros related to the exchange rate), as a result of rising manufacturing volumes to support the growth in revenues.
The decline in trade receivables, despite the sales growth, is the net result of collection of past-due positions owed by public entities (mainly in Italy and Spain), better collection conditions and a favorable impact deriving from geographic mix.

At December 31, 2015 the **consolidated net financial position** was **positive by 267,913 thousand euros**, with an increase of 101,571 thousand euros compared with December 31, 2014, following the strong cash generation in 2015 and the sale of treasury shares resulting from the exercise of some tranches of the 2010 Stock Option Plan.

A condensed net financial position schedule is shown below:

(in thousands of euros)	**12/31/2015**	**12/31/2014**
Cash and cash equivalents	212,178	144,855
Liquid assets (a)	**212,178**	**144,855**
Other current financial assets (b)	**58,179**	**24,963**
Current bank debt	(2,300)	(3,007)
Other current financial liabilities	(144)	(259)
Current financial indebtedness (c)	**(2,444)**	**(3,266)**
Net current financial assets (d)=(a)+(b)+(c)	**267,913**	**166,552**
Non-current bank debt	-	(210)
Non-current indebtedness (e)	**-**	**(210)**
Net financial position (f)=(d)+(e)	**267,913**	**166,342**

At December 31, 2015 **shareholders' equity,** which totaled **587,158 thousand euros** (483,573 thousand euros at December 31, 2014) includes treasury shares valued at 25,459 thousand euros.

The table below shows a reconciliation of the net result and shareholders' equity of the Group's Parent Company to the corresponding consolidated data at December 31, 2015:

(in thousands of euros)	**Net result in 2015**	**Shareholders' equity at 12/31/2015**
Amount in the financial statements of the Parent Company DiaSorin S.p.A	**46,004**	**390,442**
Difference between the carrying amount of equity investments and the value of the underlying shareholders' equity	-	206,929
Profits/(Losses) of consolidated companies	63,954	-
Elimination of unrealized intra-Group profits, net of the applicable tax effect	(3,127)	(16,147)
Elimination of intra-Group dividends	(12,217)	-
Elimination of write-downs/revaluations of investments in subsidiaries	5,934	5,934
Amount in the consolidated financial statements	**100,548**	**587,158**

ANALYSIS OF CONSOLIDATED CASH FLOWS

A complete statement of consolidated cash flows is provided in the financial statements. A schedule showing a condensed consolidated statement of cash flows, followed by a review of the main statement items and the changes that occurred compared with 2014, is provided below:

(in thousands of euros)	**2015**	**2014**
Cash and cash equivalents at the beginning of the period	**144,855**	**105,110**
Cash provided by operating activities	138,449	119,847
Cash used in investing activities	(30,481)	(28,891)
Cash provided/(used) in financing activities	(8,159)	(29,453)
Acquisitions of subsidiaries and business operations	(2,486)	-
Net change in cash and cash equivalents before investments in financial assets	***97,323***	***61,503***
Investments in financing assets	(30,000)	(21,758)
Net change in cash and cash equivalents	***67,323***	***39,745***
Cash and cash equivalents at the end of the period	**212,178**	**144,855**

At December 31, 2015 available **liquid assets** held by the Group totaled **212,178 thousand euros**, up by 67,323 thousand euros compared with December 31, 2014.

The cash flow from operating activities totaled 138,449 thousand euro (119,847 thousand euros in 2014) resulting from the growth in the operating result. Tax payments amounted to 51,923 thousand euros (46,047 thousand euros in 2014), consisting mainly of income taxes owed by the Group's Parent Company and subsidiaries in the United States and Germany.

Net cash used in investing activities totaled 30,481 thousand euros compared with 28,891 thousand euros in 2014. Capital expenditures for medical equipment amounted to 19,374 thousand euros (18,155 thousand euros in 2014). In addition, development costs of 1,577 thousand euros were capitalized in 2015, compared with 1,401 thousand euros in 2014.

In 2015, the **free cash flow** increased to **108,169 thousand euros** from 16,856 thousand euros or 18.5% compared with 91,313 thousand euros in 2014.

Net cash used for financing activities totaled 8,159 thousand euros (29,453 thousand euros in 2014). It was used mainly for a dividend distribution of 32,936 thousand euros (29,919 thousand euros in 2014), offset by the sale of treasury shares following the exercise of some tranches of the 2010 Stock Option Plan equal to 17,949 thousand euros and positive exchange differences of 7,207 thousand euros on liquid assets available at December 31, 2015, resulting from the revaluation of the currencies in which the Group operates vis-à-vis the Euro, particularly with regard to the U.S. Dollar.

In 2015 the Group's Parent Company opened a term deposit exceeding three months, for an amount equal to 30 million euros as against 21,758 thousand euros (USD 30 million) in investments in term deposits the U.S. subsidiary opened in 2014 and renewed in 2015.

Investments in subsidiary refer to assets DiaSorin Poland acquired from local distributor.

MAIN RISKS AND UNCERTAINTIES TO WHICH DIASORIN S.P.A. AND THE GROUP ARE EXPOSED

Risks related to general economic conditions

The income statement and financial position of DiaSorin S.p.A. and the Group are unavoidably affected by macroeconomic factors beyond the Company's control.

In the vast majority of the markets where the Group operates, the products distributed by the DiaSorin Group are part of basic medical care coverage, which, generally, is funded by national health services. The year 2015 was characterized by a high level of financial and political tensions in an international context. Particularly, the questioning bearable costs of welfare system, in which health care has a central role, led to the increasing pressure to reduce refunds for medical care and, in some cases, the volume of laboratory tests ordered by physicians.

These elements can also affect the in vitro diagnostics despite it accounts for only a marginal portion of health care spending in the main industrialized countries.

Risks related to the Group's international presence and expansion

Because of their presence in several countries in Europe and elsewhere in the world, the Company and the Group are exposed to numerous risk factors. Moreover, the Group's success and its international development are tied to its ability to expand sales of its products to emerging markets. However, under the current economic conditions, the Group's expansion in these markets entails some risk exposure, including the potential threat of social, economic and political instability.
It should be noted the difficult macroeconomic environment in Brazil, which reported a slowdown in economic growth associated with a resurgence of inflation.
Furthermore, in countries where it does not operate through a subsidiary, the Group uses independent distributors to sell its products. As a rule, these distributors are small or medium-size companies with limited financial resources, whose risk could be to slow sales growth in the abovementioned countries or increase the risk that a distributor may become insolvent.

Risks related to the availability of financial resources

In some countries, Italy and Spain in particular, the Company's and the Group's liquidity is constrained by the limited funding ability of the national health system and, as a result, the actual time to collection is significantly longer than the contractual payment terms. In order to compensate for this difference between contractual and actual payment terms, the Group enters in Italy into factoring transactions, assigning the corresponding receivables without recourse.

Risks related to fluctuations in foreign exchange and interest rates

The Group operates in countries and markets where the reporting currency is not the euro and, consequently, it is exposed to the risk related to fluctuation in foreign exchange rates. The main currencies exposing the Group to risk of fluctuations in exchange rates are the US Dollar (accounting for about 29% of revenues in 2015), the Chinese yuan (accounting for about 8% of revenues in 2015) and the Brazilian real (accounting for about 3% of revenues in 2015). Future fluctuations of the euro versus other currencies could have a positive/negative impact on the income statement, balance sheet and financial position of the Company and the Group.

As for fluctuations in interest rates, the negative impact would not be material considering the low level of indebtedness of the Group.

Commercial risk

DiaSorin operates in a market characterized by major competitors that use particularly aggressive strategies and exert pressure on sales price. This applies to high volume products, the so-called main stream products, that are presented by every competitor. To limit this situation, DiaSorin developed an important specialty menu to enter niche markets. It is also worth mentioning the strong performance of 1,25 Vitamin D together with Infectious Diseases, Endocrinology and Gastrointestinal panels. Furthermore, following the trend recorded in countries where small lab chains merged into big chains, there could be a concentration of revenues from some major customers. Potential risks connected to this phenomenon are mitigated through the adoption of long-term contracts.

REPORT ON CORPORATE GOVERNANCE AND THE COMPANY'S OWNERSHIP STRUCTURE

Pursuant to Article 123-*bis* "TUF"

(Traditional management and control model)

Issuer: **DIASORIN S.p.A**. (hereinafter also referred to as "**DiaSorin**", "**Issuer**" or "**Company**")
Website: www.diasorin.com

Financial year to which the report refers: **2015**
Date of approval of the Report: **March 9**, **2016**

GLOSSARY

"Code/Corporate Governance Code": the Corporate Governance Code of Listed Companies approved in July 2014 by the Committee for the Corporate Governance and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria.
"Civil Code. /c.c.": the Italian Civil Code.
"Board" or "Board of Directors": the Board of Directors of the Issuer.
"Issuer", "Company" or "DiaSorin": the securities Issuer to which the Report refers.
"Reporting year": the year subject of this Report.
"Consob Issuer Regulations": Regulations issued by Consob with Resolution No. 11971 of 1999 (as amended), on the subject of issuers.
"Consob Market Regulations": Regulations issued by Consob with Resolution No.16191 of 2007 (as amended), on the subject of markets.
"Consob Related Parties Regulations": Regulations issued by Consob with resolution No. 17221 of March 12, 2010 (as amended) on the subject of related-party transactions.
"Report": Report on corporate governance and ownership structure pursuant to Article 123-*bis* of the TUF.
"TUF/ Testo Unico della Finanza- Consolidated Law on Financial Intermediation": Legislative Decree No.58 of February 24, 1998, (as amended).

1. PROFILE OF THE ISSUER

DiaSorin S.p.A. was granted permission to trade on the Italian Telematic Stock Market organized and managed by Borsa Italiana S.p.A ("MTA"), Star segment, on July 19, 2007.
Subsequently, after the company joined the FTSE MIB index (where it was listed until December 23, 2013), the Issuer submitted a request of voluntary exclusion from the STAR segment, while maintaining the compliance with the Corporate Governance principles, the requirements of communication transparency imposed upon companies in the STAR segment and complying with the procedures and best practice till then adopted. The Company is currently listed in the FTSE Italia Mid Cap index.
DiaSorin's system of corporate governance, as described in this Report, is consistent with the main recommendations of the Corporate Governance Code, subject to the specifications provided in this Report.
This Report reviews the corporate governance structure as set forth in the Bylaws in force, and as amended by shareholders resolutions adopted on December 19, 2012 to make Bylaws consistent with the provisions introduced by Law No. 120 of July 12, 2011 concerning gender balance in the management and control bodies of listed companies.
DiaSorin is organized in accordance with the conventional management and control model referred to in Articles 2380-bis and following of the Italian Civil Code. Accordingly, it includes a Shareholders' Meeting, a Board of Directors and a Board of Statutory Auditors. Pursuant to a resolution approved by the Shareholders' Meeting of February 12, 2007, the independent auditing function was awarded to Deloitte & Touche S.p.A. This assignment will expire with the approval of the financial statements at December 31, 2015.

2. INFORMATION ABOUT SHARE OWNERSHIP (pursuant to Article 123-bis, Section 1, "TUF").

a) Share Capital Structure (pursuant to Art. 123-*bis*, Section 1, Letter a), TUF).

As of the date of this Report, a breakdown of the Company's share capital of 55,948,257.00 (subscribed and fully paid-in) is as follows:

SHARE CAPITAL STRUCTURE [2]				
	N° shares	***% on the share Capital***	***Listed (identify the markets) / not-listed***	***Rights and obligations***
Ordinary share without nominal value	55,948,257**	100%	MTA	Each share gives right to one vote. Rights and obligations are those provided in arts. 2346 et seq. of the Civil Code

Stock incentive plans

The terms of the Stock Option Plans in force ("DiaSorin S.p.A. 2010 Stock Option Plan" and "DiaSorin S.p.A. 2014 Stock Option Plan") are available in the Disclosure Memoranda and on the Issuer's website (www.diasorin.com, in the Section "Investors/Information for Shareholders/ Stock Option Plans). Updates are reported in the Compensation Report available on the Issuer's website in the Section "Investors/Information for Shareholders, Shareholders' Meeting and board/2016".

[2] As of December 31, 2015.
** N. 969,950 treasury shares held in the Company's portfolio. For updates on the number of shares held by the Company after December 31, 2015 see Sec. 19 (Changes occurred after December 31, 2015).

b) Restrictions on transfer of securities (pursuant to Art. 123-bis, Section 1, Letter b), TUF).
No restrictions on transfer of securities have been issued.

c) Significant Equity Interests (pursuant to Art. 123-bis, Section 1, Letter c), TUF).
As of December 31, 2015 Shareholders holding, directly or indirectly, equity investments exceeding 2% interest in share capital, through pyramid structures and cross-shareholdings, in accordance with communications made pursuant to Art. 120 of the TUF and with information available to the Company, are as follows:

<table>
<tr><th colspan="4">SIGNIFICANT EQUITY INTERSTS</th></tr>
<tr><th>Reporting party</th><th>Direct Shareholder</th><th>Number of shares</th><th>% interest in share capital</th></tr>
<tr><td>Finde SS</td><td>IP Investimenti e Partecipazioni S.r.l. (IP S.r.l.)</td><td>25,123,454</td><td>44.904</td></tr>
<tr><td rowspan="2">Rosa Carlo</td><td>Sarago S.r.l.</td><td>2,395,532</td><td rowspan="2">8.54</td></tr>
<tr><td>Rosa Carlo</td><td>2,382,682</td></tr>
<tr><td>Even Chen Menachem</td><td>-</td><td>2,498,936</td><td>4.466</td></tr>
</table>

d) Securities Conveying Special Rights (pursuant to Art. 123-bis, Section 1, Letter d), TUF).
No securities conveying special rights of control have been issued**.**
As of the date of this Report, the Issuer By-Laws does not contain provisions on increased voting rights pursuant to Art. 127-quinquies of the TUF

e) Employee Stock Ownership: Mechanisms for the Exercise of Voting Rights (pursuant to Art. 123-bis, Section 1, Letter e), TUF).
No employee stock ownership plans have been issued, as defined in Article 123-*bis*, section 1, letter e), of the TUF.

f) Restrictions of Voting Rights (pursuant to Art. 123-bis, Section 1, Letter f), TUF).
No restrictions of voting rights have been issued.

g) Shareholders' Agreements (pursuant to Art. 123-bis, Section 1, Letter g), TUF).
As far as the Issuer is aware, as of December 31, 2015, there were no agreements pursuant to Article 122 of the TUF.

h) Change of Control Clauses (pursuant to Art. 123-bis, Section 1, Letter h), TUF) and of the Bylaws on takeover bids (pursuant to Art. 104, Section 1-ter, and 104-bis, Section 1, TUF).
There are no significant agreements in place to which the Issuer or other Group Party is a party that become effective if a change of control occurs involving the Company, except for what is set forth on these clauses in the Compensation Report to which paragraph **10** below refers. The Issuer's Bylaws do not include exemptions to the provisions of the passivity rule envisaged by art. 104, Section 1 and 1-bis of the TUF nor do they provide for application of the neutralization rules referred to in Art. 104-bis, section 2 and 3, of the TUF.

i) Proxies for Share Capital increase and authorization to purchase treasury shares (pursuant to Art. 123-bis, Section 1, Letter m), TUF).

On April 27, 2010, the Shareholders' Meeting approved a motion to authorize purchases and sales of DiaSorin S.p.A. common shares reserved for the implementation of the stock option plan called the "DiaSorin S.p.A. 2010 Stock Option Plan" (the "**2010 Plan**"). Pursuant to and for the purposes of Article 2357 of the Italian Civil Code, the Shareholders' Meeting authorized the Board of Directors, and the Chairman and the Chief Executive Officer on the Board's behalf, to purchase, in one or more tranches, over a period of 18 months counting from the date of corresponding resolution of the Ordinary Shareholders' Meeting, up to 750,000 Company common shares earmarked for implementation of the 2010 Plan. The treasury share purchasing program, carried out in accordance with the terms and the deadline authorized by the Shareholders' Meeting of April 27, 2010, was completed on February 15, 2011.

Subsequently the aforementioned purchase program in support of the 2010 Plan, on October 4, 2011, the Shareholders' Meeting authorized and empowered the Board of Directors to carry out, acting through its Chairman and the Chief Executive Officer, purchases of the Company's common shares, in one or more instalments, for a period of 18 months from the date of the Ordinary Shareholders' Meeting, and sales of said shares for an undetermined period of time, in accordance with the combined provisions of Articles 2357 and 2357-*ter* of the Italian Civil Code and Article 132 TUF and corresponding implementation decrees, in order to provide the Company with a useful strategic investment opportunity for any purpose permitted by applicable provisions, including the purposes contemplated in "market practices" allowed by Consob pursuant to Art. 180, Section 1, Letter c) of the Consolidated Law on Financial Intermediation with resolution no. 16839 of March 19, 2009 and in EC regulation no. 2273/2003 of December 22, 2003.
Under that directive, between October 17 2011 and November 17, 2011, a purchase of an initial tranche of 800,000 Company common shares was carried out at a cost of about 19.8 million euros.
Subsequently, on April 23, 2014 the Shareholders' Meeting resolved to approve the "DiaSorin S.p.A. 2014 Stock Option Plan" pursuant to Article. 2357-*ter* of the Italian Civil Code, empowering the Board of Directors to dispose of the company treasury shares, reserving them, in the necessary or appropriate amount and under the terms established by the Plan, to serve the Plan itself.
As of December 31, 2015, DiaSorin holds n. 969,950 treasury shares, corresponding to 1.733% of its share capital [3].

Information about the transactions executed by the Board and all other disclosures required by the applicable regulation is available in the press releases issued pursuant to (EC) Regulation No. 2273/2003 and in the Explanatory Reports of the Board of Directors dated March 22, 2010 and September 1, 2011 and published pursuant to law also on the Company website (www.diasorin.com in the Section "Investors/Information for Shareholders Section, Shareholders' Meeting and board/2010 and 2011").

l) Management and coordination activities (pursuant to Art. 2497 et seq. Italian Civil Code).

Even though Article 2497-*sexies* of the Italian Civil Code states that *"unless proof to the contrary is provided, it is presumed that management and coordination authority over a company is exercised by the company or entity required to consolidate that company's financial statements or otherwise controls it pursuant to Article 2359 of the Italian Civil Code,"* neither Finde Società Semplice nor IP Investimenti e Partecipazioni S.r.l., the transferee of the equity investment held

[3] For updates on the number of shares held by the Company after December 31, 2015 see Sec. 19 (Changes occurred after December 31, 2015)

by Finde S.p.A., formerly IP Investimenti e Partecipazioni S.p.A., exercise management and coordination authority over the Company.
Specifically, the Issuer believes that in its corporate and entrepreneurial endeavors it operates independently of Finde Società Semplice, its controlling company, and IP S.r.l.
Consequently, the Issuer's relationship with Finde Società Semplice and IP S.r.l. is limited to the normal exercise by these companies of the administrative and ownership rights inherent to their status as shareholders (such as voting at Shareholders' Meetings and collecting dividends).

***

It is specified that the information requested by Article 123-bis, Section 1, Letter i) of the Consolidated Law on Finance (TUF) on *"agreements between the Company and its Directors, Management Board or Supervisory Board members, which envisage indemnities in the event of resignation or dismissal without just cause or if their employment relationship terminates following a public purchase offer"* are illustrated in the Compensation Report drawn up in accordance with Article 123–ter of the TUF and available on the Company's website (*www.diasorin.com* in the Section "Investors/Information for Shareholders, Shareholders' Meeting and board/ 2016").
The information requested under Article 123-bis, Section 1, Letter l) of the Consolidated Law on Finance (TUF) on *"provisions applicable to the appointment and substitution of Directors, Management Board or Supervisory Board members, as well as to the amendment of the Articles of Association, if different from the legislative and regulatory provisions applicable as a supplementary measure"* are illustrated in the section of the Report dedicated to the Board of Directors (paragraph 4.1).

3. COMPLIANCE (ex art. 123-bis, Section 2, Letter a), TUF).
On March 9, 2016, the Board of Directors of DiaSorin S.p.A. agreed to adopt the new version of Corporate Governance Code (version of July 2015), given the transitional nature set out in the Code, available on Borsa Italiana website (www.borsaitaliana.it). The company and its strategic subsidiaries are not subjected to non-Italian legislation that could influence the Issuer's corporate governance structure.

4. THE BOARD OF DIRECTORS

4.1 APPOINTMENT AND REPLACEMENT (pursuant to Art. 123-bis, Section 1, Letter l), TUF).
The Issuer is managed by a Board of Directors comprised of at least 7 and not more than 16 members. At the time of election, the Ordinary Shareholders' Meeting determined the size of the Board of Directors, within the abovementioned limits, and its term of office, which may not exceed three years. Directors may be re-elected.
The provisions of the Bylaws that govern the composition and election of the Issuer's Board of Directors have been designed to ensure compliance with the relevant regulations introduced by Law No. 262/2005, as amended (Article 147-ter of the TUF), and by Law No. 120/2011 on the subject of equal access to the administration and control organs of companies listed on regulated market, which are summarized below. In addition, the ability to serve as a Director is subject to the candidate meeting the requirements set forth in the statutory and regulatory provisions currently in force.
Article 11 of the Bylaws requires that the Board of Directors be elected, in compliance with applicable gender balance laws and regulations, by a voting system based on slates of candidates filed by shareholders who, alone or in combination with others, represent at least 2.5% of the shares that convey the right to vote at Ordinary Shareholders' Meetings, or any other percentage that may apply pursuant to the applicable laws or regulations. As duly established by Art. 144-*septies,* paragraph 1, of the Issuer Regulation and by Consob no. 19499 of January 28, 2016, shareholders' owing a shareholding equal to the shareholding established by Consob, and that

corresponds to 1% of the Share Capital are entitled to present the slates of nominees to allocate the Directors to be elected.
Each shareholder, shareholders who are parties to a shareholders' agreement that qualifies as such pursuant to Article 122 of the TUF, the Company's controlling party, its subsidiaries and joint ventures that qualify as such pursuant to Article 93 of the TUF may not file or participate in the filing, directly or through a third party or a nominee, of more than one slate and may not vote for multiple slates. Each candidate can be included on only one slate, on penalty of losing the right to be elected. Votes cast in violation of this provision will not be allocated to any slate.
Notwithstanding additional statutory disclosure and filing requirements, including those set forth in regulations currently in effect, slates filed by shareholders, duly signed by the filers, must be deposited at the Company's registered office, where they must be available to anyone upon request, at least 25 (twenty-five) days prior to the date of the first calling of the Shareholders' Meeting. The slates must be accompanied by the following documents: (i) information identifying the shareholders who are filing the slates and showing the total percentage interest held; (ii) affidavits by which the individual candidates accept their nomination and attest, under their responsibility, that there are no issues that would make them incompatible or unelectable and that they meet the requirements of their respective offices; and (iii) a curriculum vitae setting forth the personal and professional qualifications of each candidate and indicating whether a candidate qualifies as an independent Director. In addition, a special attestation issued by an intermediary qualified pursuant to law certifying the ownership, when the slate of candidates is being filed with the Company, of the number of shares needed to qualify for filing the slate must be filed with the Company within the deadline required by the rules applicable to the publication of slates of candidates by the Company.
The slates which contain a number of candidates equal to or above three shall include candidates belonging to both gender, aimed at ensuring the presence in the Board of Directors of at least one third (rounded to the higher number) of the seats of the less-represented gender.
Slates that are filed without complying with these requirements will be treated as if they have not been filed at all.
The election of Directors is carried out as follows:
(a) All except one of the Directors that need to be elected are taken from the slate that received the highest number of votes, in the sequence in which they are listed on the slate;
(b) The remaining Director is taken from a minority slate that is not connected in any way, directly or indirectly, with the parties who filed or voted for the slate referred to in paragraph a) above and received the second highest number of votes cast by the shareholders, selecting for election the first candidate listed in the slate's numerical sequence. However, should the minority slate referred to in paragraph b) above fail to receive a percentage of the votes equal at least to half the required percentage for filing a slate, as stated above, all of the Directors that need to be elected will be taken from the slate that received the highest number of votes referred to in paragraph a) above.

If the candidates elected in the manner described above do not include a sufficient number of Directors who meet the independence requirements that apply to Statutory Auditors pursuant to Article 148, Section 3, of the TUF to achieve the minimum statutory percentage of the total number of elected Directors, the non-independent candidate elected last in the sequence listed in the slate that received the highest number of votes, as referred to in paragraph a) above, shall be replaced with the first non-elected independent candidate who is listed next sequentially in the same slate or, alternatively, by the first non-elected candidate listed sequentially on other slates, based on the number of votes received by each slate. This replacement procedure shall be applied repeatedly until the Board of Directors includes a number of Directors who meet the requirements of Article 148, Section 3, of the TUF equal to at least the statutory minimum. As a further alternative, the replacement candidates may be elected by means of a resolution approved by the Shareholder's Meeting with a relative majority, provided candidates have been placed in nomination in accordance with statutory requirements.
If, upon conclusion of voting, the composition of the Board of Directors does not satisfy the gender

balance enjoined by applicable laws and regulations, the nominee of the most highly represented gender who was the last to be elected in the sequential order of the slate that received the highest number of votes shall be replaced by the first candidate of the least represented gender who was not elected on the same slate, in the sequential order of that slate. The elected nominees shall be replaced according to the same procedure until the composition of the Board of Directors complies with applicable laws and regulations. If this procedure does not guarantee the final result indicated hereinabove, the Shareholders' Meeting shall make the necessary changes by resolution with the statutory majority of votes, upon submission of candidates belonging to the gender less represented.
If only one slate is filed or if no slate is filed, the Shareholder's Meeting shall approve its resolution with the majorities required by law without being required to comply with the procedure described above, in compliance with the laws currently in force on gender balance. Lastly, pursuant to Article 11 of the Bylaws, if one or more Directors cease to be in office during the course of the year, provided the majority of Board members are still Directors elected by the Shareholders' Meeting, they shall be replaced in the manner described below, in accordance with the provisions of Article 2386 of the Italian Civil Code: (i) The Board of Directors nominates as replacements candidates taken from the same slate to which the Directors no longer in office belonged and the Shareholders' Meeting votes with the majorities required pursuant to law and in accordance with the principle described above; (ii) Should there be no unelected candidates or eligible candidates left in the abovementioned slate or if the provisions of paragraph (i) above cannot be complied with for any reason, the Board of Directors and the Shareholders' Meeting elect replacements with the majorities required pursuant to law, without using a slate voting system.
In all cases, the Board of Directors and the Shareholders' Meeting shall carry out the election in a manner that will result in (i) the election of a total number of independent Directors equal to at least the minimum number required by the relevant statute provisionally in force and (ii) in compliance with the laws currently in force on gender balance.
If the majority of the Directors elected by the Shareholders' Meeting ceases to be in office, the entire Board of Directors shall be deemed to have resigned and a Shareholders' Meeting must be convened promptly by the Directors still in office to elect a new Board. Additional information about the procedures for the election of the Board of Directors is provided in Article 11 of the Bylaws.
The Corporate Governance Code provides for companies listed in the FTSE-MIB, as in the case of DiaSorin S.p.A. until December 23, 2013, that at least one third of the Board as a whole should be independent directors.

Succession plans of Independent Directors.
In accordance with Art. 5.C.2. of the Code, the Board of Directors, at the meeting held on March 9, 2016, has not adopted a specific succession plan for the independent directors as it was deemed unnecessary in light of the shareholders considering that the Board of Directors has the power to select and promptly elect new Independent Directors when necessary.

4.2. MEMBERSHIP (pursuant to Art. 123-bis, Section 2, Letter d), TUF).
The Issuer's Board of Directors currently in office was elected by the Ordinary Shareholders' Meeting on April 22, 2013 (except for Director Stefano Altara, appointed at the ordinary Shareholders' Meeting on April 23, 2014 to replace the deceased Director Gian Alberto Saporiti) for a term of office that will end on the date of the Shareholders' Meeting to approve the financial statements as of December 31, 2015.
The Board of Directors was appointed on the basis of the only one slate presented by IP Srl., shareholder of 43.99% of the Company's ordinary shares, and all the members of the slate were appointed in the current Board of Directors. The resolution was approved by 65.21% of the Voting Capital.

The current Board of Directors is comprised of the following 13 members:

First and last name	Place and date of birth	Post held	Date elected
Gustavo Denegri	Turin, March 17, 1937	Chairman and Non-executive Director	April 22, 2013
Michele Denegri	Turin, January 7, 1969	Deputy Chairman and Non-executive Director	April 22, 2013
Carlo Rosa	Turin, January 15, 1966	Chief Executive Officer and Executive Director	April 22, 2013
Chen Menachem Even	Ashkelon (Israel), March 18, 1963	Executive Director	April 22, 2013
Antonio Boniolo	Venice, January 4, 1951	Non-executive Director	April 22, 2013
Enrico Mario Amo	Turin, September 17, 1956	Non-executive Director	April 22, 2013
Stefano Altara	Turin, June 4, 1967	Non-executive Director	April 22, 2014
Giuseppe Alessandria	Novello Monchiero (CN), May 15, 1942	Independent Director	April 22, 2013
Franco Moscetti	Tarquinia (VT), October 9, 1951	Independent Director	April 22, 2013
Maria Paola Landini	Parma, October 15, 1951	Independent Director	April 22, 2013
Roberta Somati	Rivoli (TO), January 9, 1969	Independent Director	April 22, 2013
Eva Desana	Turin, June 13, 1971	Non-executive Director	April 22, 2013
Ezio Garibaldi	Turin, February 2, 1938	Non-executive Director	April 22, 2013

The table that follows summarizes personal and professional characteristics of each Director. Additional information is provided in the Directors' professional curricula at the Issuer's registered office, as well as at the Issuer's website at www.diasorin.com in the Section "Investors/Information for Shareholders/ Shareholders' Meeting and board/2013 and 2014" in the documents filed for nomination.

First and last name	Post held	Education	Professional characteristics
Gustavo Denegri	Chairman and Non-executive Director	Economic-management training	General Management
Michele Denegri	Deputy Chairman and Non-executive Director	Economic-management training	General Management
Carlo Rosa	Chief Executive Officer and Executive Director	Economic- management and scientific training	General Management (formerly Research and Development director)
Chen Menachem Even	Executive Director	Economic- management and scientific training	Director of commercial operations at international level
Antonio Boniolo	Non-executive Director	Scientific training	General Management (formerly Research and Development director)
Enrico Mario Amo	Non-executive Director	Economic-management training	General Management
Stefano Altara	Non-executive Director	Law training	Legal and Corporate Affairs Advisor
Giuseppe Alessandria	Independent Director	Economic-management training	Management Advisor
Franco Moscetti	Independent Director	Economic-management training	Management Advisor
Maria Paola Landini	Independent Director	Scientific training	Research and Development Advisor
Roberta Somati	Independent Director	Scientific training	Management Advisor
Eva Desana	Non-executive Director	Law training	Legal and Corporate Affairs Advisor
Ezio Garibaldi	Non-executive Director	Economic-management training	Management Advisor

For further information on the structure of the Board of Directors and Committees see Table 2 annexed to this Report.

Cap on offices held in other companies

With regard to the posts held by DiaSorin Directors on management and oversight bodies at other companies, the Board of Directors, during the meeting held as of March 9, 2016, confirming the guidelines already adopted with reference to the previous exercises, did not believe that it would be appropriate to introduce preset quantitative limits.
Thus, all candidates to the post of Director, prior to accepting their appointment at the Issuer and irrespective of existing statutory and regulatory restrictions on the total number of posts that may be held, must determine whether they will be able to perform the tasks assigned to them with the required attention and effectiveness, taking into account their overall effort that will be required of them in connection with the posts held outside the DiaSorin Group.
All members of the Board of Directors are also required to inform the Board of any new appointments to Boards of Directors or Boards of Statutory Auditors at other companies, in order to allow the Board of Directors to comply with the relevant statutory and regulatory disclosure requirements.
On March 9, 2016, upon verifying positions held by Directors of the Company in other companies, the Board has deemed the number and quality of positions held as not interfering with the position of Director in the Company and therefore compatible with an effective carrying out of the role of Director of the Company in all cases examined.
A list of the Directors' posts held at other companies is provided in the Table annexed to this Report.

Induction program
In 2015 matters defined by Art. 2.C.2 of the Corporate Governance Code (i.e. information on the business sector where the Issuer operates, company dynamics and their evolution, with regard to laws and self-regulatory framework) have been discussed on a regular basis during the meetings of the Control and Risks Committee and subsequently presented to the Board of Directors. The Company management maintains regular contact with company bodies for opportune information and/or updating flows on subjects of interest.

The Issuer undertakes, in any case, to plan structured training programs when it is deemed necessary or when requested by company bodies.

4.3. FUNCTION OF THE BOARD OF DIRECTORS (pursuant to Art. 123-bis, Section 2, Letter d), TUF).
The Board of Directors performs a pivotal role within the corporate organization. Its task and responsibilities include setting strategic and organizational guidelines and ensuring that adequate controls to monitor the performance of the Issuer and the other companies of the DiaSorin Group are in place. All members of the Board of Directors are required to make informed and independent decisions, pursuing the goal of creating value for the shareholders, and must be willing to devote to the tasks they perform at the Issuer the time required to discharge diligently their duties, irrespective of the posts held at companies outside the DiaSorin Group, being fully cognizant of the responsibilities entailed by the office they hold.
Pursuant to Article 15 of the Bylaws, the Board of Directors enjoys the most ample powers to manage the Issuer. In accordance with the abovementioned article of the Bylaws and pursuant to Article 2365 of the Italian Civil Code, the Board of Directors also has jurisdiction (which may not be delegated to anyone but may be ceded to the Shareholders' Meeting) over the adoption of resolutions concerning the following:

- mergers and demergers, when permissible pursuant to law;
- the opening and closing of secondary offices;
- reductions of share capital when shareholders elect to request the reimbursement of their shares;
- amendments to the Bylaws required pursuant to law;
- moving the Issuer's registered office to another location in Italy.

The Board of Directors, insofar as it is responsible for the Internal Control and Risks Management system (see section **12),** assesses the adequacy, efficiency and effective implementation of internal control defining the system's guidelines, supported by the members involved in the Company's internal control and risks management: the Control and Risks Committee, the Supervisory Director responsible for the effective implementation of the system of Internal Control and Risk management, the Internal Audit Officer, the Corporate Accounting Documents Officer, the Board of Statutory Auditors and the Oversight Board.
Pursuant to Article 13 of the Bylaws, on the occasion of Board meetings but not less frequently than once a quarter, the governance bodies to whom powers have been delegated inform the Board of Directors and the Board of Statutory Auditors about the performance of the Issuer and its subsidiaries, its business outlook and transactions that have a material impact on its income statement, balance sheet and financial position, focusing on transactions which Directors may have an interest, directly or through third parties, or which may have been influenced by a party with management and coordination authority.
Pursuant to Article 15 of the Bylaws, the Board of Directors, which is required to act with the mandatory input of the Board of Statutory Auditors, has jurisdiction over the appointment and dismissal of the Corporate Accounting Documents Officer required pursuant to Article 154-bis of the TUF and the determination of his or her compensation. The Company's Corporate Accounting Documents Officer must meet the integrity requirements of the relevant statutes currently in force

for those who perform administrative and management functions, as well as professional requirements that include specific expertise in administrative and accounting issues. Expertise in these areas must be verified by the Board of Directors and must be the result of work performed in a position of sufficiently high responsibility for an adequate length of time. Pursuant to Article 17 of the Bylaws, the Board of Directors can appoint one or more General Managers and determine their powers, which may include the power to appoint representatives or grant powers of attorney for specific transactions or classes of transactions. General Managers attend the Board of Directors meetings and are entitled to make non-binding recommendations with regard to the items on the Agenda.

Pursuant to Article 15 of the Bylaws, the Board of Directors may establish committees, determining their composition and tasks. For information about the internal Committees of the Issuer's Board of Directors, please see Section **7** (Nominating Committee), Section **8** (Compensation Committee), Section **9** (Related-party Committee) and Section **10** (Control and Risk Committee).

Pursuant to Article 12 of the Bylaws, the Board of Directors may appoint a standing Secretary, who need not be a Director. On April 22, 2013, the Board of Directors appointed Marco Minolfo, Manager of the Corporate Legal Affairs Department, as its standing secretary, confirming the term of office he was previously assigned by the Board of Directors.

Pursuant to Article 13 of the Bylaws, the Board of Directors meets at the Company's registered office, or elsewhere, whenever the Chairman deems it necessary or when a meeting is requested by the Chief Executive Officer (if one has been appointed) or by at least three Directors, without prejudice to the right of other parties to call a Board meeting pursuant to law. If the Chairman is absent or incapacitated, Board meetings are called by the person who replaces him pursuant to Article 12 of the Bylaws (i.e., the Deputy Chairman or the oldest Director, in that order).

Meetings of the Board of Directors are validly convened when a majority of the Directors in office is in attendance and resolutions are adopted with a majority of the votes cast by the Directors attending the meeting. In the event of a tie, the Chairman has the tie-breaking vote (Article 14 of the Bylaws).

In 2016, the Board of Directors had 6 meetings. The meetings lasted 2 hours and thirty minutes on average.

In 2016, 4 meetings will take place (the first meeting will be on March 9, 2016) as detailed in the calendar of Corporate Events, available at the Issuer's website at www.diasorin.com in the Section "Investors/Financial Calendar".

All the required pre-Board information has been sent for the resolutions in agenda, in compliance with the procedure of the internal system and external communication of document and insider information (Section **5** of this Report).

The Board of Directors' meetings were attended by the CFO, the Manager of the Corporate Legal Affairs Department and the Company's directors qualified to provide in-depth analysis on subjects in agenda.

Pursuant to the application criteria 1.C.1 Letter g) of the Corporate Governance Code, the Board of Directors, during the meeting held on March 9, 2016, completed a self-assessment process regarding the size, composition (including number and position of the company's members) and activities of the Board and its committees.

The self-assessment process was coordinated by Giuseppe Alessandria, the Lead Independent Director, with the support of Franco Moscetti, in his quality of Chairman of the Nominating Committee.

The self-assessment process involved all the directors and was performed through questionnaires filled out anonymously, including the following items:

(i) the size and composition of the Board of Directors;
(ii) meetings frequency, participation of Directors, number of Independent Directors, the adequacy of time allocated to debates, attention to conflict of interest situations and completeness of relevant minutes and implementation of adopted resolutions;

(iii) information provided by the Chief Executive Officer, new regulations for listed companies, emerging risks concerning the Company and its subsidiaries;
(iv) committees' support, communication between the Board of Directors and Top Management, the Corporate Governance and risk Governance.

The self-assessment process confirmed a general satisfaction about functioning and work carried out by the Board of Directors as of December 31, 2015. As in previous years, excellence emerged from pivotal areas, such as in the management presentations, the analysis of business dynamics and economic-financial situations, clear supporting documents and appropriate internal audits along with an overall adequacy assessment and gradual improvements compared with previous years. From the self-assessment no critical matters arose to be communicated to the Board.

The Board of Directors, with the help of the Control and Risks Committee, assesses at least once a year the adequacy of the organizational, administrative, and accounting structure and the general performance of the Group specifically with regard to Insider Information; this assessment was carried out during the meeting held on March 9, 2016.
During the Shareholders' meeting held on April 22, 2013, the Board of Directors determined, after considering the proposal of the Compensation Committee and the Board of Statutory Auditors, the compensation of the General Manager and the other directors with special duties. In particular, the Board of Directors shared out the compensation of the Board, and adopted the resolution during the shareholders' meeting held on April 23, 2013 (excluding directors with operating mandate, whose compensation was determined by the Board of Directors, after considering the proposal of the Board of Statutory Auditors). For a more detailed description on compensation policy see the Compensation Report published pursuant to Art. 123-*ter* of TUF on the company website at www.diasorin.com in the Section "Investors/Information for Shareholders and board/ 2016". No compensation is provided for members of the Board of Directors who already receive compensation for their managerial employment relationship with the Issuer.
The Board of Directors evaluates, at least once a year, the general performance of the company management, considering the information obtained from the Chief Executive Officer and periodically compares achieved results with future results. The Board of Directors did not implement the delegation of a range of powers, as those listed in Section **4.4** of the Report.
During the meeting held on November 5, 2010, the Board of Directors approved the procedure to regulate related-party transactions, available on the Company's website (www.diasorin.com /Investors/Governance/Corporate Governance System) and related in detail in the following Section **13**. The Board of Directors in office approved the procedure during the meeting held on March 9, 2016, after Independent Directors decided not to modify the assessment of the current procedure.
In 2015, the Related-Party Committee, during the meeting held on March 9, 2016 verified no related-party transactions occurred (except the normal commercial and financial transactions with subsidiaries and salary increases of top management that are exempted from the abovementioned procedure). The Board of Directors did not set general criteria to identify the operations of strategic, economic, patrimony or financial importance for the Company. The Shareholders' meeting did not authorize general and precautionary derogations from the ban of competition set forth in article 2390 of the Italian Civil Code.
No critical situation occurred on the matter.

4.4. DELEGATED BODIES

Chief Executive Officers

By resolution dated April 22, 2013, DiaSorin's Board of Directors appointed the Director Carlo Rosa to the post of Chief Executive Officer granting him the power to handle all ordinary and extraordinary business transactions over which the Board of Directors has jurisdiction, with the exception of those that are expressly reserved for the Board of Directors pursuant to law, the Bylaws and the abovementioned resolution. Director Carlo Rosa was also appointed to the post of General Manager, assigning him special functions in operating management concerning industrial, commercial and financial areas with the same offices and functions granted during the previous term of office of the board. The following powers, by resolution dated April 22, 2013, are reserved for the Board of Directors and may not be delegated:

- approving the annual budget;
- buying, acquiring through subscription or selling equity investments;
- buying, selling or leasing assets and business assets;
- buying and selling real estate;
- investing in capital assets in addition to the capital expenditures contemplated in the budget when the amount involved exceeds 2,000,000.00 (two million) euros per year;
- securing loans, credit lines and bank advances; discounting promissory notes and obtaining overdraft facilities involving amounts in excess of 10,000,00.00 (ten million) euros for each transaction, excluding credit lines for sureties and except for factoring contracts, which are covered by the delegated powers without amount limitations;
- granting mortgages, pledges and liens on Company assets involving amounts in excess of 1,000,000.00 (one million) euros for each transaction;
- granting sureties involving amounts in excess of 2,000,000.00 (two million) euros;
- hiring and firing managers.

At all meetings or at least every three months, the Chief Executive Officer reports to the Board of Directors on activities in exercise of delegate powers.

Mr. Carlo Rosa, Chief Executive Officer and General Manager, is qualified as the main administrator in charge of the company management. It should be noted that no *interlocking directorate* of the Corporate Governance Code (2.C.5) occurred.

The Chairman of the Board of Directors

On April 22, 2013, DiaSorin's Ordinary Shareholders' Meeting, upon electing the Board of Directors, appointed the Director Gustavo Denegri as Chairman, with the same post held during the previous term of office of the board.
The Chairman did not receive management proxies and he does not play a specific role in the formulation of organizational strategies.

Executive Committee (pursuant to Art. 123-bis, Section 2, Letter d), TUF).

Pursuant to Article 15 of the Bylaws, the Board of Directors may select some of its members to staff an Executive Committee, to which it may delegate some of its powers, except for those that the law reserves expressly for the Board of Directors, determining the Committee's composition, powers and rules of operation.
As of the date of this report, the Issuer's Board of Directors did not appoint an Executive Committee.

Report to the Board of Directors

In 2015, at all meetings of the Board of Directors and at least every three months, the Chief Executive Officer has reported to the Board of Directors on activities performed in exercise of delegate powers.

4.5. OTHER EXECUTIVE DIRECTORS.
Mr. Chen Menachem Even serves as Executive Director (apart from being a Strategic Director) and Senior Corporate Vice President Commercial Operations of the Issuer (Chief Commercial Officer since January 1, 2016).

4.6. INDEPENDENT DIRECTORS
The Issuer, also after the exit from the STAR segment, intends to continue to comply on a voluntary basis with the main principles of corporate governance for companies in the above segment, also in terms of the number of independent directors on the Board of Directors, which must be appropriate to the size of the body. According to the provisions of the Rules of the markets organized and managed by Borsa Italiana S.p.A. (Article 2.2.3) and the related instructions (Article IA.2.10.6), we consider the following to be reasonable: (i) Board of Directors composed of up to 8 members, must include at least 2 independent directors; (ii) Board of Directors composed of 9 to 14 members, must include at least 3 independent directors; (iii) Boards composed of 14 members, must include at least 4 independent directors.
The slate-voting system required by Article 11 of the Bylaws is designed to ensure the election of a number of Directors that meet the independence requirements set forth on the joint basis of Article 147-*ter*, Section 4 and Article 148, Section 3 of the TUF, and of Article 3 of the Corporate Governance Code. At a meeting held for the appointment of Directors (April 22, 2013), the Board of Directors ascertained that the independent Directors met the independence requirements of Article 148, Section 3, of the TUF; the results of such assessment were disclosed to the market on the same date by press release available on the company website www.diasorin.com, Section "Investors/Press releases", pursuant to Art. 144-novies, section 1-bis, of the Consob Regulations for Issuers. The Board of Directors assessed the independence requirements on annual basis during the meetings held on March 6, 2014, on March 3, 2015 and most recently on March 9, 2016, for the approval of the Financial Statements as of December 31, 2015.
The Company applied all criteria of Corporate Governance Code recognized as valid and properly enforced by the Board of Statutory Auditors to verify and assess the independence requirements pursuant to Application Criteria 3.C.5 of Corporate Governance Code.
The Issuer's Board of Directors includes 4 (four) Independent Directors: Franco Moscetti, Giuseppe Alessandria, Maria Paola Landini and Roberta Somati.
The number and authoritativeness of the Independent Directors is sufficient to ensure that their opinion has a significant impact on the decision-making process of the Issuer's Board of Directors. Independent Directors contribute specific professional expertise to Board meetings and help the Board adopt resolutions that are in the Company's interest.
In 2015, the Independent Directors met on March 3, 2015 in the absence of the other directors, pursuant to Application Criteria 3.C.6. of the Code.

4.7. LEAD INDEPENDENT DIRECTOR
At the meeting held on April 22, 2013, the Board of Directors, as required by the Corporate Governance Code, reappointed Giuseppe Alessandria (already designated by the Board of Directors on April 27, 2010), an independent Director, to the post of Lead Independent Director. Serving in this capacity, he provides a reference point for and coordinates issues relevant specifically to non-executive Directors and Independent Directors.
The appointment of the Lead Independent Director was one of the requisites for companies listed in the STAR segment on Borsa Italiana. This post was kept also after the Company submitted a request of voluntary exclusion from the STAR segment (thereby annulling the requisite mentioned above).
In 2014, the Lead Independent Director convened the annual meeting (on March 3, 2015) of Independent Directors only and coordinated the assessment process of the Board of Directors, supporting also the Nominating Committee.

5. TREATMENT OF INSIDER INFORMATION

Insofar as the issues related to the treatment of insider information are concerned, the Issuer's Board of Directors has adopted the initiatives and/or procedures summarized below, which are designed to monitor access to and circulation of insider information prior to their disclosure to the public and ensure compliance with statutory and regulatory confidentiality requirements.

Procedure for the internal management and external communication of documents and insider information

During the Board Of Directors meeting held on November 7, 2012, the Company, also in accordance with the Art. 1.1 C.1 letter j) of the Corporate Governance Code, adopted a procedure to regulate the internal handling and public disclosure of price sensitive information concerning the Company and its subsidiaries (including insider information, the so-called price sensitive information, as described in Art. 181 of the TUF), updating and amending the procedure in force with the provisions of the Corporate Governance Code. The revised procedure was assessed during the Board meeting for the approval of the 2013 financial statements results (held on March 6, 2014) and was published on the Issuer's website (www.diasorin.com/ Governance/Governance System).

Procedure for the maintenance of a register of parties with access to insider information

Specifically, with regard to the obligation incumbent upon issuers of listed securities, parties linked with them through a control relationship or parties who act in their name or on their behalf to set up the register of parties with access to insider information required pursuant to Article 115-*bis* of the TUF, at a meeting held on February 12, 2007, the Issuer's Board of Directors agreed to adopt a Procedure for Managing the Register of Parties with Access to Insider Information. On May 15, 2007, it appointed to the post of Manager of the Register of parties with access to insider information the Manager of the Corporate Counsel and Corporate Affairs Department, a function currently performed by Marco Minolfo. The current procedure was assessed during the Board meeting held on May 9, 2014 and was published on the Issuer's website (www.diasorin.com/Governance/Governance System).

Internal Dealing Procedure

On February 12, 2007, in order to address to the disclosure requirements that arise from the new internal dealing regulations set forth in Article 114, Section 7 of the TUF and Articles 152-*sexies*, 152-*septies* and 152-*octies* of the Issuers' Regulations, the Issuer's Board of Directors agreed to adopt a Procedure to comply with Internal Dealing requirements, appointing to the post of Internal Dealing Officer the Manager of the Corporate Counsel and Corporate Affairs Department, a function currently performed by Marco Minolfo. The current procedure was assessed during the Board meeting held on May 9, 2014 and was published on the Issuer's website (www.diasorin.com /Governance/Governance System).

6. THE BOARD OF DIRECTORS' INTERNAL COMMITTEES (pursuant to Art. 123-bis, Section 2, Letter d), TUF).

The Board of Directors appointed internally the following committees:

Control and Risks Committee	Franco Moscetti (Chairman) Enrico Mario Amo Roberta Somati
Compensation Committee	Giuseppe Alessandria (Chairman) Michele Denegri Roberta Somati
Nominating Committee	Franco Moscetti (Chairman) Giuseppe Alessandria Michele Denegri
Committee for Transactions with Related Parties	Franco Moscetti (Coordinator) Giuseppe Alessandria Roberta Somati

Functions, tasks, resources and activities are described in the Paragraphs below.

7. NOMINATING COMMITTEE.

The Issuer's Board of Directors, consistent with the provisions of the Corporate Governance Code, established an internal Nominating Committee, the majority of its members being non-executive independent Directors.

The Nominating Committee collaborates with the Compensation Committee for the purpose of monitoring more closely the self-assessment process of the Board of Directors and furthermore, pursuant to art. 2386, first Section of the Italian Civil Code, if an Independent Director has to be replaced, the Nominating Committee submits to the Board of Directors the candidates to be elected as Directors.

The Nominating Committee identifies a list of candidates to submit to the Issuer's shareholders' meeting as independent directors, taking into account shareholders' suggestions. The Nominating Committee expresses opinions on the size and composition of the Board of Directors and, if necessary, on the professional figures whose presence on the Board would be considered appropriate.

Members and functions of the Nominating Committee (pursuant to Art. 123-bis, Section 2, Letter d), TUF)).

By resolution dated April 22, 2013, the Issuer's Board of Directors confirmed the existing composition of its internal Nominating Committee. The members of the Committee, the majority of whom are non-executive, independent Directors, are: Franco Moscetti (Independent Director), who serves as Chairman, Giuseppe Alessandria (Independent Director) and Michele Denegri (Non-Executive Director), originally appointed by a Board resolution dated April 22, 2010. Frequencies, the average length, the attendance percentage at Nominating Committee meetings are listed in Table 2 annexed to this Report.

The Nominating Committee's meetings have been regularly recorded.

In performing its functions, the Nominating Committee has free access to the company's areas and information considered important for fulfilling its duties and can avail external consultants, subject to authorization by the Board of Directors.

The Nominating Committee was not provided with financial resources because the Committee uses the Issuer's resources and organization to discharge its duties.

In 2015 the Nominating Committee did not meet. As of the date of this Report the Committee held a meeting on March 1, 2016.

8. COMPENSATION COMMITTEE.

The Issuer's Board of Directors, consistent with the prevision of the Stock Exchange Market Regulations and the Corporate Governance Code, established an Internal Compensation Committee staffed with non-executive Directors, including the Chairman, the majority of whom are independent Directors. The Compensation Committee is responsible for:

- submitting to the Board of Directors proposals concerning the compensation of the Chief Executive Officer and of all other Directors who perform special tasks and for monitoring the proper implementation of approved resolutions;
- Submitting to the Board of Directors general recommendations concerning the compensation of DiaSorin Group executives with strategic responsibilities, taking into account the information and indications provided by the Chief Executive Officer, and assessing on regular basis the criteria adopted to determine the compensation of the abovementioned executives.

The Compensation Committee will also be expected to participate in managing any future stock option plans that may be approved by the Issuer's relevant corporate governance bodies.

The Compensation Committee advises the Board of Directors on the general remuneration policy to be applied to executive directors, Board members invested with specific tasks and duties, and executives with strategic responsibilities, as well as the proper identification and setting of appropriate performance targets that are to serve as the basis for determining the variable component of their remuneration determining whether or not performance targets have actually been met.

The Compensation Committee periodically assesses the appropriateness, overall coherence and concrete implementation of the general remuneration policy of the executive directors, including directors with specific tasks, and executives with strategic responsibilities.

Members and functions of the Compensation Committee (pursuant to Art. 123-bis, Section 2, Letter d), TUF).

The Compensation Committee appointed by the Shareholder's Meeting on April 22, 2013 is composed of the following Directors: Giuseppe Alessandria (Independent Director) who serves also as Chairman, Roberta Somati (Independent Director) and Michele Denegri (Non-Executive Director). Pursuant to principle 6.P.3 of the Corporate Governance Code, Mr. Michele Denegri has proper knowledge and expertise, regarding Finance and Accounting, that have been valued by the Board of Directors at the time of his appointment.

The Compensation Committee was not provided with financial resources because the Committee uses the Issuer's resources and organization to discharge its duties.

Frequencies, the average length, the attendance percentage at Nominating Committee meetings are listed in Table 2 annexed to this Report; the Chairman of the Board of Statutory Auditors attended the meetings or another member of the Board of Statutory Auditors delegated by the Chairman.

As of the date of this Report the Committee held a meeting on March 1, 2016.

In 2015 the Compensation Committee provided recommendations about the revision to increase the compensation of General Manager consistent with benchmarking data in the reference market together with the compensation of Executives with Strategic Responsibilities (information are provided in the Compensation Report published pursuant to Art. 123-*ter* of the TUF on the Company website www.diasorin.com in the Section "Investors/Information for Shareholders/Shareholders Meeting and board/2016")

The Compensation Committee's meetings, during which the above activities have been carried out, were regularly recorded.

In performing its functions, the Compensation Committee had free access to the company's areas and information considered important for fulfilling its duties and could avail external consultants, subject to authorization by the Board of Directors.

9. COMMITTEE FOR TRANSACTIONS WITH RELATED PARTIES

The Committee for Transactions with Related Parties appointed by the Shareholder's Meeting on April 22, 2013, is composed of the following independent Directors: Giuseppe Alessandria, Roberta Somati e Franco Moscetti (who serves as coordinator).

On November 5, 2010, the Issuer's Board of Directors adopted the Procedure for related-party transactions in accordance with the "Regulations governing Related-party transactions" adopted by the Consob with Resolution No. 17221 of March 12, 2010 (as amended). The Procedure went into effect on January 1, 2011 and was assessed by the Independent Directors on March 6, 2014 (as defined in the CONSOB communication no. 10078683 dated September 24, 2010, after the first three years of its application), who confirmed the Procedure compliance with applicable laws. The procedure was confirmed by the Board in office at the meeting held on March 6, 2014 and published pursuant to the Regulation on the Company website: www.diasorin.com/Governance/Governance System. Further information on the Procedure for the Related-party transactions adopted by the Company are provided in Paragraph **13** of the Report.

In 2015 the Committee for Transactions with Related Parties met on February 23, 2015 and on July 30, 2015. As of the date of this Report a meeting was held on March 9, 2016.

10. COMPENSATION OF DIRECTORS

The Company policy for compensation of Directors and Executive with Strategic Responsibilities is reported in the Compensation Report published pursuant to Art. 123-*ter* of TUF on the Company website: www.diasorin.com in the Section "Investors/Information for Shareholders/Shareholders' meeting and board/2016", to which reference is made.

11. CONTROL AND RISKS COMMITTEE

The Board of Directors established a Control and Risks Committee to which it appointed Non-Executive Directors, the majority of whom are Independent. The Chairman of the Board of Statutory Auditors, or another Statutory Auditor designated by the abovementioned Chairman, and including in any case any other Statutory Auditors, attends Control and Risks Committee Meetings. The Supervisory Director and, at the Committee's invitation, the Internal Audit Officer or other employees whose presence may be deemed useful for the proceedings may also attend Committee meetings.

The Control and Risks Committee recently adopted an internal regulation in compliance with the Corporate Governance Code best practice.

Composition and functions of the Control and Risks Committee (pursuant to Art. 123-bis, Section 2, Letter d), TUF).

On March 9, 2012 the Board of Directors agreed to adopt the new version of the Corporate Governance Code, changing the name and tasks of the Internal Control Committee into the new function of "Control and Risks Committee".

The Control and Risks Committee provides consulting support and makes recommendations to the Board of Directors, and specifically it is required to perform a series of tasks concerning the Issuer's control activity and risks management, as described in the following section.

In performing its tasks, the Control and Risks Committee has free access to the company's areas and information considered important for fulfilling its duties and can avail of external consultants, subject to authorization by the Board of Directors.

The Control and Risks Committee currently in office and appointed by the Board meeting on April 22, 2013 is composed of the following Directors: Franco Moscetti (Independent Director), who serves as Chairman; Roberta Somati (Independent Director) and Enrico Mario Amo (Non-Executive Director), who has significant expertise in the areas of accounting and finance.

The frequency, the average length, the attendance percentage at the Control and Risks Committee meetings are listed in Table 2 annexed to this Report.

In 2015 the Control and Risks Committee met on February 23, July 28 and December 15, 2015. As of the date of this Report a meeting was held on March 1, 2016.

The Chairman of the Board of Statutory Auditors, together with his members as well other company members whose presence is deemed useful for the meeting, attended the Control and Risks Committee meetings, by invitation of the Committee, to discuss scheduled issue on the agenda.

Functions of the Control and Risks Committee

The Control and Risks Committee has the following functions:

- it assists and supports the Board of Directors by adequate preliminary activity, in performing tasks related to the system of internal control and risks management, particularly with regard to defining the system's guidelines and assessing on a regular basis the adequacy, efficiency and effective implementation of the system of internal control;
- it provides advice on specific issues related to the identification of corporate risks and the design, construction and management of the system of internal control and risks management;
- it reviews the work plan prepared by the Internal Audit Officer and the reports that the Internal Audit Officer submits every six months;
- together with the Corporate Accounting Documents Officer, the Independent Auditors and the Board of Statutory Auditors, it assesses the adequacy of the accounting principles used by the Company and the consistency and uniformity of their use in preparing the consolidated financial statements;
- it reports to the Board of Directors at least once every six months, on the occasion of the approval of the Annual Report and the Semiannual Report, about the work performed and the adequacy of the system of internal control and risks management;
- it performs any additional tasks that the Board of Directors may choose to assign to the Committee, specifically in areas related to the interaction with the Independent Auditors, the work performed by the Oversight Board pursuant to Legislative Decree No. 231/2001 and the provision of consulting support with regard to related-party transactions.

The Committee can require specific Internal Audit intervention. In this regard, the Committee did not exercise this power.

In 2015, the Control and Risks Committee performed its constant control activity, concerning the correct and timely implementation of the guidelines and the proper management of the Internal Control and Risks system of the Issuer and its relevant subsidiaries (after consulting the Internal Audit function for the latter).

The meetings of the Committee have been regularly recorded and all the above mentioned activities have been properly carried out.

In 2015, during the meetings held on February 23 and July 28, 2015 the Control and Risks Committee reported to the Board of Directors on the activities and audits the Committee carried out, pursuant to Criterion 7.C.2, Letter f) of the Corporate Governance Code, and the effectiveness of the internal control system highlighting how the system proved to be largely in line with the size and organizational and operational structure of the Issuer.

12. INTERNAL CONTROL AND RISKS MANAGEMENT SYSTEM

The Board of Directors is responsible for defining the guidelines of the Internal Control and Risks management system, which is a set of processes designed to monitor the efficiency of the Company's operations, the reliability of the financial information, the degree of compliance with laws and regulations and the level of protection of the Company's assets.

On December 19, 2012, the Board of Directors adopted the guidelines of the Internal Control and Risks Management system ("**The Guidelines")** that have been confirmed by the current Board of Directors elected on April 22, 2013. The Guidelines aim to define the main risks to which the Company is exposed.

The Board of Directors (i) is responsible for the prevention and monitoring of business risks to which the Issuer and the Group are exposed by defining control system guidelines that can be used to properly identify, adequately measure, monitor, manage and assess the abovementioned risks, in accordance with the goal of protecting the corporate assets and consistent with the principles of

sound management; and (ii) verifies on a regular basis (at least once a year) that the Internal Control and Risks management is adequate, effective and functions correctly.
The document following a first section dedicated to the members involved in the System, defines the guidelines adopted by the Issuer's Board of Directors.
The Issuer's Internal Control and Risks management system involves the following corporate bodies with different tasks:

- The Board of Directors has the function of directing and evaluating the adequacy of the Internal Control and Risks management, *interalia* identifying an (i) Control and Risks Committee that assists the Board of Directors comprised of non-executive Directors, the majority of whom is Independent, with a proper preliminary investigation and (ii) one or more Directors in charge of the establishment and preservation of an efficient Internal Control and Risks management ("**Supervisory Director"**);
- The Officer of the Internal Audit function, who is appointed by the Board of Directors, and proposed by the Supervisory Director, with the assent of the Control and Risks Committee, has the function to verify the adequacy and efficiency of the Internal Control and Risks management system;
- The Board of Statutory Auditors has the function to verify the efficiency of the Control and Risks Committee;
- The Corporate Accounting Document Officer, pursuant to the art. 154-bis TUF;
- The Oversight Board established pursuant D.L. 231/2001.

Insofar as the guidelines adopted for the system of internal control and risks management are concerned, the Organizational and Management Model adopted by the DiaSorin Group pursuant to Legislative Decree No. 231/2001 is taken into account.
As far as the company's financial statements are concerned, the Risk Management and Internal Control System applied to the financial reporting process adopted by the DiaSorin Group was developed using as a reference model and performance objective the COSO Report[4]*, according to which, the Internal Control and Risks management system, in the most general terms, can be defined *as "a process, effected by the Board of Directors, management and other personnel for the purpose of providing reasonable assurance regarding the achievement of objectives in the following categories: (i) design and effectiveness of operations;(ii) reliability of financial reporting; (iii) compliance with applicable laws and regulations."*
Insofar as the financial reporting process is concerned, the corresponding objectives are the truthfulness, accuracy, reliability and timeliness of the financial reporting.
The Group, in defining its Internal Control and Risks management system for the financial reporting process, complied with the guidelines provided in this area in the following reference laws and regulations:

- Legislative Decree No. 58 of February 24, 1998 (TUF), as amended, specifically with regard to the provisions concerning the *"Certification of the Statutory and Consolidated Annual Financial Statements and Semiannual Report by the Corporate Accounting Documents Officer and the Delegated Governance Bodies pursuant to Article 154-bis of the TUF;"*
- Law No. 262 of December 28, 2005 (as amended, including the amendments introduced by the Legislative Decree of October 30, 2007 adopting the *Transparency* Directive) specifically with regard to the preparation of corporate accounting documents;
- The Issuers' Regulations published by the Consob, as amended and integrated**;**
- The Italian Civil Code, which extends to the Corporate Accounting Documents Officers the liability for company management actions (Article 2434), corruption between private individuals (Article 2635) and the crime of obstructing public and oversight authorities in the performance of their functions (Article 2638);

[4] COSO Model, developed by the Committee of Sponsoring Organizations of the Treadway Commission - **"**Internal Control - Integrated Framework" published in 1992 and updated in 1994 by the Committee of Sponsoring Organizations of the Treadway Commission

- Legislative Decree No. 231, of June 8, 2001, which, citing, inter alia, the abovementioned provisions of the Italian Civil Code and the civil liability of legal entities for crimes committed by their employees against the public administration and market abuse crimes, as well as corporate crimes, classifies the Corporate Accounting Documents Officer as a Top Management Person.

In addition, the reference components of the Group include:

- the Group's Code of Ethics;
- the Organizational and Management Model Pursuant to Legislative Decree No. 231/2001, its Special Parts and related protocols;
- the Procedure to comply with Internal Dealing requirements;
- the Procedure for Related-party Transactions;
- the Procedure for the internal management and market disclosure of documents and insider information;
- the Procedure for the management of the Group's Register of persons having access to insider information;
- the Principles for the execution of material transactions
- the system of proxies and powers of attorney;
- the organization chart and job description chart;
- the risk scoping process applied to quantitative and qualitative risk analysis;
- the Accounting and Administrative Control System, which is comprised of a set of procedures and operational documents, including:
  - Group Accounting Manual: document designed to promote the development and use within the Group of consistent accounting criteria for the recognition, classification and measurement of the results from operations;
  - Administrative and accounting procedures: documents that define responsibilities and control rules specifically with regard to administrative and accounting processes;
  - Financial statements and reporting instructions and closing schedules: documents used to communicate to the various Company departments the operational and detailed procedures for managing the activities required to prepare the financial statements by predetermined and shared deadlines;
  - Technical User Manual for the Group Reporting System: document provided to all employees who are directly in the process of preparing and/or reviewing accounting reports, which explains how the Reporting System operates.

DiaSorin's Accounting and Administrative Control Model defines the method that must be applied when implementing the Internal Control System, which includes the following phases:

a) Mapping and assessment of the risks entailed by financial reporting

The mapping and assessment of the risks entailed by the production of accounting reports is carried out by means of a structured scoping process. The implementation of this process includes identifying all of the objectives that the Internal Control System and Risks Management System applied to financial reporting must achieve to deliver a truthful and fair presentation. These objectives refer to the financial statement "assertions" (existence and occurrence of events, completeness, rights and obligations, valuation/recognition, presentation and disclosure) and other control objectives (e.g., compliance with authorization limits, segregation of duties and responsibilities, documentation and traceability of transactions, etc.).

The risk assessment process is thus focused on those areas of the financial statements identified as potentially having an impact on financial reporting in terms of failure to achieve control objectives.

The process of determining which entities should be classified as "significant entities" in terms of their impact on financial reporting serves the purpose of identifying, with regard to the Group's consolidated financial statements, the subsidiaries, financial statement accounts and administrative and accounting processes that are deemed to be "material," based on valuations carried out using both quantitative and qualitative parameters.

b) Definition of controls for the mapped risks

As mentioned above, the definition of the controls required to mitigate the mapped risks within administrative and accounting processes is carried out taking into account the control objectives associated with financial reporting for processes deemed to be material.

If the implementation of the phase of determining the scope of the assessment process uncovers sensitive areas that are not governed, in whole or in part, by the corpus of administrative and accounting procedures, the existing procedures are amended and, working in concert with the Corporate Accounting Documents Officer, new procedures are adopted for the affected areas.

c) Assessment of controls for the mapped risks and handling of any known issues.

The assessment of the effectiveness and level of implementation of the administrative and accounting procedures and of the controls they contain is carried out through specific testing activities that are consistent with best industry practices.

Testing is carried out continuously throughout the year at the request of and in coordination with the Corporate Accounting Documents Officer, who uses his own organization and the Internal Auditing Department.

As part of the implementation process, the delegated governance bodies and the administrative managers of subsidiaries are required to provide the Corporate Accounting Documents Officer with an affidavit concerning tests performed to assess the effectiveness and level of implementation of the administrative and accounting procedures.

The Internal Auditing Officer prepares an **Audit Report** in which he provides an overview of the assessment of the controls established for the mapped risks. The assessment of controls can result in the definition of supplemental controls, corrective actions or improvement plans to address any identified issues. The Audit Reports produced during the year are communicated to the Company's Supervisory Body, Board of Statutory Auditors, Control and Risks Committee and Board of Directors.

Internal Control System applied to the financial reporting process is overseen by the Corporate Accounting Documents Officer, who is appointed by the Board of Directors, in concert with the Chief Executive Officer. The Corporate Accounting Documents Officer is responsible for developing, implementing an approving the Accounting and Administrative Control Model and assessing its effectiveness, and is required to issue certifications of the separate and consolidated annual financial statements and the semiannual financial report (separate and consolidated). The Corporate Accounting Documents Officer is also responsible for establishing adequate administrative and accounting procedures for the production of statutory and consolidated financial statements and, with the support of the Internal Auditing Department, providing subsidiaries with guidelines for the implementation of appropriate activities to assess their Accounting Control Systems.

In the performance of his functions, the Corporate Accounting Documents Officer:

- interacts with the Internal Auditing Director/Supervisory Director, who performs independent audits of the effectiveness of the Internal Control System and supports the Corporate Accounting Documents Officer in monitoring the System;
- is supported by the managers of the affected departments, who, with respect to the area under their jurisdiction, attest to the completeness and reliability of the information flows provided to the Corporate Accounting Documents Officer for financial reporting purposes;
- coordinates the activities of the Accounting Managers of subsidiaries, who are responsible, together with the delegated governance bodies, for implementing within their companies adequate accounting control systems to monitor administrative and accounting processes and assessing their effectiveness over time, reporting the results to the Parent Company as part of the internal certification process;
- establishes a mutual exchange of information with the Control and Risks Committee and the Board of Directors.

The Board of Statutory Auditors and the Oversight Board are informed about the adequacy and reliability of the internal control system applied to financial reporting.

A detailed description of the main characteristics of the system of internal control and risks management applied to financial reporting, including consolidated financial statements, as required by Article 123-bis, Section 2, Letter b), of the TUF, is provided in the Report on the Company's Operations annexed to the statutory and consolidated financial statements.

12.1 SUPERVISORY DIRECTOR RESPONSIBLE FOR THE EFFECTIVE IMPLEMENTATION OF THE SYSTEM OF INTERNAL CONTROL AND RISKS MANAGEMENT.

The Supervisory Director is responsible for overseeing the effective implementation of the System of Internal Control and Risks Management by the Board of Directors and with the support of the Control and Risks Committee.

The Supervisory Director, working within and in accordance with the guidelines established by the Board of Directors, is responsible for:

- identifying corporate risks, based on the characteristics of the Issuer's and its subsidiaries businesses and that will be periodically submitted to the attention of the Boards of Directors;
- implementing the guidelines, designing, constructing and managing the system of internal control, constantly verifying its efficiency and adequacy;
- making sure that the system of internal control and risks management changes in the Company's business and changes in the statutory and regulatory framework;
- promptly reporting to the Control and Risks Committee (or to the Board of Directors) issues and critical situations emerged from its control activity or of which the Committee was informed, so that the Committee (or the Board of Directors) can take measures against these critical situations.
- in performing these tasks, the Supervisory Director can rely on the Internal Audit to carry out controls on both specific business areas and internal laws and procedures concerning corporate operations, so that the Chairman of the Board of Directors, the Chairman of the Control and Risks Committee and the Chairman of the Board of Statutory Auditors will be promptly informed. In 2015, the Supervisory Director did not exercise this power. On April 22, 2013, the Issuer's Board of Directors reappointed Carlo Rosa, the Issuer's Chief Executive Officer and General Manager, to the post of Supervisory Director. Mr. Rosa had been appointed to this post by the previous Board of Directors.

During the course of the year, the Supervisory Director:

- identified the main corporate risks (strategic, operational, financial and compliance related), taking into account the characteristics of the businesses carried out by the Issuer and its subsidiaries, and submitted them to the Board of Directors for review on a regular basis;
- implemented the guidelines defined by the Board of Directors, designing, constructing and managing the system of internal control, monitoring on an on-going basis the system's overall adequacy, effectiveness and efficiency and the need for any adjustments;
- updated the system in response to changes in operating conditions and in the relevant regulatory framework;
- did not deemed it necessary to require intervention of the Internal Audit Officer.

12.2 INTERNAL AUDIT OFFICER.

The Board of Directors appointed a person in charge of verifying the constant adequacy, effectiveness and efficiency of the system of Internal Control and Risks management. Until March 2012, the Board of Directors appointed to the post of Internal Control Officer the Manager of the Internal Audit Department, a function performed by Luca de Rosa. During the meeting of March 9, 2012, the Board of Directors, accepting the regulations of the new Corporate Governance Code, suppressed the post of Internal Control Officer and, as proposed by the Chief Executive Officer redefined the Internal Audit functions following the new Corporate Governance Code.

In the Board meeting held on April 22, 2013, the Board of Directors in compliance with the provisions of the Corporate Governance Code, appointed Luca de Rosa to the post of Internal Audit Officer, on the input of the Supervisory Director and following the favorable opinion of the

Control and Risks Committee and the Statutory Auditors. The Internal Audit Officer was entrusted with tasks and responsibilities contained in the Code and detailed in the Guidelines.
The Code requires that the Board of Directors in charge of appointing (and revoking) the Internal Audit Officer provides such Officer with adequate resources to perform his /her tasks and defines his/her compensation, coherently with the company's policy.
The Internal Audit Officer, who is not in charge of any operating area, reporting through official channels to the Board of Directors, can:

- verify both continuously and according to specific needs, the eligibility and effectiveness of the Internal Control and Risks Management System, in compliance with the international standards and through an audit plan, which is approved annually by the Board of Directors and shared with the Control and Risks Committee and is based on an analysis process and risks priority.
- have direct access to useful information to carry out his/her duty.
- draw up periodic reports containing information on the activity of his/her function, the method employed for risks management and the safeguard of the plans. The periodic reports evaluate the suitability of the system.
- draw up promptly reports on important events.
- convey the abovementioned reports to the Chairmen of the Board of Statutory Auditors, the Control and Risks Committee, the Board of Directors and the Supervisory Director.
- verify the reliability of the information systems, including the accounting systems.

Starting from January 1, 2013 the Internal Audit Officer's work-plan is approved on annual basis by the Board of Directors, after receiving a favorable opinion from the Board of Statutory Auditors and the Supervisory Director. In 2015 the 2015 Audit Plan was approved during the meeting held on March 3, 2015. Moreover, at least once a year, the Internal Audit Officer reports and explains the controls carried out to the Board of Directors, the Supervisory Director, and the Control and Risks Committee and the Board of Statutory Auditors.
In compliance with his/her duty, in 2014, the Internal Audit Officer carried out his/her tasks drawing up and following an annual plan, that was presented to the Board of Statutory Auditors and Control and Risks Committee to show the results achieved during the year.
In 2015, the Internal Audit Officer carried out all the activities of his/her annual work-plan, periodically reporting to the Control and Risks Committee and, annually, to Board of Directors on the activities performed; the Internal Audit Officer reported to the Control and Risks Committee in the meeting held on February 23, July 28 and December 15 and to the Board of Directors in the meeting held on March 3, 2015.
On April 22, 2013, the Board of Directors resolved not to provide the Internal Audit Officer with *ad hoc* compensation, considering to be appropriate the compensation received as employee of the Company and thus consistent with his/her tasks.

12.3 CODE OF ETHICS AND ORGANIZATIONAL MODEL pursuant to Legislative Decree No. 231/2001.

On December 18, 2006 the Issuer approved and implemented a Group Code of Ethics with the aim of providing all employees with common consistent rules of conduct and defining their rights and obligations, as they apply to the performance of any activity that may affect the Issuer's interests. The Code of Ethics, as amended and updated recently by the Board of Directors on December 19, 2013, sets forth the general principles that define the values that underpin the Issuer's operations and it has been currently adopted by all Diasorin Group companies.

The Organization and Management Model pursuant to Legislative Decree No. 231/2001.

As required by the provisions of Article 2.2.3, Section 3, Letter k), of the Stock Exchange Regulations (regulations concerning companies listed in the STAR segment) and in order to ensure that all business transactions and corporate activities are carried out fairly and transparently, protecting the Company's position and image, meeting the expectations of its shareholders and protecting the jobs of its employees, the Board of Directors adopted the model required by

Legislative Decree No. 231/2001 in connection with the Company's administrative liability for crimes committed by its employees (also referred to as the **"Model"**) in apical positions and appointed the related Oversight Board, pursuant to Art. 6 and 7 of the abovementioned Legislative Decree.
This model was developed taking into account the provisions of Legislative Decree No. 231/2001, the guidelines provided by relevant trade associations (particularly those of Assobiomedica) and the guidelines published by Confindustria.
Moreover, the Issuer revised its Model to make it consistent with the new requirements of Legislative Decree No. 123/2007 and the rules on market abuse introduced by the TUF. The revised model includes two new Special Sections that concern violations of rules concerning health and safety on the job of Legislative Decree No. 81/2008 (Uniform Occupational Safety Code), and crimes involving market abuse (and manipulation) and abuse of insider information.
Subsequently, the Board of Director agreed to amend the Model, adding a new Special Section that deals with certain issues listed in Legislative Decree No. 121/2011 concerning environmental crimes, and lastly on, August 1, 2013 the Board of Directors agreed to update Special Section "A" (Offences against the Public Administration) and Special Section "B", and added Special Section "E" (employment of workers from non EU countries) and, lastly, on November 11, 2015 updating Special Section "E" following the "new presumed offences" included in the provisions of Legislative Decree No. 231/2001.

As of the date of this Report, the model (whose summary is available on the Company's website www.diasorin.com, Section "Governance/Corporate Governance System") includes:

- "General Section" includes (i) the description of the regulatory framework, (ii) the governance and organizational structure adopted by DiaSorin for preventing the commission of crimes, (iii) the purposes of the Model, (iv) the requirements and tasks of the Supervisory Body (see below), (v) the disciplinary measures adopted by the Company in case of non-compliance with the measures set out in the Model and (vi) the training and communication plan to ensure an accurate knowledge and awareness of the provisions of the Model by all the persons who must observe them.
- "Special Section A" includes the crimes covered by Articles 24 and 25 of the Decree committed in the course of relations with the Public Administration;
- "Special Section B" covers the so called "Corporate" crimes, including the corruption between private parties;
- "Special Section C" encompasses the crimes set out by the Consolidated Law on Finance (Legislative Decree 58/1998) on "Market Abuse";
- "Special Section D" includes the unintentional manslaughter and unintentional serious or very serious injuries committed in breach of applicable regulations on health and safety at work set out in the Law Decree 123/2007;
- "Special Section E" includes the environmental crimes introduced by Article 2 of Legislative Decree July 7, 2011 n. 121;
- "Special Section F" encompasses the crimes regarding the employment of third country citizens set out by Article 22 paragraph 12-bis of the Legislative Decree 286/1998 as contemplated by Article 25-*duodecies* of the said Decree.

In 2015 the Oversight Board recommended the integration to the Model (in its Special Section "E") based on the latest amendments and specifically in relation to new presumed offence included in the Legislative Decree 231/2001, Law no. 68 of May 22, 2015 relating to "*Provisions on offences against the environment*"
The Oversight Board currently in office includes the following members: Roberto Bracchetti, Chairman of the Board of Statutory Auditors, Luca De Rosa, Internal Audit Officer, and Silvia Bonapersona, outside professional responsible for the controls required by occupational and environmental safety regulations. The Oversight Board is responsible for ensuring that the Model is functioning correctly, is effective and is being complied with, and for recommending updates to

the model and Company procedures, when appropriate. To this purpose the Board of Directors on the meeting held on March 9, 2016 resolved to provide the Control and Risks Committee with financial resources amounting to EURO 50,000,000 for the year ended December 31, 2016. Once a year, the Oversight Board presents to the Board of Directors the findings of its oversight activity, subsequent to discussing them with the Control and Risks Committee.
In 2015 the Oversight Board reported its activity to the Control and Risks Committee on February 23, 2015 and to the Board of Directors on March 3, 2015. Lastly the Oversight Board reported its activity to the abovementioned Committee and Board on March 1, 2016 and on March 9, 2016, respectively.

12.4 INDEPENDENT AUDITORS

Pursuant to a resolution approved by the Shareholders' Meeting of February 12, 2007, the independent auditing function was awarded to Deloitte & Touche S.p.A., pursuant to Art. 2409-ter of the Italian civil code, for the period 2007-2015.

12.5 CORPORATE ACCOUNTING DOCUMENTS OFFICER

Pursuant to Article 15 of the Bylaws, the Board of Directors, which is required to act with the mandatory input of the Board of Statutory Auditors, has jurisdiction over the appointment and dismissal of the Corporate Accounting Documents Officer required pursuant to Article 154-bis of the TUF and the determination of his or her compensation. The Company's Corporate Accounting Documents Officer must meet the integrity requirements of the relevant statutes currently in force for those who perform administrative and management functions, as well as professional requirements that include specific expertise in administrative and accounting issues. Expertise in these areas must be verified by the Board of Directors and must be the result of work performed in a position of sufficiently high responsibility for an adequate length of time.
On November 11, 2011, the Issuer's Board of Directors, after verifying compliance with the requirements of integrity and professional expertise referred to above, appointed Luigi De Angelis, who already serves as Manager of the Issuer's Accounting, Finance and Control Department, to the post of Accounting Document Officer (the Board of Directors reconfirmed his post on April 22, 2013), granting him the powers required pursuant to Article 154-bis of the TUF, specifically:

- free access to all information considered important for fulfilling his duties, both within DiaSorin S.p.A. and within the companies in the Group, with the power to inspect all the documentation related to drawing up the accounting documents of DiaSorin S.p.A. and the Group and with the power to request explanations and elucidations of all the subjects involved in the process of forming the accounting data of DiaSorin S.p.A. and the Group;
- attendance at the meetings of the Board of Directors;
- the right to dialogue with Control and Risks Committee;
- the right to approve the company procedures, when they impact the balance sheet, the consolidated financial statements and the documents submitted for certification;
- participation in designing the information systems that impact the economic asset and financial situation;
- the right to organize a suitable structure within his own area of activity, internally employing the available resources and, where necessary, outsourcing;
- the right to employ the Internal Audit function for mapping the processes of competence and in the phase of execution of specific checks, with the possibility, if this Function is not internally present, of using resources through outsourcing;
- the possibility of using the information systems for monitoring activity;
- the approval and signing of each document connected to the function of the accounting documents officer and/or that required the statement pursuant to the rules;

The Board of Directors acknowledges the annual compensation of Mr. De Angelis for the post of Accounting Document Officer, pursuant to art. 154-bis TUF, has to be included in the annual compensation of Mr. De Angelis as Company Director.

12.6. COORDINATION OF INDIVIDUALS INVOLVED IN THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM.

The Company has attributed the function of coordination of individuals involved in the Internal Control and Risk Management to the Board of Directors, carried out by the Supervisory Director. This coordination was permanently and effectively carried out in 2015.

13. INTERESTS OF DIRECTORS AND TRANSACTIONS WITH RELATED PARTIES

With regard to related-party transactions, on November 5, 2010, the Issuer's Board of Directors adopted a new Procedure for related-party transactions in accordance with the regulations governing "Related-party transactions" adopted by the Consob to implement Article 2391-bis of the Italian Civil Code and Articles 113-ter, 114, 115 and 154-ter of the TUF. As set out in Section 9, the Board of Directors established a Related-party Committee, to which it appointed the Independent Directors Giuseppe Alessandria, Roberta Somati and Franco Moscetti, who was named Committee Coordinator.

The Procedure went into effect on January 1, 2011 and was assessed by the Independent Directors on March 6, 2014 (as defined in the CONSOB communication no. 10078683 dated September 24, 2010, after the first three years of its application), who confirmed the Procedure compliance with applicable laws. The procedure was confirmed by the Board in office at the meeting held on March 6, 2014 and published pursuant to the Regulation on the Company website: www.diasorin.com/Governance/Governance System. Referring to the abovementioned procedure, Directors who have a vested interest in a transaction must provide in a timely manner full information regarding the existence of a vested interest and the circumstances of the same to the Board, evaluating on a case by case basis the opportunity of leaving the meeting at the time at which the resolution is taken and to abstain from voting on the matter. In case the vested interest is held by a Chief Executive Officer, the same abstains from carrying out the operation. In such cases, the resolutions of the Board of Directors will motivate adequately the reasons and interest of the Company to carry out the operation.

The Board of Directors takes the appropriate decisions in the case that Directors abandoning the meeting when the matter is discussed would result in there no longer being the required quorum. In 2015 no operations concerning Directors with direct or indirect interest or Related-Party interest have been carried out.

14. ELECTION OF STATUTORY AUDITORS

Pursuant to Article 18 of the Bylaws, the Board of Statutory Auditors is comprised of 3 (three) Statutory Auditors and 2 (two) Alternates, who are elected for a three-year term of office and may be re-elected.

Statutory Auditors must meet the requirements of the relevant laws currently in force, also with regard to the limits on the number of governance posts they may hold. Specifically, in the areas of professional requirements, for the purposes of the provisions (when applicable) of Article 1, Section 3, of Ministerial Decree No. 162 of March 30, 2000, which makes reference to Section 2, Letters b) and c), of the abovementioned Article 1, it shall be understood that the expression "subject matters closely related to the businesses in which the Issuer is engaged" shall be understood to mean those related to the health-care and medical industries. The Board of Statutory Auditors performs the task and activities required pursuant to law.

Moreover, Statutory Auditors, acting collectively or individually, may ask the Directors to provide information, clarify previous disclosures and, more in general, furnish data about the Company's operating performance or specific transactions. They may also carry out at any time inspections and controls and request information pursuant to law.

Two Statutory Auditors, acting jointly, have the right to convene a Shareholders' Meeting.

The Board of Statutory Auditors is required to meet at least once every 90 days. See Table 3 for further details on meetings held.

The provisions of the Issuer's Bylaws (Article 18) that govern the election of the Board of Statutory Auditors effectively ensure compliance with the requirements of Article 148, Section 2-bis, of the TUF introduced by Law No. 262/2005, as amended and by Law No. 120/2011 on the subject of equal access to the administration and control organs of companies listed on regulated market, which are summarized below.
The Board of Statutory Auditors is elected on the basis of slates of candidates filed by shareholders. Each shareholder, shareholders belonging to a shareholders' agreement that meet the requirements of Article 122 of the TUF, the Company's controlling party, its subsidiaries and joint ventures that qualify as such pursuant to Article 93 of the TUF may not file or participate in the filing, directly or through a third party or a nominee, of more than one slate and may not vote for multiple slates. Each candidate can be included on only one slate, on penalty of losing the right to be elected. Votes cast in violation of this requirement will not be attributed to any slate of candidates.
According to the Issuer's Bylaw only shareholders who represent at least 2.5% of the voting shares may file slates of candidates, or any other percentage that may apply pursuant to the provisions or guidelines of laws or regulations. As duly established by Art. 144-*septies,* paragraph 1, of the Issuer Regulation and by Consob no. 19499 of January 28, 2016, shareholders' owing a shareholding equal to the shareholding established by Consob, and that corresponds to 1% of the Share Capital are entitled to present the slates of nominees to allocate the Statutory Auditors to be elected. Slates filed with a number equal to or with more than 3 candidates shall be composed by candidates belonging to both genders so that the least represented gender is awarded at least one-third of the seats and (rounded up) for being elected as Statutory Auditors and at least one-third (rounded up) of the candidates running for being elected as Alternate.
Slates filed by shareholders must be deposited at the Company's registered office at least 25 (twenty-five) days prior to the date of the first calling of the Shareholders' Meeting, on penalty of becoming invalid, together with the documents required by the Bylaws. The abovementioned documents must include the following:

(i) Information identifying the shareholders who are filing the slates and showing the total percentage interest held;
(ii) An affidavit by the shareholders different from those who hold, jointly or individually, a controlling or relative majority interest attesting that they are not linked with the latter as a result of transactions such as those defined in the relevant laws and regulations currently in force;
(iii) Detailed information about the candidates' backgrounds, affidavits by the candidates attesting that they meet statutory requirements and accept the nomination and listings of any management and control posts held by the candidates at other companies.

In addition, the requisite certification, issued by an intermediary qualified pursuant to law, attesting that, at time that the slate of candidates is filed with the Company, the filer owned the required number of shares, must be deposited within the deadline set forth in the regulations governing the publication of slates of candidates by the Company.
If the conditions set forth above are not complied with, the affected slate shall be treated as if it had never been filed.
The election system set forth in the Bylaws is as follows:

(a) The Statutory Auditor candidate listed first in the slate that received the second highest number of votes and is not in any way linked, directly or indirectly, with the parties who filed the slate that received the highest number of votes is elected to the post of Statutory Auditor and Chairman of the Board of Statutory Auditors;
(b) The candidates listed, respectively, first and second in the slate that received the highest number of votes are elected to the post of Statutory Auditor. Alternate candidates who are listed first in the slates that received the highest and second highest number of votes are elected to the post of Alternate.

If two or more slates receive the same number of votes, a new balloting is held.
If the outcome of the second balloting is still a tie, the slate filed by the shareholders controlling the largest equity interest or, failing that, the slate filed by the largest number of shareholders shall prevail.

If with the manner above described the composition of the Board of Statutory Auditors with reference to the Statutory Auditors, does not comply with the laws currently in force on gender balance, the necessary replacements, in consecutive order, with candidates running for the election as Statutory Auditors from the slate that received the highest number of votes shall be carried out.
If only one slate of candidates is filed, the Statutory Auditors and Alternates are elected from that slate.
If no slates are filed, the Shareholders' Meeting shall adopt the relevant resolutions with the majorities required pursuant to law, in compliance with the laws currently in force on gender balance.
If a Statutory Auditor needs to be replaced, he/she is replaced by an Alternate taken from the same slate as the Statutory Auditor who is being replaced. The Alternate thus elected will serve until the next Shareholders' Meeting.
If the Chairman of the Board of Statutory Auditors needs to be replaced, the Chairmanship will pass to the Statutory Auditor elected from the same minority slate.
When the Shareholders' Meeting needs to elect replacement Statutory Auditors and/or Alternates, it shall proceed as follows: if the Statutory Auditors that need to be replaced had been elected from the majority slate, they shall be elected by a plurality of the votes, without any slate requirements; if, on the other hand, the Statutory Auditors that need to be replaced had been elected from the minority slate, the Statutory Auditors are elected by a plurality of the votes taking them from the slate to which the Statutory Auditors who are being replaced belonged. If, for any reason, the use of the abovementioned procedures would not result in the replacement of Statutory Auditors designated by minority shareholders, the Shareholders' Meeting shall act by a plurality of the votes. However, in the ballot counting process, the votes cast by shareholders who, based on disclosures provided pursuant to current laws, control, directly or indirectly or jointly with other members of a shareholders' agreement, as defined in Article 122 of the TUF, a majority of the votes that may be cast at a Shareholders' Meeting and shareholders who control, are controlled by or are subject to joint control by the former shall not be counted. The replacements procedure of the sections above shall comply with the laws currently in force on gender balance.
Additional information about the method used to elect the Board of Statutory Auditors is provided in Article 18 of the Bylaws.

The Board of Statutory Auditors in office as of the date of this Report was elected by the Ordinary Shareholders' Meeting of April 22, 2013 (for a term of office that will end with the approval of the financial statements for the year ending December 31, 2015) and its members are listed below:

First and last name	Place and date of birth	Post held	Domicile for post held
Roberto Bracchetti	Milan, May 23, 1939	Chairman	Saluggia (VC) Via Crescentino snc
Andrea Caretti	Turin, September 14, 1957	Statutory Auditor	Saluggia (VC) Via Crescentino snc
Ottavia Alfano	Milan, May 2, 1971	Statutory Auditor	Saluggia (VC) Via Crescentino snc
Bruno Marchina	Turin, February 11, 1941	Alternate	Saluggia (VC) Via Crescentino snc
Maria Carla Bottini	Legnano (MI), July 7, 1960	Alternate	Saluggia (VC) Via Crescentino snc

Pursuant to Articles 144-*octies* and 144-*decies* of the Issuers' Regulations, the professional *curricula* of the Statutory Auditors and the Alternates are available at the Issuer's registered office and at the Issuer's website at www.diasorin.com (Section "Investors/Information for Shareholders /Shareholders' meeting and board/2013").
The Board of Statutory Auditors, taking also into account the requirements for Directors that are set forth in the Corporate Governance Code, assesses the independence of its members upon their election and at least once a year while they are in office.
The Board of Statutory Auditors assesses periodically the independence of the Independent Auditors and provides each year its opinion on this issue in a report to the Shareholders' Meeting.

15. STATUTORY AUDITORS (pursuant to Art. 123-bis, Section 2, Letter d), TUF).
The Issuer's Board of Statutory Auditors was appointed by the Ordinary Shareholders' Meeting held on April 22, 2013 and the Board's term will expire with the Shareholders' Meeting to be called to approve the financial statements for the year ending 31 December 2015.
The Board of Statutory Auditors was appointed on the basis of the only one slate presented by IP S.r.l., owning 43.99% of the Company's ordinary shares, and all the members of the slate were appointed in the current Board of Statutory Auditors. The resolution was approved by 76.72% of the Voting Capital.
The members of the Board of Statutory Auditors currently in office are listed in the above Section 14.
The Board of Statutory Auditors:

- assessed the independence of its own members on the first suitable occasion after their appointment;
- assessed on March 9, 2016 whether the independence requirement continued to apply to its own members;
- in carrying out these assessments, applied all the criteria set out in the Code relating to the independence of Directors.

The Auditor who, on his own behalf or on behalf of a third party, has an interest in a particular Company transaction, has to promptly provide comprehensive information on the nature, terms, origin and scale of such interest to the other Auditors and the Chairman of the Board.
The Board of Statutory Auditors oversaw the independence of the external auditors, verifying that the relevant legal requirements were met, as well as the nature and extent of the various auditing services carried out for the Company and its subsidiaries by the external auditors and its entities.
The 2015 assessment will be expressed in the report presented to the Shareholders' meeting that will approve the financial statements for the year ending December 31, 2015.
In performing its duties, the Board of Statutory Auditors coordinates and collaborates with the

internal auditing department and with the Control and Risk Committee, through joint meetings and the constant exchange of documentation.

16. INVESTOR RELATIONS.

The Issuer's departments with jurisdiction over this area are actively engaged in an on-going dialog with the shareholders. As part of this process and pursuant to Article 2.2.3, Section 3, Letter j, of the Stock Exchange Regulations, the Company established an internal Investor Relations Office, with responsibility for handling relations with all shareholders, including institutional investors, and may be asked to perform additional tasks in connection with the handling of price sensitive information and relations with the Consob and Borsa Italiana. As of the date of this Report, this office is currently headed by Mr. Riccardo Fava. The disclosure of information to investors will also be accomplished by making the more significant corporate information available promptly and on a regular basis on the Issuer's website (www.diasorin.com/Investors/Information for Shareholders), to enable investors to exercise their shareholder rights.
Shareholders can contact directly DiaSorin Investor Relations at riccardo.fava@diasorin.it.
For the transmission of the Regulated Information, the Issuer has chosen the SDIR-NIS circuit, managed by Bit Market Services S.p.A, (a company belonging to the London Stock Exchange Group, based in Piazza degli Affari no. 6, Milan). For the storage of the Regulated Information, DiaSorin S.p.A. has adhered to the mechanism for the central storage named "1INFO", available at the address www.computershare.it, managed by Computershare S.p.A., a company of the Computershare LTD Group, with registered office in Via L. Mascheroni, no. 19, Milan).
Shareholders can contact directly DiaSorin Investor Relations at riccardo.fava@diasorin.it.

17. SHAREHOLDERS' MEETING (pursuant to Art. 123-bis, Section 2, Letter c), TUF).

When convened in ordinary session, the Shareholders' Meeting has jurisdiction over the following areas:
(a) it approves the financial statements;
(b) it elects and dismisses the Directors, Statutory Auditors and the Chairman of the Board of Statutory Auditors and the Accounting Document Officer when one is required;
(c) it determines the compensation of Directors and Statutory Auditors;
(d) it votes on resolutions concerning the responsibility of Directors and Statutory Auditors;
(e) it votes on resolutions concerning other matters over which it has jurisdiction pursuant to law and issues any authorizations that the Bylaws may require in connection with activities carried out by Directors, who are responsible for the actions they perform;
(f) it approves regulations governing the handling of Shareholders' Meetings;
(g) it votes on resolutions concerning any other issue over which it has jurisdiction pursuant to law.

The Extraordinary Shareholders' Meeting approves resolutions concerning amendments to the Bylaws, the appointment, replacement and powers of liquidators, and any other issue over which it has specific jurisdiction pursuant to law. The Board of Directors has jurisdiction over the areas listed in Article 15 of the Bylaws, it being understood that it can cede jurisdiction over these issues to the Shareholders' Meeting convened in extraordinary session. The relevant provisions of the law shall be applied to determine whether an Ordinary or Extraordinary Shareholders' Meeting has been validly convened and its resolutions validly adopted.
Pursuant to Article 9 of the Bylaws, only the holders of voting rights may attend the Shareholders' Meeting, in accordance with the regulations in effect at any given time.
At present, the Issuer finds no need to adopt special regulations to govern the handling of Shareholders' Meetings, since it believes that the governance of the Meeting exercised by the Chairman, in accordance with attendance rules summarized by the Chairman at the beginning of each session, is adequate.
The Chairman to ensure an orderly progress of the proceedings, mentioned some of the rules of conduct in reference to speech requests, contents of the speech and voting criteria.

Twelve out of thirteen Executives in office and all the members of the Board of Statutory Auditors attended the Shareholders' meeting held on April 22, 2015. The Board of Directors reported to the Shareholders' Meeting on its past and scheduled activities, and it undertook to provide shareholders with adequate information so that they could take informed decisions on the matters to be resolved by the Shareholders' Meeting.
In 2015, no significant changes occurred in the market capitalization or ownership structure of the Company.

18. ADDITIONAL CORPORATE GOVERNANCE PRACTICES (pursuant to Art. 123-bis, Section 2, Letter a), TUF)

There are no additional corporate governance practices, other than those described above, that the Issuer applies above and beyond its legislative and regulatory obligations.

19. CHANGES OCCURRING AFTER THE CLOSE OF THE REPORTING YEAR

No changes occurred in the Corporate Governance of the Issuer after December 31, 2015. As of the date of the Report and in reference to treasury shares owned by the Issuer, the Company holds n. 949,950 treasury share, equal to 1.697% of the share capital, following the exercise of stock options pursuant to the "DiaSorin S.p.A 2010 Stock Option Plan".

TABLE 1: INFORMATION ON OWNERSHIP STRUCTURE

SHARE CAPITAL STRUCTURE[1]				
	N° shares	*% on the share capital*	*Listed (identify the markets) / not-listed*	*Rights and obligations*
ordinary shares with no indication of their nominal value	55,948,257**	100%	MTA	each share gives right to one vote. rights and obligations are those provided in arts. 2346 et seq. of the civil code

1 As of December 31, 2015.

** N. 969,950 treasury shares held in the company's portfolio. For information about the number of shares held by the Company after the closure of the reporting year see Sec. 19 of the Report (Changes since the closure of the reporting year)

SIGNIFICANT EQUITY INTERESTS *			
Reporting shareholder	**Direct shareholder**	**No. of shares**	**% interest in share capital**
Finde SS	IP Investimenti e Partecipazioni S.r.l. (IP S.r.l.)	25,123,454	44.904
Rosa Carlo	Sarago S.r.l.	2,396,532	8.54
	Rosa Carlo	2,382,682	
Even Chen Menachem		2,498,936	4.466

***** Shareholders holding, directly or indirectly, shares greater than 2% of the share capital, through pyramid structures or interlocked equity investments, in accordance with communications made pursuant to art. 120 of TUF and information available to the Company as of December 31, 2015.

TABLE 2: STRUCTURE OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

Board of Directors													Control and Risks Committee		Compensation Committee		Nominating Committee		Related-party Committee	
Post held at DiaSorin	**Members**	**Year of birth**	**Date of first appointment ***	**In office since**	**In office until**	**List * ***	**Exec.**	**Non-exec.**	**Indep. Code**	**Indep. TUF**	**Number of other offices**	**(*)**	**(*)**	**(**)**	**(*)**	**(**)**	**(*)**	**(**)**	**(*)**	**(**)**
Chairman	Gustavo Denegri	1937	3.26.2007	4.22.2013	Approval of Fin. Stat. 2015	M		X			5	6/6								
Deputy Chairman and Director	Michele Denegri	1969	3.26.2007	4.22.2013	Approval of Fin. Stat. 2015	M		X			6	6/6			3/3	M	-	M		
CEO • ◊	Carlo Rosa	1966	3.26.2007	4.22.2013	Approval of Fin. Stat. 2015	M	X				3	6/6								
Director	Chen Menachem Even	1963	3.26.2007	4.22.2013	Approval of Fin. Stat. 2015	M	X				12	6/6								
Director	Antonio Boniolo	1951	3.26.2007	4.22.2013	Approval of Fin. Stat. 2015	M		X			1	5/6								
Director	Enrico Mario Amo	1956	3.26.2007	4.22.2013	Approval of Fin. Stat. 2015	M		X			4	6/6	3/3	M						
Director	Stefano Altara	1967	4.23.2014	4.23.2014	Approval of Fin. Stat. 2015	-		X			4	6/6								
Director ○	Giuseppe Alessandria	1942	3.26.2007	4.22.2013	Approval of Fin. Stat. 2015	M			X	X	2	6/6			3/3	P	-	M	2/2	M
Director	Franco Moscetti	1951	3.26.2007	4.22.2013	Approval of Fin. Stat. 2015	M			X	X	2	5/6	3/3	P			-	P	2/2	P
Director	Maria Paola Landini	1951	4.22.2013	4.22.2013	Approval of Fin. Stat. 2015	M			X	X	-	5/6								
Director	Roberta Somati	1969	4.22.2013	4.22.2013	Approval of Fin. Stat. 2015	M			X	X	-	6/6	3/3	M	3/3	M			2/2	M
Director	Eva Desana	1971	4.22.2013	4.22.2013	Approval of Fin. Stat. 2015	M		X			1	5/6								
Director	Ezio Garibaldi	1938	3.26.2007	4.22.2013	Approval of Fin. Stat. 2015	M		X			-	4/6								
DIRECTORS CEASED DURING THE YEAR 20145																				
none																				
Indicate minimum quorum required for the presentation of lists at the last appointment of the Board: **1%**																				

Number of meetings held in 20135	**Board of Directors**	**Control and Risks Committee**	**Compensation Committee**	**Nominating Committee**	**Related-party Committee**
Financial year at 12.31.2015	6	3	3	-	2
Average length of meetings	2 hours and 30 minutes	2 hours	1 hour	-	1 hour

NOTES

The following symbols shall be placed in the "Post held" column:

• This symbol shows the Director in charge of the internal control and risks management.

◊ This symbol shows the Director who is chiefly responsible for managing the Issuer (Chief Executive Officer or CEO).

○ This symbol shows the Lead Independent Director (LID).

* The date of first appointment shows the date when the Director has been appointed for the first time ever in the Board of Directors of the Issuer.

** This column the list from which each director comes ("M": majority list; "m": minority list; "Board of Directors": list presented by the Board of Directors).

*** This column details the number of offices of Director held in other companies listed either in Italy or abroad, and/or in financial, banking, insurance or large companies. In the Corporate Governance Report these positions are listed in detail.

(*) This column shows the percentage of the meeting of the Board of Directors and the committee(s) attended by each director (show the number of meetings the director attended compared with the overall number of meeting the director could have attended; i.e. 6/8 and 8/8 etc.).

(**). This column shown the post the Director holds inside the Board of Directors: "C": chairman; "M": member.

TABLE 3: STRUCTURE OF THE BOARD OF STATUTORY AUDITORS

Board of Statutory Auditors									
Post held at DiaSorin	**Members**	**Year of birth**	**Date of first appointment***	**In office since**	**In office until**	**List ****	**Indep. Code**	**Attendance at the Board of Statutory Auditors' meeting *****	**Number of other offices ******
Chairman	Roberto Bracchetti	1939	4.27.2010	4.22.2013	Approval of Fin. Stat. 2015	M	X	7/7	9
Statutory Auditor	Andrea Caretti	1957	4.27.2010	4.22.2013	Approval of Fin. Stat. 2015	M	X	7/7	9
Statutory Auditor	Ottavia Alfano	1971	4.22.2013	4.22.2013	Approval of Fin. Stat. 2015	M	X	7/7	12
Alternate	Bruno Marchina	1941	3.26.2007	4.22.2013	Approval of Fin. Stat. 2015	M	X	-	2
Alternate	Maria Carla Bottini	1960	3.26.2007	4.22.2013	Approval of Fin. Stat. 2015	M	X	-	19
STATUTORY AUDITORS CEASED IN 2015: 0									
Number of meetings held in 2015: 7									
Average length of meetings: 1 hours and 30 minutes									
Indicate minimum *quorum* required for the presentation of lists at the last appointment of the Board: **1%**									

NOTES

* The date of first appointment shows the date when the Statutory Auditor has been appointed for the first time ever in the Issuer's Board of Statutory Auditors.
** This column the list from which each statutory auditor comes ("M" : majority list ; "m" : minority list).
*** This column shows the percentage of the meeting of the Board of Statutory Auditors attended by each member (show the number of meetings the statutory auditors attended compared with the overall number of meeting the statutory auditor could have attended; i.e. 6/8 and 8/8 etc.)
**** This column details the number of posts held in other companies deemed relevant pursuant to Art. 148-*bis* TUF and the implementation of the Consob Issuer's Regulation. A complete list of posts held is published on the Consob's website pursuant to Art. 144-*quinquiesdecies* of Consob Issuers' Regulations.

TABLE OF THE POSTS HELD BY THE BOARD OF DIRECTORS

(including posts held at other companies, including listed companies, or banking, financial, insurance companies or companies of a significant size)

POST HELD AT DIASORIN	FIRST AND LAST NAME	OTHER POSTS HELD
Chairman	Gustavo Denegri	Finde S.p.A. (Chairman - Shareholder) IP Investimenti e Partecipazioni S.r.l. (Chairman) Industria & Finanza SGR S.p.A. (Chairman) Aurelia S.r.l. (Chairman) Finde S.S. (Shareholder -Director)
Deputy Chairman and Director	Michele Denegri	Finde S.p.A. (Chief Executive Officer - Shareholder) IP Investimenti e Partecipazioni S.r.l. (Chief Executive Officer) Aurelia S.r.l. (Chief Executive Officer) Finde S.S. (Shareholder- Director) Corin Group PLC (Non Executive Director) 2IL Orthopaedics Limited (Non Executive Director)
Chief Executive Officer	Carlo Rosa	Sarago S.r.l. (Shareholder – Sole Director) Fondazione Istituto Italiano di Tecnologia (Director) DiaSorin Inc. (Director) *
Director	Chen Menachem Even	DiaSorin SA/NV (Shareholder - Director)* DiaSorin SA (Shareholder - Director)* DiaSorin Iberia SA (Shareholder - Director) * DiaSorin Mexico SA de CV (Shareholder - Director) * DiaSorin Ltd (Israel) (Director) * DiaSorin Czech s.r.o. (Director)* DiaSorin Inc. (Director) * DiaSorin Ltd (China) (Director) * DiaSorin Australia Pty Ltd (Director) * DiaSorin Diagnostics Ireland Limited (Director) * DiaSorin I.N.UK Limited (Director) * DiaSorin Ireland Limited (Director) *
Director	Antonio Boniolo	Jointherapeutics S.r.l. (Chairman-Shareholder)
Director	Enrico Mario Amo	IP Investimenti e Partecipazioni S.r.l. (Director) Industria & Finanza SGR S.p.A. in liquidazione (Director) Corin Group PLC (Non - Executive Director) 2IL Orthopaedics Limited (Non - Executive Director)
Director	Stefano Altara	Finde S.p.A. (Director) S. Lattes & C. Editori S.p.A. (Director) Esperantia s.s. (Shareholder - Director) IP Investimenti e Partecipazioni S.r.l. (Director)
Director	Giuseppe Alessandria	Euren Intersearch S.r.l. (Director - Shareholder) Lobe S.r.l. (Chairman - Shareholder)
Director	Franco Moscetti	Fideuram Investimenti SGR S.p.A. (Director) Amplifon S.p.A. (Chief Executive Officer – General Manager)**
Director	Maria Paola Landini	-
Director	Roberta Somati	-
Director	Eva Desana	DEZUA S.S. (Director - Shareholder)
Director	Ezio Garibaldi	-

* Company belonging to the Group headed by the Issuer DiaSorin S.p.A.
** Post held until October 22, 2015.

TABLE OF THE POSTS HELD BY THE BOARD OF STATUTORY AUDITORS

(including posts held at other companies, including listed companies, or banking, financial, insurance companies or companies of a significant size)

POST HELD AT DIASORIN	FIRST AND LAST NAME	OTHER POSTS HELD
Chairman	Roberto Bracchetti	Alsco Italia S.r.l. (Chairman Board of Statutory Auditors) RRL Immobiliare S.p.A. (Chairman Board of Statutory Auditors) Energia Italiana S.p.A. (Statutory Auditor) Fidim S.r.l. (Statutory Auditor) Iniziative Retail S.r.l. in liquidazione (Statutory Auditor) Rottapharm S.p.A. (Statutory Auditor) Sorgenia Power S.p.A. (Statutory Auditor); Iniziative Immobiliari 3 S.r.l. (Statutory Auditor) Parcheggi Bicocca S.r.l. (Statutory Auditor)
Statutory Auditor	Andrea Caretti	Fonti di Vinadio S.p.A. (Chairman Board of Statutory Auditors) Giobert S.p.A. (Chairman Board of Statutory Auditors) Fibe S.r.l. (Sole Auditor) Tyco Electronics Amp Italia S.r.l (Statutory Auditor) Tyco Electronics Amp Italia Products S.r.l (Statutory Auditor) Eurofiere S.p.A. (Statutory Auditor) Gica S.p.A. (Statutory Auditor) Errebi S.p.A. (Statutory Auditor) Jet viaggi S.p.A. (Statutory Auditor)
Statutory Auditor	Ottavia Alfano	Aksia Group S.g.r. S.p.A (Chairman Board of Statutory Auditors) Evolvere S.p.A. (Chairman Board of Statutory Auditors) Leonardo S.r.l. (Sole Auditor) L&B Capital S.p.A. (Chairman Board of Statutory Auditors) Genextra S.p.A. (Statutory Auditor) Fondo Strategico Italiano S.P.A. (Statutory Auditor) Sarago S.r.l. (Sole Auditor) Manifatture Milano (Statutory Auditor) CDP Investimenti S.g.r. S.p.A. (Statutory Auditor) TOI UNO S.r.l. (Sole Auditor) LEM S.p.A. (Chairman Board of Statutory Auditors) Residenza Immobiliare 2004 S.p.A. (Alternate)
Alternate	Maria Carla Bottini	A. De Mori S.p.A. (Statutory Auditor) Athena S.p.A. (Statutory Auditor) Astraformedic S.r.l. (Sole Auditor) Bestrade S.p.A. (Statutory Auditor) Chimicafine S.r.l. (Sole Auditor) Consorzio Servizi Legno Sughero (Auditor) Del Vallino S.p.A. (Chairman Board of Statutory Auditors) EGIFIN S.p.A. (Statutory Auditor) F.N.C. Fabbrica Nazionale Cilindri S.p.A (Statutory Auditor) Genghini S.p.A. (Statutory Auditor) I.C.G. Impresa Costruzioni Edili Stradali e Fognature S.r.l. (Chairman Board of Statutory Auditors) Ideal Standard Holding S.r.l. (Statutory Auditor) Luxenia Umbro Tiberina S.r.l. (Statutory Auditor) Madi Ventura S.p.A. (Statutory Auditor) Milano Bitumi S.p.A. (Statutory Auditor) S.I.C.A.T.E.F. S.r.l. (Statutory Auditor) Urai S.p.A. (Statutory Auditor) Kintetsu World Express Italia S.r.l. (Statutory Auditor)
Alternate	Bruno Marchina	GEDI S.r.l. Martur S.a.s

SIGNIFICANTS EVENTS OCCURRING AFTER DECEMBER 31, 2015 AND BUSINESS OUTLOOK

On March 29, 2016 DiaSorin S.p.A. and Quest Diagnostics announced they have entered into a purchase agreement under which DiaSorin will buy Quest's Focus Diagnostics, Inc. immunodiagnostic and molecular diagnostic products business ("Focus").

Under the terms of the purchase agreement, DiaSorin will pay to Quest Diagnostics $300 million in cash for all the tangible and intangible assets of Focus used by the Company to develop, manufacture and distribute its molecular diagnostic products and its traditional immunoassay ELISA products, including among other the relevant intellectual property, contracts and customer list.

Today, Focus' product lines include the Simplexa™ molecular product line, HerpeSelect® HSV serology, and the line of DxSelect™ IFA and ELISA assays. DiaSorin expects to continue to manufacture Focus products from the company's base facility in Cypress, California, USA with the approximately 180 Focus employees currently employed in manufacturing, research and development, sales and marketing, and administration.

The acquisition will be carried out by DiaSorin also through a newly created U.S. affiliate and it is expected to be completed in the second quarter 2016, subject to customary closing conditions

In the fiscal year ended December 31, 2015 the Focus products business had revenues in the range of $80 million, of which approximately 80% were from sales to customers based in the US, with a double-digit growth year on year. EBITDA margin was estimated in the range of 30 percentage points.

The cash transaction will be funded through available cash and partly though a credit line granted by a major banking institution.

In view of the Group's operating performance after December 31, 2015 and taking into account possible evolutions of the global macroeconomic scenario and the diagnostic sector in particular, management believes that in 2016 DiaSorin will succeed in reporting:

- Revenues: growth between 5% and 6% at CER compared with 2015.
- EBITDA: growth between 6% and 7% at CER compared with 2015.

The management's estimation does not take into account the acquisition of the Focus business. Once the purchase agreement has been concluded, the impact of Focus on the income statement will be communicated during the presentation of the new Industrial Plan.

REVIEW OF THE OPERATING PERFORMANCE AND FINANCIAL POSITION OF DIASORIN S.P.A.

Foreword

The 2015 separate financial statements were prepared in accordance with the international accounting principles ("IFRSs"), as published by the International Accounting Standards Board ("IASB") and officially approved by the European Union, and are consistent with the regulations enacted to implement Article 9 of Legislative Decree No. 38/2005.

INCOME STATEMENT FOR THE YEARS 2015 AND 2014

(in thousands of euros)	**2015**	**as a% of revenues**	**2014**	**as a% of revenues**
Net revenues	281,261	100.0%	253,007	100.0%
Cost of sales	(155,233)	55.2%	(137,273)	54.3%
Gross profit	**126,028**	**44.8%**	**115,734**	**45.7%**
Sales and marketing expenses	(28,655)	10.2%	(26,842)	10.6%
Research and development costs	(13,295)	4.7%	(12,855)	5.1%
General and administrative expenses	(26,761)	9.5%	(24,723)	9.8%
Total operating expenses	**(68,711)**	**24.4%**	**(64,420)**	**25.5%**
Other operating income (expenses)	(1,044)	0.4%	1,480	0.6%
Non-recurring amount	*(945)*	*0.3%*	*(1,130)*	*0.4%*
Operating Result (EBIT)	**56,273**	**20.0%**	**52,794**	**20.9%**
Net financial income (expense)	6,089	2.2%	21,486	8.5%
Result before taxes	**62,362**	**22.2%**	**74,280**	**29.4%**
Income taxes	(16,358)	5.8%	(17,658)	7.0%
Net result	**46,004**	**16.4%**	**56,622**	**22.4%**
EBITDA [1]	**68,615**	**24.4%**	**64,392**	**25.5%**

[1] Among the income statement data presented above, the Company's Board of Directors defines EBITDA as the "result from operations" before depreciation, amortization and write-downs. EBITDA, which the Company uses to monitor and assess the Group Parent Company'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 Parent Company's operating performance. Because the composition of EBITDA is not governed by the reference accounting principles, the computation criteria used by the Group Parent Company could be different from those used by other operators and/or groups and, consequently, may not be comparable.

Net revenues

In 2015, the Group's Parent Company reported **net revenues** of **281,261 thousand euros** (253,007 thousand euros in 2014), up by 11.2% compared with 2014. The change is the net result of the increase in sales to subsidiaries (+16.7%). The following table provides a breakdown of the Group's Parent Company's revenues by geographic region of destination.

Breakdown of revenues by geographic region

(in thousands of euros)	**2015**	**2014**	**change %**
Revenues from third customers – Italy	**70,984**	**69,529**	**+2.1%**
Revenues from third customers – international	**55,731**	**51,065**	**+9.1%**
Asia Pacific	29,349	24,509	+19.7%
Europe and Africa	15,193	16,715	-9.1%
Central and South America	11,189	9,841	+13.7%
Intercompany revenues	**154,546**	**132,413**	**+16.7%**
Europe and Africa	79,013	69,347	+13.9%
Asia Pacific	33,962	24,517	+38.5%
North America	30,978	24,498	+26.5%
Central and South America	10,593	14,051	-24.6%
Total	**281,261**	**253,007**	**+11.2%**

In 2015, the Group's Parent Company's **revenues from third parties customers** amounted to **70,984 thousand euros** in the italian market, with an increase of 1,455 thousand euros, equal to 2.1 percentage points, despite the downward trend recorded in the local market (-0.8%[5]), driven by Hepatitis clinical area, the growth in Vitamin D sales, the Infectious Diseases panel and Gastrointestinal tests.

Third parties revenues from international customers amounted to **55,731 thousand euros**, up by 4,666 thousand euros, equal to 9.1% compared with 2014. The Asia Pacific market made the strong contribution to the sales growth (+19.7%), followed by Central and South America market (+13.7%). Conversely sales in Europe and Africa slowed down, as a result of socio-political tensions in Russia. DiaSorin Poland was established in the second half of 2015 and acquired the local distributor business on Polish territory.

Intercompany Revenues, equal to **154,546 thousand euros**, had a significant increase (22,133 thousand euros or +16.7%) compared with 2014. Particularly:

i) growth of 38.5% in the Asia Pacific region, driven by the Chinese subsidiary for all CLIA sales;

ii) growth of 26.5% in sales generated in North America, partly due to the appreciation of the U.S. dollar (+16.7%) and partly due the steady growth of the American subsidiary in CLIA sales, net of Vitamin D, also due to the agreement signed with LabCorp;

iii) growth in the European markets, equal to 9,666 thousand euros (+13,9%), mainly in Germany, Spain, United Kingdom and Poland.

[5] Source: EDMA latest data available

iv) Reduced sales in Central and South America (-24.6%), due to a downturn in sales generated from the Brazilian market following the macroeconomic crisis affecting the country, the depreciation of the local currency (-9.2%) and contingent problems of some important local distributors.

Breakdown of revenues by technology

% of revenues contributed	**2015**	**2014**
CLIA Tests	66.7%	63.6%
INSTRUMENTS SALES AND OTHER REVENUES	23.6%	24.4%
ELISA Tests	9.2%	11.2%
RIA Tests	0.5%	0.8%
Total	**100.0%**	**100.0%**

The following provides the main elements of revenues by technology:

i) growth of 16.6% in CLIA sales following the successful LIAISON XL platform and new products brought to market, particularly 1,25 Vitamin D and Infectious Diseases, Hepatitis and Gastrointestinal Infections;

ii) increase in instrument and consumable sales (+7.4%), driven by the expansion of the installed base.

Finally, it should be noted the increasing number of LIAISON XL automated analyzer's installed base on the Group's Parent Company's domestic market, equal to 76 units compared with 2014. At December 31, 2015 the overall installed base totaled 935 analyzers, out of which 352 LIAISON XL.

Operating result

The gross profit totaled 126,028 thousand euros, up 8.9% compared with 115,734 thousand euros in 2014; the ratio of gross profit to revenues decreased to 44.8% from 45.7% in 2014, mainly as a result of the different sales mix (channel and product) of the periods under comparison.

Operating expenses increased to 68,711 thousand euros (64,420 thousand euros in 2014): their ratio to revenues decreased from 25.5% to 24.4%.

Other operating expenses equal to 1,044 thousand euros include 664 thousand euros of negative translation adjustment on commercial items (a positive translation adjustment of 593 thousand euros in 2014) and 1,503 thousand euros in additions to the allowances for doubtful accounts (883 thousand euros in 2014). Law n. 125 of 08/06/2015 extended the pay-back mechanism to medical devices on the basis of which any amount exceeding the ceiling on public expenditure for the purchase of medical devices must be paid partly by the supplying. In virtue of the lack of implementing decrees to specify how to compute the payback measure, the Company carried out the best possible estimate allocating 1,150 thousand euros in risk provision.

Non-recurring expenses amounted to 945 thousand euros and related to extraordinary consultancy costs to make the supply chain process more efficient, as against non-recurring expenses of 1,130 thousand euros in 2014 to support the business reorganization in some company areas.

In 2015, EBITDA amounted to 68,615 thousand euros, up 6.6% compared with 64,392 thousand euros in 2014, and equal to 24.4% of revenues (25.5% of revenues in 2014, down 1 percentage point due to the changes in other operating expenses as commented above.

EBIT totaled 56,273 thousand euros, up 6.6% or 3,479 thousand euros compared with 2014 and equal to 20.0% of revenues.

Financial performance

In 2015 net financial income amounted to 6,089 thousand euros, compared with 21.486 thousand euros in 2014, following the management of the equity investments.

Dividend received from subsidiaries decreased to 12,217 thousand euros in 2015 from 21,398 thousand euros in 2014, due to the U.S. subsidiary that did not distribute dividends in 2015.

In order to adjust the carrying value of equity investments to their recoverable value based on expected cash flows, the equity investments held in DiaSorin Brazil was written down for 7,670 thousand euros. The write-down reflects the difficult operating and financial situation of the subsidiary affected, among other factors, by the adverse macroeconomic environment in which it operates.
Conversely, due the growth of DiaSorin Iberia and the expected cash flows, the carrying value of the investment increased by 1,736 thousand euros, restoring its original value.

Fees on factoring transactions amounted to 1,093 thousand euros (1,185 thousand euros in 2014), the collection of interests accrued on past-due position totaled 986 thousand euros (892 thousand euros in 2014) and interest accrued on bank accounts were equal to 339 thousand euros (338 thousand euros in 2014).

Foreign exchange differences on other financial balances, which were negative by 911 thousand euros (positive by 190 thousand euros in 2014) include a negative amount of 1,513 thousand euros for the closure of hedging instruments (expense of 1,230 thousand euros in 2014). Positive exchange differences were, instead, on intercompany financing facilities and bank accounts (totaling 602 thousand euros in 2015 as against positive differences of 1,420 thousand euros in 2014).

Profit before taxes and net profit

In 2015, the Parent Company's profit before taxes amounted to 62,362 thousand euros, down 16.0% compared with 74,280 thousand euros in 2014, equal to 22.2% of revenues (29.4% in 2014), mainly as a result of a lower amount of dividend from subsidiaries.

The income tax liability for 2015 amounted to 16,358 thousand euros, compared with 17,658 thousand euros in 2014. The tax rate increased to 26.2% from 23.8% in 2014, resulting from a lower amount of dividends received from subsidiaries compared with 2014, as mentioned above, and the carrying value of equity investments adjusted to their recoverable value, in addition to the recalculation of deferred taxes stemming from the adjustment of tax rates beginning from 2017. Net of these effects, the tax rate was lower following the introduction of regulatory amendments to help economic recovery.

Lastly, the net profit amounted to 46,004 thousand euros, down 18.8%, as against a net profit of 56,622 thousand euros in 2014, equal to 16.4% of revenues (22.4% of revenues in 2014) deriving from the effects commented above.

STATEMENT OF FINANCIAL POSITION OF THE GROUP'S PARENT COMPANY AT DECEMBER 31, 2015

The table below shows a breakdown of the financial position of the Group's Parent Company at December 31, 2015:

(in thousands of euros)	**12/31/2015**	**12/31/2014**
Total intangible assets	59,995	60,303
Total property, plant and equipment	30,027	30,027
Equity investments	100,246	94,232
Other non-current assets	4,836	6,199
Net working capital	100,239	99,055
Other non-current liabilities	(7,887)	(8,162)
Net invested capital	**287,456**	**281,654**
Net financial position	**102,986**	**75,996**
Shareholders' equity	**390,442**	**357,650**

Non-current assets decreased to 202,839 thousand euros (205,123 thousand euros at December 31, 2014). Equity investments totaled 100,246 thousand euros (94,232 thousand euros at December 31, 2014). The change compared with 2014 is due to the set up of the Polish branch equal to 2,854 thousand euros and the adjustment of the carrying value of equity investments to their recoverable value based on expected cash flows. Specifically, the equity investment held in DiaSorin Brazil was written down for 7,670 thousand euros and the carrying value of the investment held in DiaSorin Iberia increased by 1,736 thousand euros, restoring its original value.

A breakdown of the net working capital is provided below:

(in thousands of euros)	**12/31/2015**	**12/31/2014**	**Change**
Trade receivables	77,044	84,371	(7,327)
Inventories	71,005	69,720	1,285
Trade payables	(37,100)	(39,780)	2,680
Other current assets/liabilities (1)	(10,710)	(15,256)	4,546
Net working capital	**100,239**	**99,055**	**1,184**

(1) Other current assets/liabilities is defined as the algebraic sum of receivables and payables other than financial and commercial items.

In 2015, net working capital increased by 1,184 thousand euros.
The increase of 1,285 thousand euros, equal to 1.8%, in inventories compared with December 31, 2014 is due to the growth in manufacturing volumes to support higher revenues.
Trade receivables decreased by 7,327 thousand euros (out of which 4,559 thousand euros for receivables owed by Group companies) despite the growth in revenues due to better collection conditions, particularly in the domestic market.
Trade payables decreased by 2,680 thousand euros compared with December 31, 2014 (including 223 thousand euros for liabilities owed to Group companies).

At December 31, 2015, the Parent Company's **net financial position** was **positive by 102,987 thousand euros**, with an increase of 26,991 thousand euros compared with December 31, 2014, as a result of the strong cash flow generated from operating activities in 2015 and the sale of treasury shares due to the exercise of some tranches of the 2010 Stock Option Plan.

The table that follows provides a breakdown of the net financial position:

(in thousands of euros)	**12/31/2015**	**12/31/2014**
Cash and cash equivalents	82,699	68,033
Liquid assets (a)	**82,699**	**68,033**
Other current financial assets	30,000	-
Current financial receivables owed by Group companies	6,371	12,076
Financial receivables and other current financial assets (b)	**36,371**	**12,076**
Current bank debt	(213)	(209)
Other current financial liabilities	(144)	(259)
Current financial liabilities owed to Group companies	(23,462)	(17,798)
Current financial indebtedness (c)	**(23,819)**	**(18,266)**
Net current financial assets (d)=(a)+(b)+(c)	**95,251**	**61,843**
Non-current financial receivables owed by Group companies	7,735	14,362
Non-current financial receivables (e)	**7,735**	**14,362**
Non-current bank debt	-	(209)
Non-current indebtedness (f)	**-**	**(209)**
Net non-current financial assets (g)=(e)+(f)	**7,735**	**14,153**
Net financial position (h)=(d)+(g)	**102,986**	**75,996**

Shareholders' equity, totaling **390,442 thousand euros** at December 31, 2015 (357,650 thousand euros at December 31, 2014) includes treasury shares valued at 25,459 thousand euros.

Analysis of cash flow

A complete statement of cash flows is provided in the financial statements. A schedule showing the statement of cash flows, followed by a review of the main statement items and of the changes that occurred compared with the corresponding period in 2014, is provided below:

(in thousands of euros)	**2015**	**2014**
Cash and cash equivalents at the beginning of the period	**68,033**	**33,663**
Cash provided by operating activities	48,339	39,551
Cash used in investing activities	(14,620)	(11,811)
Cash provided/(used) in financing activities	10,947	6,630
Net change in cash and cash equivalents before investments in financial assets	***44,666***	***34,370***
Investments in financial assets	(30,000)	-
Net change in cash and cash equivalents	***14,666***	***34,370***
Cash and cash equivalents at the end of the period	**82,699**	**68,033**

At December 31, 2015 **available liquid assets** held by the Group's Parent Company amounted to **82,699 thousand euros**, up by 14,666 thousand euros compared with December 31, 2014.

The cash flow from operating activities amounted to 48,399 thousand euros in 2015, compared with 39,551 thousand euros in 2014. The income stream (net profit plus depreciation and amortization, additions to provisions and other non-cash items) had an increase of 8,788 thousand euros compared with the previous year.
Tax payments totaled 17,183 thousand euros (16,730 thousand euros in 2014).

Cash used in investing activities totaled 14,620 thousand euros in 2015 as against 11,811 thousand euros in 2014. Investments in medical equipment totaled 4,912 thousand euros (4,602 thousand euros in the previous year), while investments in manufacturing and distribution equipment needed to support the manufacturing operations amounted to 4,015 thousand euros (6,171 thousand euros in 2014). In addition, development costs of 526 thousand euros were capitalized in 2015 compared with development costs of 261 thousand euros in 2014.

Free cash flow amounted to **33,873 thousand euros**, up 6,107 thousand euros compared with 27,766 thousand euros in 2014.

Cash used for financing activities totaled 10,947 thousand euros (6,630 thousand euros in 2014). Dividend payment amounted to 32,936 thousand euros (29,919 thousand euros in 2014), offset by 17,949 thousand euros for the sale of treasure shares following the exercise of some tranches of the 2010 Stock Option Plan and the collection of dividends from subsidiaries for a total 12,217 thousand euros (29,718 thousand euros in 2014).

In 2015, the Group's Parent Company opened a term deposit exceeding three months, for an amount equal to 30 million euros.

MOTION TO APPROVE THE FINANCIAL STATEMENTS AND APPROPRIATE THE 2015 NET PROFIT

Dear Shareholders:

We recommend that you approve the Company's financial statements for the year ended December 31, 2015 and appropriate the net profit of 46,003,706.75 euros as follows:

- taking into account the statutory reserve has met the limited imposed by article 2430 of the Italian Civil Code, the Company will distribute 35,748,899.55 euros as a dividend of 0.65 euros on each common share outstanding on the record date, excluding treasury share, equal to 949,950 ordinary shares;
- bring forward as retained earnings the balance of 10,254,807.20 euros.

The dividend will be payable on May 25, 2016, with coupon date of May 23, 2016 to the common shares outstanding, excluding treasury shares. Pursuant to Art. 83- *terdecies* of the Legislative Decree 58/98 only the parties qualifying as shareholders at the close of business on May 24, 2016 (record date) will be entitled to a dividend.

Saluggia, March 9, 2016

On behalf of the Board of Directors,

The Chairman

Gustavo Denegri

CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2015 AND DECEMBER 31, 2014 OF THE DIASORIN GROUP

CONSOLIDATED INCOME STATEMENT
pursuant to Consob Resolution No. 15519 of July, 27 2006

(in thousands of euros)	**Notes**	**2015**	***amount with related parties***	**2014**	***amount with related parties***
Net revenues	(1)	499,181	1,312	443,770	1,566
Cost of sales	(2)	(157,284)		(145,032)	
Gross profit		**341,897**		**298,738**	
Sales and marketing expenses	(3)	(98,047)	(87)	(88,949)	(73)
Research and development costs	(4)	(26,158)		(24,994)	
General and administrative expenses	(5)	(55,494)	(4,211)	(50,578)	(3,329)
Other operating income (expenses)	(6)	(10,197)	(9)	(4,326)	(31)
Non-recurring amount		*(2,108)*		*(2,388)*	
Operating result (EBIT)		**152,001**		**129,891**	
Net financial income (expense)	(7)	(1,899)		(1,767)	
Result before taxes		**150,102**		**128,124**	
Income taxes	(8)	(49,554)		(44,050)	
Net result		**100,548**		**84,074**	
Including:					
- Parent Company shareholders' interests in net result		100,420		84,074	
- Minority shareholders' interests in net result		128		-	
Basic earnings per share	(9)	**1.83**		**1.55**	
Diluted earnings per share	(9)	**1.83**		**1.55**	

COMPREHENSIVE INCOME STATEMENT

(in thousands of euros)	**2015**	**2014**
Net result (A)	**100,548**	**84,074**
Other comprehensive gains/(losses) that will not be reclassified subsequently to gain/(loss) of the year:		
Gains/(losses) on remeasurement of defined benefit plans	976	(4,438)
Total other comprehensive gains/(losses) that will not be reclassified subsequently to gain/(loss) of the year (B1)	**976**	**(4,438)**
Other comprehensive gains/(losses) that will be reclassified subsequently to gain/(loss) of the year:		
Gains/(losses) on exchange differences on translating foreign operations	16,222	18,326
Gains/(losses) on net investment hedge	-	97
Total other comprehensive gains/(losses) that will be reclassified subsequently to gain/(loss) of the year (B2)	**16,222**	**18,423**
TOTAL OTHER COMPREHENSIVE GAINS/(LOSSES), NET OF TAX EFFECT (B1)+(B2)=(B)	**17,198**	**13,985**
TOTAL COMPREHENSIVE GAINS/(LOSSES) (A)+(B)	**117,746**	**98,059**
Including:		
- amount attributable to Parent Company shareholders	117,606	98,037
- amount attributable to minority interests	140	22

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
pursuant to Consob Resolution No. 15519 of July, 27 2006

(in thousands of euros)	**Notes**	**12/31/2015**	***amount with related parties***	**12/31/2014**	***amount with related parties***
ASSETS					
Non-current assets					
Property, plant and equipment	(10)	74,493		72,207	
Goodwill	(11)	68,502		67,703	
Other intangibles	(11)	49,404		49,247	
Equity investments	(12)	219		506	
Deferred-tax assets	(13)	20,198		22,194	
Other non-current assets	(14)	758		2,884	
Total non-current assets		*213,574*		*214,741*	
Current assets					
Inventories	(15)	106,193		101,320	
Trade receivables	(16)	105,609	436	109,521	497
Other current assets	(17)	12,173	16	10,291	
Other current financial assets	(18)	58,179		24,963	
Cash and cash equivalents	(18)	212,178		144,855	
Total current assets		*494,332*		*390,950*	
TOTAL ASSETS		**707,906**		**605,691**	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*
pursuant to Consob Resolution No. 15519 of July, 27 2006

(in thousands of euros)	**Notes**	**12/31/2015**	***amount with related parties***	**12/31/2014**	***amount with related parties***
LIABILITIES AND SHAREHOLDERS' EQUITY					
Shareholders' equity					
Share capital	(19)	55,948		55,948	
Treasury shares	(19)	(25,459)		(44,045)	
Additional paid-in capital	(19)	18,155		18,155	
Statutory reserve	(19)	11,190		11,190	
Other reserves and retained earnings	(19)	426,560		358,047	
Net profit for the year attributable to shareholders of the Parent Company		100,420		84,074	
Equity attributable to shareholders of the Parent Company		*586,814*		*483,369*	
Other reserves and retained earnings attributable to minority interests		216		204	
Net profit for the period attributable to minority interests		128		-	
Equity attributable to minority interests		*344*		*204*	
Total shareholders' equity		**587,158**		**483,573**	
Non-current liabilities					
Long-term borrowings	(20)	-		210	
Provisions for employee severance indemnities and other employee benefits	(21)	31,334		32,106	
Deferred-tax liabilities	(13)	2,049		3,008	
Other non-current liabilities	(22)	4,925		4,677	
Total non-current liabilities		*38,308*		*40,001*	
Current liabilities					
Trade payables	(23)	40,775		39,311	
Other current liabilities	(24)	32,837	139	30,573	307
Income taxes payable	(25)	6,384		8,967	
Current portion of long-term debt	(20)	2,300		3,007	
Other financial liabilities	(20)	144		259	
Total current liabilities		*82,440*		*82,117*	
Total liabilities		**120,748**		**122,118**	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**707,906**		**605,691**	

CONSOLIDATED STATEMENT OF CASH FLOWS
pursuant to Consob Resolution No. 15519 of July, 27 2006

(in thousands of euros)	**2015**	***amount with related parties***	**2014**	***amount with related parties***
Cash flow from operating activities				
Net profit for the year	100,548		84,074	
Adjustments for:				
- Income taxes	49,554		44,050	
- Depreciation and amortization	32,984		30,399	
- Financial expense (income)	1,899		1,767	
- Additions to/(Utilizations of) provisions for risks	2,329		390	
- (Gains)/Losses on sales of non-current assets	171		174	
- Additions to/(Reversals of) provisions for employee severance indemnities and other benefits	964		642	
- Changes in shareholders' equity reserves:				
- Stock options reserve	1,209		672	
- Currency translation reserve on operating activities	2,892		2,375	
- Change in other non-current assets/liabilities	(1,946)		(1,560)	
Cash flow from operating activities before changes in working capital	**190,604**		**162,983**	
(Increase)/Decrease in trade receivables	4,891	61	8,937	(81)
(Increase)/Decrease in inventories	(3,289)		(12,104)	
Increase/(Decrease) in trade payables	(222)		2,210	
(Increase)/Decrease in other current items	(1,411)	(184)	4,225	189
Cash from operating activities	**190,573**		**166,251**	
Income taxes paid	(51,923)		(46,047)	
(Paid)/ collected interests	(201)		(357)	
Net cash from operating activities	**138,449**		**119,847**	
Investments in intangibles	(4,875)		(2,617)	
Investments in property, plant and equipment	(27,173)		(28,099)	
Equity investments	(112)		(340)	
Proceeds from divestments of non-current assets	1,679		2,165	
Cash used in regular investing activities	**(30,481)**		**(28,891)**	
Acquisitions of subsidiaries and business operations	(2,486)		-	
Cash used in investing activities	**(32,967)**		**(28,891)**	
(Repayment of)/Proceeds from loans and other financial liabilities	(379)		(4,072)	
(Opening)/ Repayment of term deposit	(30,000)		(21,758)	
(Purchase)/Sale of treasury shares	17,949		626	
Dividends paid	(32,936)		(29,919)	
Foreign exchange translation differences	7,207		3,912	
Cash used in financing activities	**(38,159)**		**(51,211)**	
Net change in cash and cash equivalents	**67,323**		**39,745**	
CASH AND CASH EQUIVALENTS OPENING BALANCE	**144,855**		**105,110**	
CASH AND CASH EQUIVALENTS CLOSING BALANCE	**212,178**		**144,855**	

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

(in thousands of euros)	**Share capital**	**Treasury shares**	**Additional paid-in capital**	**Statutory reserve**	**Currency translation reserve**	**Stock option reserve**	**Reserve for treasury shares**	**Other reserves and retained earnings**	**Net profit (loss) for the year**	**Group interest in share-holders' equity**	**Minority interest in equity**	**Total interest in shareholders'equity**
Shareholders' equity at 12/31/2013	**55,948**	**(44,882)**	**18,155**	**11,181**	**(6,097)**	**4,222**	**44,882**	**247,516**	**83,028**	**413,953**	**182**	**414,135**
Appropriation of previous year's profit	-	-	-	9	-	-	-	83,019	(83,028)	-	-	-
Dividend distribution	-	-	-	-	-	-	-	(29,919)	-	**(29,919)**	-	**(29,919)**
Stock options and other changes	-	-	-	-	-	559	-	113	-	**672**	-	**672**
Translation adjustment	-	-	-	-	18,304	-	-	-	-	**18,304**	**22**	**18,326**
Sale of treasury shares	-	837	-	-	-	-	(837)	626	-	**626**	-	**626**
Gains/Losses on remeasurement of defined benefit plans, net of tax effect	-	-	-	-	-	-	-	(4,438)	-	**(4,438)**	-	**(4,438)**
Gains/Losses on "Net investment hedge," net of tax effect	-	-	-	-	97	-	-	-	-	**97**	-	**97**
Net profit for the year	-	-	-	-	-	-	-	-	84,074	**84,074**	-	**84,074**
Shareholders' equity at 12/31/2014	**55,948**	**(44,045)**	**18,155**	**11,190**	**12,304**	**4,781**	**44,045**	**296,917**	**84,074**	**483,369**	**204**	**483,573**
Appropriation of previous year's profit	-	-	-	-	-	-	-	84,074	(84,074)	-	-	-
Dividend distribution	-	-	-	-	-	-	-	(32,936)	-	**(32,936)**	-	**(32,936)**
Stock options and other changes	-	-	-	-	-	(3,008)	-	3,834	-	**826**	-	**826**
Translation adjustment	-	-	-	-	16,210	-	-	-	-	**16,210**	**12**	**16,222**
Sale of treasury shares	-	18,586	-	-	-	-	(18,586)	17,949	-	**17,949**	-	**17,949**
Gains/Losses on remeasurement of defined benefit plans, net of tax effect	-	-	-	-	-	-	-	976	-	**976**	-	**976**
Net profit for the year	-	-	-	-	-	-	-	-	100,420	**100,420**	**128**	**100,548**
Shareholders' equity at 12/31/2015	**55,948**	**(25,459)**	**18,155**	**11,190**	**28,514**	**1,773**	**25,459**	**370,814**	**100,420**	**586,814**	**344**	**587,158**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2015 AND DECEMBER 31, 2014

GENERAL INFORMATION AND SCOPE OF CONSOLIDATION

General information

The DiaSorin Group is specialized in the development, manufacture and distribution of immunodiagnostics and molecular diagnostics tests.
The Group's Parent Company, DiaSorin S.p.A., is in Via Crescentino (no building No.), Saluggia (VC).

Principles for the preparation of the consolidated financial statements

The 2015 consolidated financial statements were prepared in accordance with the International Financial Reporting Standards ("IFRSs"), as issued by the International Accounting Standards Board ("IASB") and adopted by the European Union, and are consistent with the regulations enacted to implement Article 9 of Legislative Decree No. 38/2005.

The financial statements and the accompanying notes include the additional information that accounting schedules and other financial statement disclosures are required to provide pursuant to Consob Resolution No. 15519 of July 27, 2006 and the CONSOB Communication of July 28, 2006.

The designation IFRSs also includes the International Accounting Standards ("IAS") that are still in effect and all of the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The consolidated financial statements were prepared in accordance with the historical cost and going concern principles.
The Directors believe that applying the going concern principle is an appropriate choice because, in their opinion, there are no uncertainties resulting from events or circumstance that, individually or collectively, could give rise to doubts about the Group's ability to function as a going concern.

These financial statements are denominated in euros and all amounts are rounded to thousands of euros, unless otherwise stated.

Financial statement presentation format

In the consolidated income statement, costs are broken down by function. This income statement scheme, also known as a "cost of sales" income statement, is more representative of the Group's business than a presentation with expenses broken down by nature because it is consistent with internal reporting and business management methods and with international practice in the diagnostic sector.
In the income statement, expense and income amounts generated by extraordinary transactions that are not part of standard operations are shown separately in order to permit a better assessment of the Group's operating performance.

In the statement of financial position, current and non-current assets and current and non-current liabilities are shown separately. The cash flow statement is presented in accordance with the indirect method.

Scope of consolidation

The consolidated financial statements include the financial statements of DiaSorin S.p.A., the Group's Parent Company, and its subsidiaries at December 31, 2015.
The financial statements of the consolidated companies are those prepared by their Boards of Directors for approval by the shareholders.
Subsidiaries are companies over which the Group is able to exercise control pursuant to IFRS 10, that is when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are consolidated line by line from the date the Group obtains control until the moment when control ceases to exist.
Dormant subsidiaries and subsidiaries that generate an insignificant volume of business are not consolidated. Their impact on the Group's total assets and liabilities, financial position and bottom-line result is not material.
The Group has neither subsidiaries with minority interest in plant, property and equipment, nor unconsolidated structured entities and it is not subject to significant restrictions concerning interest in subsidiaries.
With reference to changes occurred in the scope of consolidation, on February 26, 2015 the Group established DiaSorin Poland, located in Warsaw. The entire equity investment held in DiaSorin Poland by the Group's Parent company was consolidated as of July 1, 2015.

Investments in subsidiaries

A list of direct and indirect investments in subsidiaries at December 31, 2015 and December 31, 2014 is provided below:

Company	Country	At December 31, 2015		At December 31, 2014	
		% held by the Group	% minority interest	% held by the Group	% minority interest
Direct investments					
DiaSorin S.A/N.V.	Belgium	100%	-	100%	-
DiaSorin Ltda	Brazil	100%	-	100%	-
DiaSorin S.A.	France	100%	-	100%	-
DiaSorin Iberia S.A.	Spain	100%	-	100%	-
DiaSorin Ltd	UK	100%	-	100%	-
DiaSorin Inc.	USA	100%	-	100%	-
DiaSorin Mexico S.A de C.V.	Mexico	100%	-	100%	-
DiaSorin Deutschland GmbH	Germany	100%	-	100%	-
DiaSorin AB	Sweden	100%	-	100%	-
DiaSorin Ltd	Israel	100%	-	100%	-
DiaSorin Austria GmbH	Austria	100%	-	100%	-
DiaSorin Czech s.r.o.	Czech Republic	100%	-	100%	-
DiaSorin Diagnostics Ireland Limited	Ireland	100%	-	100%	-
DiaSorin South Africa (PTY) Ltd	South Africa	100%	-	100%	-
DiaSorin Australia (Pty) Ltd	Australia	100%	-	100%	-
DiaSorin Ltd	China	80%	20%	80%	20%
DiaSorin Switzerland AG	Switzerland	100%	-	100%	-
DiaSorin Poland sp. z o.o.	Poland	100%	-	-	-
Indirect Investments		100%	-	100%	-
DiaSorin Canada Inc	Canada	100%	-	100%	-
DiaSorin Ireland Limited	Ireland	100%	-	100%	-
DiaSorin I.N.UK Limited	Ireland	100%	-	100%	-

A list of the investee companies, complete with information about head office location and the percentage interest held by the Group, is provided in Annex I.

Investments in joint ventures

Investments in joint ventures are not significant in the scope of consolidation. The Group holds a single investment that is classified as joint *venture* pursuant to IFRS 11, through the subsidiary DiaSorin Inc. (USA). Specifically, the Group holds 51% of DiaSorin Trivitron Healthcare Private Limited shares and voting rights, that is located in India. The remaining 49% is held by a single shareholder that distributes diagnostic product and instruments in India. The analysis of the corporate governance structure of the investee company, on the basis of the joint venture agreement as well as the assessment of the two partners' decision making power led to the conclusion that the two shareholders control jointly DiaSorin Trivitron Healthcare Private Limited. The assessment took into account also the potential voting rights that do not provide material rights and, thus, are not relevant to determine the control structure. The investment is consolidated using the equity method.
In 2015, DiaSorin Trivitron Healthcare Private Limited reported net revenues equal to 2,122 thousand euros, up by 522 thousand euros compared with 2014. The loss for the year was equal to 845 thousand euros. The shareholders' equity amounted to 377 thousand euros. The value of the equity investment in the consolidated financial statements amounted to 192 thousand euros.

PRINCIPLES OF CONSOLIDATION, VALUATION CRITERIA AND ACCOUNTING PRINCIPLES

Principles of consolidation

The financial statements of subsidiaries and branches are consolidated by the line-by-line consolidation method.
Under this method, assets, liabilities, expenses and revenues are consolidated using their full amount, irrespective of the percentage interest held, and the minority interest in shareholders' equity and net profit is shown in separate line items of the consolidated financial statements.

When preparing the consolidated financial statements, intra-Group balances and transactions, including unrealized intra-Group gains and losses, are eliminated.

All assets and liabilities of foreign companies included in the scope of consolidation that are denominated in foreign currencies are translated into euros at the exchange rates in force on the date of the financial statements.
Revenues and expenses are translated into euros at the average exchange rate for the year. Currency translation differences generated by the use of this method are posted to a shareholders' equity in the "translation reserve" item until the corresponding equity investment is sold.
Upon IFRS first-time adoption, cumulative translation differences generated by the consolidation of foreign companies outside the euro zone were deemed to be zero, as allowed by IFRS 1.

Transactions in foreign currencies are recognized at the exchange rate in force on the transaction date. Cash assets and liabilities denominated in foreign currencies that are outstanding on the date of the financial statements are converted at the exchange rate in force on that date.

Business combinations

The acquisition of subsidiaries is accounted for by the acquisition method. The consideration transferred in a business combination is measured at fair value, computed as the sum of the assets given and liabilities incurred by the Group at the date of acquisition and the equity instruments issued in exchange for control of the acquired company. As a rule, incidental transaction costs are recognized in profit or loss when incurred. Assets, liabilities and identifiable contingent liabilities that satisfy the recognition criteria of IFRS 3 (revised in 2008) are recognized at their fair values at the acquisition date, except for non-current assets that are classified as held for sale in accordance with IFRS 5, which are recognized at fair value less cost to sell. Goodwill resulting from a business combination is recognized as an asset and initially measured at cost, which is the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized. If, as a result of a reassessment of the abovementioned amounts, the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognized immediately in profit or loss. Initially, the minority interest in the acquired company is valued in accordance with the interest of minority shareholders in the net fair value of the assets, liabilities and contingent liabilities recognized. Business combinations completed before January 1, 2010, were accounted for in accordance with the earlier version of IFRS 3.

Valuation criteria and accounting principles

Property, plant and equipment

The primary components of property, plant and equipment include:
a) Land;
b) Industrial buildings;
c) General purpose and specialized facilities;
d) Machinery;
e) Manufacturing and distribution equipment;
f) Other assets.

These assets are recognized at their acquisition or production cost, plus directly attributable incidental expenses. Items of property, plant and equipment are valued at cost. Their cost is reduced by depreciation (with the exception of land, which is not depreciated) and write-downs for impairment.
Depreciation is computed on a straight-line basis at rates that reflect an asset's decrease in value and wear and tear. Depreciation is computed from the moment an asset is available for use.

Significant components of property, plant and equipment that have different useful lives are recognized separately and each one is depreciated in accordance with its own useful life.
The useful lives and residual values of these assets are reviewed each year upon the closing of the annual financial statements.

The depreciation rates used are as follows:

Industrial buildings	5.5%
General purpose and specialized facilities	10-12.5%
Machinery	12%
Manufacturing and distribution equipment	40%
Equipment held by customers	25%
Reconditioned equipment held by customers	33%

Costs incurred for regular maintenance and repairs are charged directly to income the year they are incurred. Costs incurred to recondition equipment are capitalized only to the extent that the reconditioned equipment meets the requirements to be recognized separately as an asset or an asset component in accordance with the component approach. Reconditioning costs and any non-depreciated residual values are depreciated over the asset's residual life, which is estimated at three years.

Leasehold improvements that meet the requirements of IAS 16 "Property, Plant and Equipment" are classified as property, plant and equipment and depreciated over the asset's residual life or the remaining length of the lease, whichever is shorter.

If, irrespective of the amount of depreciation already taken, the recoverable value of an asset, computed in accordance with the method provided in IAS 36, is lower than its carrying value, the latter is written down to the assets' recoverable value and the resulting impairment loss is recognized. If in subsequent years the reasons for the original write-down cease to apply, the asset is restored to its original value (net of any depreciation that would have been taken had the asset not been written down) or its recoverable value, whichever is lower.

Gains and losses on the disposal or retirement of assets, which are computed as the difference between the sales proceeds and the asset's net carrying value, are recognized in the income statement for the year.

Leased assets

Assets acquired under finance leases (under which the Company assumes substantially all of the risks and benefits) are recognized as property, plant and equipment (historical cost of the asset less accumulated depreciation) and classified in the specific categories. Lease payments are apportioned between the reduction of the outstanding liability and the finance charge recognized in earnings, so as to produce a constant periodic rate of interest on the remaining balance of the liability at each closing of the financial statements. The assets are depreciated by applying the method and the rates for property, plant and equipment discussed above. Leases under which the lessor retains substantially all of the risks and benefits inherent in the ownership of the assets are classified as operating leases. The costs incurred in connection with operating leases are recognized in the income statement over the length of the leases.

Intangible assets

Intangible assets are recognized in the statement of financial position only if they are identifiable, controllable, there is an expectation that they will produce future economic benefits and their cost can be measured reliably.
Intangible assets with a finite useful life are valued at their acquisition or production cost or at their appraised value, net of accumulated amortization and impairment losses. Amortization is computed on the basis of an asset's estimated useful life and begins when an asset is available for use. Useful lives are reviewed annually and the impact of any changes is reflected prospectively.
Intangible assets with an indefinite useful life are not amortized. They are tested for impairment annually or more frequently, if necessary, even when there are no indications that the value of the assets has been impaired. These tests are carried out for each cash generating unit to which intangible assets have been allocated.

Intangible assets with an indefinite useful life

Goodwill

Goodwill generated through the acquisition of a subsidiary or another business combination is the portion of the purchase price paid in excess of the Group's interest in the fair value on the date of acquisition of the acquired assets, liabilities and identifiable contingent liabilities. Goodwill is recognized as an intangible asset with an indefinite useful life and is not amortized. However, its carrying amount is tested once a year (or more often if necessary) for impairment, even when there are no indications that its value has been impaired, and to test the indefinite life assumption. Impairment losses are immediately recognized in profit or loss and may not be reversed subsequently. After initial recognition, goodwill is valued at cost, less any accumulated impairment losses. When a subsidiary is sold, the net carrying amount of the goodwill allocated to that subsidiary is included in the computation of the gain or loss generated by the sale.
For impairment test purposes, goodwill is allocated to the cash generating units (CGUs) or groups of CGUs that are expected to benefit from the synergies resulting from such aggregation.

The carrying value of goodwill generated by acquisitions completed before January 1, 2005 (date of transition to the IFRS) is maintained at the amount determined in accordance with Italian accounting principles, subject to impairment testing at that date, as allowed under the exemption provided by IFRS 1.

In 2010, the value of the knowhow acquired in connection with the Murex transaction was added to the assets with an indefinite useful life and, consequently, was tested for impairment.

<u>Intangible assets with a defined life</u>

Development costs

Costs incurred internally to develop new products or systems constitute an intangible asset and may be recognized as such only if all the following requirements can be satisfied:

- It is a technically feasible to complete an asset so that it will be available for use or sale and the Group intends to do so.
- The Group is able to sell, exchange or distribute the future economic benefits attributable to an asset without having to relinquish future economic benefits generated by other assets used by the same cash generating unit.
- There is evidence that the costs incurred will generate probable future benefits. Such evidence can consist of the existence of a market for the output of the asset or of the usefulness of the asset, if used internally.
- The Group has access to adequate technical and financial resources to complete the development of the asset and to sell or use internally its output.
- The expenditures attributable to the asset during its development can be measured reliably.

Capitalized development costs include only the expenditures that can be attributed directly to the development process.

In the first year, amortization is computed based on the length of time during which the asset is effectively in use. The useful life of development costs is estimated at 10 years, in accordance with the maximum length of time during which management believes that the asset will generate economic benefits for the Group. The estimated useful life of capitalized development costs incurred to develop the LIAISON XL system is also 10 years.

Research and development costs that do not satisfy the requirements listed above are charged to income immediately and may not be capitalized in subsequent years.

Other intangibles

Other intangibles are recognized in the statement of financial position only it is probable that their use will generate future economic benefits and if their cost can be measured reliably. If these conditions are met, these intangible assets are recognized at cost, which is their purchase price plus incidental expenses.

The gross carrying amount of intangible assets with a finite useful life is amortized on a straight-line basis based on the assets' estimated useful lives. Amortization begins when an asset is put into use. In the first year, amortization is computed based on the length of time during which the asset is effectively in use.

The Group uses the following amortization rates:

Asset type	Amortization rate
Concessions, licenses and similar rights	6.67% - 10% or length of contract
Trademarks	5% - 20%
Industrial patent and intellectual property rights	Length of contract

Absent an explicit duration of the reference contracts, the amortization period for distribution rights ranges between 10 and 15 years, based on management's best estimate, and is tied to the LIAISON technology and related products. The duration of the amortization period, which is based on internal analyses and valuations, development plans and the return flows from their use, is deemed to be consistent with expectations concerning the duration and development of the Group's activities and products and with the likelihood that the positions achieved in the diagnostics market will be retained.

Impairment of assets

The Group tests its property, plant and equipment and its intangible assets once a year to determine whether the value of these assets has been impaired. If evidence of impairment is detected, the recoverable value of the affected assets is determined. Intangibles with a finite useful life, intangibles that are not yet ready for use and goodwill generated through a business combination are tested for impairment at least once a year, even when there is no indication that the value of the assets has been impaired, or more often if there is an indication that their value may have been impaired, as required.

An asset's recoverable amount is the higher of its fair value, less cost to sell, and its value in use, computed as the present value of the future cash flows expected to be derived from an asset or cash-generating unit. Expected future cash flows reflect assumptions that are consistent with the criteria applied to determine the discount rate. Cash flow projections are based on Company plans and on reasonable and documented assumptions about the Group's future results and macroeconomic conditions.

The discount rate used must reflect the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

When the recoverable amount of an individual asset cannot be estimated, the Group estimates the recoverable amount of the CGU to which the asset belongs. Particularly, the CGUs identified by the DiaSorin Group coincide with the legal entities of the Group, whose tangibles and intangibles assets are recognized in total assets at the date of the impairment test.

Whenever the recoverable amount of an asset or a CGU is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the reduction is recognized as an impairment loss. Subsequently, if an impairment loss for an asset other than goodwill ceases to exist or is reduced, the carrying amount of the asset (or CGU) is increased to the new estimated recoverable amount (but not more than the asset's net carrying amount had no impairment loss been recognized). This reversal is recognized immediately in earnings. Impairment losses recognized on goodwill or intangibles with indefinite useful life are in no way recoverable.

Inventories

Inventories, which consist mainly of raw materials, work-in-progress and finished products, are carried at the lower of cost or net realizable value, determined in accordance with market conditions. Costs include the price paid to suppliers plus the incidental expenses incurred to bring the purchased goods to the warehouse door. Production costs include the costs directly attributable to individual goods or classes of goods, plus a reasonable allocation of the overall outlays incurred for the activities carried out to produce the goods in question (fixed production overhead). The allocation of fixed production overhead is based on the normal capacity of the production facilities.
Cost is determined by the FIFO method.
The carrying amount of the inventory, determined in the manner described above, is reduced by a provision that reflects the impact of obsolete and slow-moving inventory.

Receivables and payables

Receivables are recognized at their face value, adjusted to their estimated realizable value by means of an allowance for doubtful accounts. This allowance incorporates both the risks related to specific receivables and the overall risk of non-payment inherent in receivables in general, estimated conservatively based on past experience and the known financial condition of the debtors in general.

Trade payables and other payables are carried at their face value, which is deemed to be indicative of their redemption amount.
Receivables and payables denominated in foreign currencies are translated at the exchange rates in force on the date of the financial statements and any resulting gains or losses are recognized in earnings.

Factoring of receivables

The DiaSorin Group engages in the factoring of its receivables.
The receivables assigned through such transactions are removed from the statement of financial position if all of the risks and benefits inherent in the ownership of the receivables are transferred to the factor. If this requirement cannot be met, the Group continues to carry the receivables on its statement of financial position, but recognizes a liability of equal amount under the “Financial liabilities” heading of its consolidated statement of financial position.

Cash and cash equivalents

They consist of cash and cash equivalents, short-term bank deposits, shares in liquidity funds and other money market securities readily converted into cash.

Shareholders’ equity

Equity instruments issued by the Group’s Parent Company are recognized for the amount of consideration received. Dividends distributed by the Group’s Parent Company are recognized as a liability when the distribution resolution is approved. The purchase cost of treasury shares and the proceeds from their sale are recognized directly in equity, with no impact on the income statement.

Treasury shares
When the Group’s Parent Company and its subsidiaries purchase Company shares, the consideration paid is deducted from the shareholders’ equity attributable to the Company’s shareholders, until the shares are retired or sold. No gain or loss is recognized in the income statement when treasury shares are

bought, sold, issued or retired. When these shares are subsequently reissued, the consideration received, net of taxes, is added to the shareholders' equity attributable to the Company's shareholders.

Employee benefits

Pension plans

The Group uses different types of defined-contribution and defined-benefit plans, in accordance with the local conditions and practices in the countries in which it operates.
Each year, the Group recognizes in earnings the portion of the premiums paid in connection with defined-contribution plans that accrue that year.
Defined-benefit pension plans, which include the severance benefits payable to employees pursuant to Article 2120 of the Italian Civil Code, are based on the length of the working lives of employees and the wages earned by employees over a predetermined period of service. The liability that represents the benefits owed to employees under defined-benefit plans is recognized at its actuarial value.
The recognition of defined-benefit plans requires the use of actuarial techniques to estimate the amount of the benefits accrued by employees in exchange for the work performed during the current year and in previous years. The resulting benefit must then be discounted to determine the present value of the Group's obligation. The determination of the present value of the Group's obligation is made by an independent actuary, using the projected unit credit method. This method treats each period of service provided by an employee to a company as an individual accrual unit. The actuarial liability must be quantified exclusively on the basis of the seniority achieved as of the date of valuation. Consequently, the total liability is prorated based on a ratio between the years of service accrued as of the valuation reference date and the total seniority that an employee is expected to have achieved when the benefit is paid. Moreover, this method requires taking into account future wage increases due for any reason (inflation, career moves, labor contract renewals, etc.) until the end of the employment relationship.
The cost of defined-benefit plans accrued during the year, which is reflected in the income statement as part of labor costs and financial expense, is equal to the sum of the average present value of the accrued benefits of current employees for service provided during the year and their annual vested interest in the present value of the Group's obligations at the beginning of the year, computed by discounting future outlays by the same rate as that used to estimate the Group's liability at the end of the previous year. The annual discount rate used for these computations was the same as the year-end market rate for zero-coupon bonds with a maturity equal to the average residual duration of the liability. Actuarial gains and losses reflecting changes in the actuarial assumptions or experience adjustments are credited or charged to equity in the statement of comprehensive income for the period in which they arise. If the amount is recorded on the balance sheet as an asset, it is limited to the present value of economic benefits available in the form of refunds or reductions in future contributions to the plan.
On January 1, 2007, the Italian Budget Law and the related implementation decrees introduced significant changes in the rules that govern the Provision for employee severance indemnities ("PESI") of companies whose registered office is located in Italy. These changes include the right of employees to decide the destination of future accrued PESI amounts. Specifically, employees can direct new PESI flows to selected pension investments or keep them with the employer company, which will then deposit its PESI contribution in a treasury account at the Italian social security administration (abbreviated as INPS in Italian). In light of these changes, the PESI is now viewed as a defined-benefit plan only insofar as the amounts vested before January 1, 2007 are concerned and as a defined-contribution plan after January 1, 2007.

Equity-based compensation plans

Group companies grant to Group executives and middle managers additional benefits through equity-based plans (stock options). In accordance with IFRS 2 "Share-based Payment," stock options awarded

to employees are measured at their fair value on the grant date, in accordance with models that take into account factors and data (option exercise price, duration of the option, current price of the underlying shares, expected share price volatility, expected dividends and interest rate for zero-risk investments over the life of the option) applicable on the grant date.
If the option becomes exercisable after a certain period and/or certain performance requirements are met (vesting period), the total value of the option is prorated over the vesting period and recognized in earnings, with the offsetting entry posted to a specific shareholders' equity account called Other reserves. Because stock options are equity instruments, as defined by IFRS 2, the fair value of each option determined on the grant date is not adjusted at the end of each year. The estimate of the number of options that will reach maturity (and hence the number of employees who will be entitled to exercise their options) is adjusted. The result of any change in estimate is posted as an increase to or a reduction of the abovementioned shareholders' equity account, with the offsetting entry reflected in the income statement. At the end of the exercise period, the exercised options are reflected in the Company's share capital by adding an amount obtained by multiplying the number of shares issued by the par value of each share. The portion of "Other reserves" that is attributable to plan costs previously recognized in earnings and the amount obtained by multiplying the number of shares issued by the difference between the exercise price and the par value per share is posted to a shareholders' equity reserve.

Provisions for risks and charges

Provisions for risks and charges include amounts set aside to fund current obligations (statutory or implied) that arise from a past event, the performance of which will probably require the use of resources and the amount of which can be reasonably estimated. When the use of financial resources is expected to extend for a period of more than one year, the corresponding obligation should be recognized at its present value by discounting expected future cash flows at a rate that takes into account the cost of money and the risks inherent in the liability.

The provisions are updated on each financial statement date to reflect best current estimates. The impact of any change in estimates is reflected in the income statement for the period during which the change occurred.

Risks that are merely reasonably possible of producing a liability are disclosed in the Notes to the financial statements, but no amount is recorded in the financial statements.

Income taxes

Income taxes include both current and deferred taxes.

Current taxes are computed on the basis of the estimated taxable income for the year in accordance with the tax laws in force in the countries in which the Group operates.

Taxable income is different from reported income because it does not include positive and negative components that will be taxable or deductible in subsequent years and those items that will never be taxable or deductible. The liability for current taxes is computed using the tax rates in force on the date of the financial statements or the tax rates that will be in force when the asset is realized or the liability settled, if they are known.
Deferred-tax assets and liabilities are the taxes that the Group expects to pay or recover on temporary differences between the values attributed to assets and liabilities for reporting purposes and the corresponding tax-related values used to compute taxable income, computed in accordance with the balance sheet liability method. As a rule, deferred-tax liabilities are recognized for all taxable temporary differences, while deferred-tax assets are recognized only insofar as the Group deems it probable that,

in the future, it will generate sufficient taxable income to use the deductible temporary differences. The tax benefit produced by carrying forward tax losses is recognized if and to the extent that it is probable that, in the future, the Group will have sufficient taxable income to offset these losses. Deferred-tax liabilities or assets are also determined for consolidation adjustments.

The carrying value of deferred-tax assets is updated on each financial statement date and reduced when the existence of future taxable income sufficient to recover all or part of these assets is no longer probable.

Deferred taxes are computed at the tax rate in force on the closing date of the financial statements or at the tax rate that will be in force when the asset is realized or the liability settled. Deferred taxes are charged directly to income, except for those attributable to items recognized directly in equity, in which case the corresponding deferred taxes are also recognized in equity. Deferred-tax assets and liabilities can be offset when the taxpayer has a legally exercisable right to offset current tax assets and liabilities and when they refer to the same taxpayer, are due to the same tax administration and the Group plans to settle current tax assets and liabilities on a net basis. The net balance is recognized as a deferred-tax asset if positive or a deferred-tax liability if negative.

Financial liabilities

Financial liabilities consist of loans payable, including advances for the factoring of receivables, and other financial liabilities as derivatives and liabilities that correspond to assets acquired under finance leases.
Initially, financial liabilities other than derivatives are recognized at their fair value less transaction costs. Subsequently, they are valued at their amortized costs, which is their initial amount, less any principal repayments, adjusted upward or downward to reflect the amortization (by the effective interest rate method) of any differences between the initial value and the value at maturity.

Financial Derivatives

Consistent with the provisions of IAS 39, derivatives qualify for hedge accounting only if they are formally designated as hedging instruments when the hedge is first established, the hedge is highly effective and the effectiveness can be measured reliably.
When financial instruments qualify for hedge accounting, the following accounting treatments are applied:

- Fair value hedges: if a derivative is designated as hedging the exposure to changes in fair value of a recognized asset or liability attributable to a specific risk that could have an impact on the income statement, the gains or losses derived from subsequent fair value measurements of the hedge are recognized in earnings. Gains or losses on the hedged item that are attributable to the hedged risk change the carrying amount of the hedged items and are also recognized in earnings.
- Cash flow hedges: if a derivative is designated as a hedging of the exposure to variability in the future cash flows attributed to a recognized asset or liability or to a highly probable future transaction that could have an impact on the income statement, the effective portion of the gain or loss stemming from changes in the fair value of the hedge is recognized in equity. Accumulated gains or losses are reclassified from shareholders' equity to the income statement in the same period in which the hedged transaction is recognized. Any gains or losses associated with a hedge that has become ineffective are immediately recognized in earnings. If a hedge or a hedging transaction is closed out but the hedged transaction has not yet been executed, all accumulated gains and losses, which until then were recognized in equity, are recognized in the income statement when the corresponding transaction is executed. If the occurrence of the hedged transaction is no longer viewed as probable, unrealized gains and losses suspended in equity are immediately transferred to the income statement.

When hedge accounting cannot be applied, all gains and losses generated by subsequent fair value measurements of derivatives are immediately recognized in profit or loss.

Revenue recognition

Sales revenues
Sales revenues are recognized to the extent that economic benefits will flow to the Group and the amount of these benefits can be determined reliably. Revenues are recognized net of discounts, allowances and returns.
Revenues from the sale of goods are recognized when the Group has transferred to the buyer the risks and benefits inherent in the ownership of the goods, the sales price has been agreed upon or can be determined and collection of the price is expected.

Service revenues
Service revenues are generated by technical support contracts, when such support is billed separately.
These revenues are recognized in the income statement based on the percentage of completion of each transaction and only when the outcome of the transaction can be estimated reliably.

Royalties
The Group's Parent Company collects royalties from third parties for the use of patents required to manufacture specific products. Royalties, which are generally based on the sales revenues generated by patent users, are recognized on an accrual basis.

Interest income
Interest income is recognized in the income statement at the effective yield rate. It is earned mainly on credit balances in bank accounts.

Dividends

Dividends distributed by the Group's Parent Company are recognized when the right of shareholders to receive their payment is established, which usually coincides with the approval of a Shareholders' Meeting resolution to distribute the dividends. The dividend distribution is thus recognized in the financial statements for the period in which the distribution is approved by the Shareholders' Meeting.

Government grants

Government grants are recognized when there is a reasonable certainty that they will be collected. This occurs when the distributing public entity approves a formal resolution to that effect.
Grants received in connection with the purchase of property, plant and equipment or the capitalization of development costs are recognized among non-current liabilities and recognized in the income statement in equal instalments computed on the basis of the useful lives of the assets for which the grant was received.

Grants received as an interest subsidy upon the occurrence of specific events are recognized in the income statement at the present value of the benefit, when there is a formal commitment to grant the benefit by the distributing public entity. The corresponding liabilities are recognized at their fair value on the date the grant was received. Interest on this liability is recognized in the income statement in accordance with the amortized cost method.

Cost of sales

Cost of sales represents the cost incurred to produce or purchase the goods and merchandise sold by the Group. It includes all of the costs incurred to purchase and process materials and the overhead directly attributable to production.

Overhead includes depreciation of the property, plant and equipment and the amortization of the intangible assets used for production purposes, as well as inventory write-downs. Cost of sales also includes freight paid to deliver products to customers.

Research and development costs

This item includes research and development costs that cannot be capitalized and the amortization of capitalized development costs.

Interest expense

Interest expense is recognized in accordance with the accrual principle, based on the financed amount and the applicable effective interest rate.

Earnings per share

Basic earnings per share are computed by dividing the portion of the net profit or loss attributable to holders of common shares of the Group's Parent Company (the numerator) by the weighted average number of common shares outstanding during the year (the denominator).

Diluted earnings per share are computed by adjusting the portion of the net profit or loss attributable to holders of common shares of the Group's Parent Company (the numerator) and the weighted average number of common shares outstanding during the year (the denominator) to take into account all potential shares with a dilutive effect. A potential share is a financial instrument or other contract that can convey to its holder the right to receive common shares.

Material extraordinary events and transactions – Atypical and/or unusual transactions

Consistent with Consob Communication No. DEM/6064293 of July 28, 2006, the notes to the financial statements provide information about the impact of material extraordinary events and transactions and/or atypical and/or unusual transactions on the Group's balance sheet, financial position and operating performance.

The abovementioned Consob Communication defines as atypical and/or unusual transactions those transactions that, because of their significance/materiality, type of counterparty, purpose, method used to determine the transfer price and timing (close to the end of the year), could give rise to doubts with regard to: the accuracy/completeness of the disclosure provided in the financial statements, conflict of interests, safety of the corporate assets and protection of minority shareholders.

Related parties

Consistent with Consob Communication No. DEM/6064293 of July 28, 2006, the notes to the financial statements provide information about the impact of related-party transactions on the Group's balance sheet, financial position and income statement.

New accounting principles

On 20 May 2013, the IASB issued the IFRIC Interpretation 21 - *Levies,* an interpretation of IAS 37 - *Provisions, Contingent Liabilities and Contingent Assets*. IFRIC 21 addresses when an entity should recognize a liability to pay levies imposed by government, other than taxes that are within the scope of other standards (i.e. IAS 12 – *Income Taxes*). IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. The principle shall be applied retrospectively for the financial years starting at the latest from 17 June 2014 or later. The adoption of this interpretation does not have effects on the consolidated income statement of the Group.

On December 12, 2013 the IASB issued the Annual Improvements to IFRSs 2011–2013 Cycle. The most important topics addressed in these amendments are, among others, the exclusion from the scope of IFRS 3 – Business Combinations to all types of joint arrangements the extension (as required by IFRS 11- Joint arrangements) and to clarify the application of certain exceptions in IFRS 13 – Fair value Measurement. Amendments shall be applied at the latest from 1 January 2015 or later. The adoption of this interpretation does not have effects on the consolidated income statement of the Group.

Accounting principles and amendments not yet applicable and not adopted early by the Group

On November 21, 2013, the IASB issued narrow scope amendments to IAS 19 – Employee Benefits entitled "Defined Benefit Plans: Employee Contributions". The amendments are intended to simplify the accounting treatment for contributions to defined benefit plans from employees or third parties. Amendments shall be applied at the latest from 1 February 2015 or later.

On May 6, 2014 the IASB issued amendments to IFRS 11 – *Joint arrangements: Accounting for acquisitions of interests in joint operations,* clarifying the accounting for acquisitions of an interest in a joint operation that constitutes a business. The amendments are effective, retrospectively, for annual periods beginning on or after 1 January 2016 with earlier application permitted.

On May 12, 2014, the IASB issued an amendment to IAS 16 – *Property, Plant and Equipment* and to IAS 38 – *Intangible Assets – "Clarification of acceptable methods of depreciation and amortization"*. Amendments to IAS 16 – *Property, Plant and Equipment* establish that a revenue-based amortization method is inappropriate. The IASB has clarified that revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. Amendments to IAS 38 introduce a rebuttable presumption to clarify that a revenue-based amortization method is inappropriate for the same reasons established by the amendments as required by IAS 16. This presumption, however, can be rebutted in certain limited circumstances. These amendments are effective for annual periods beginning from January 1, 2016, with early application permitted.

On December 12, 2013 the IASB issued the Annual Improvements to IFRSs 2010–2012 Cycle. The most important topics addressed in these amendments are, among others, the definition of vesting conditions in IFRS 2 – Share based payment, the disclosure on judgment used in the aggregation of operating segments in IFRS 8 – Operating Segments. Amendments shall be applied at the latest from 1 February 2015 or later.

On September 25, 2014, the IASB issued "*Annual Improvements to IFRSs: 2012-2014 Cycle*", a series of amendments to the following four standards: IAS 19 (to clarify that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid), IFRS 5 (to provide specific guidance for cases in which an entity reclassifies an asset or a disposal group from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued) IFRS 7 (to add additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of determining the disclosures required) and IAS 34 (to clarify that certain disclosures, if they are not included in the notes to interim financial statements, may be disclosed "elsewhere in the interim financial report"). The amendments are effective for annual periods beginning on or after 1 January 2016.

At the date of these financial statements, the competent bodies of the European Union have not yet completed the approval process required for the adoption of the following accounting principles and amendments:

- On May 28, 2014, the IASB issued IFRS 15 – *Revenue from contracts with customers* - that will supersede IAS 18 *Revenue* and IAS 11 *Construction Contracts*, as well as the interpretations of IFRIC 13 *Customer Loyalty Programs*, IFRIC 15 *Agreements for the Construction of Real Estate*, IFRIC 18 *Transfers of Assets from Customers* and SIC 31 *Revenues-Barter Transactions Involving Advertising Services*. The new revenue model will apply to all contracts with customers except for those within the scope of IAS/IFRS concerning leases, insurance contracts and financial instruments. The core principle of the revenue recognition standard is delivered as follows:
    - identify the contract with the customer;
    - identify the performance obligations in the contract;
    - determine the transaction price;
    - allocate the transaction price to the performance obligations in the contracts;
    - recognize revenue when (or as) the entity satisfies a performance obligation.

The principle is applicable starting from 1 January 2018, but an early application is permitted.

- On July 24, 2014, the IASB issued the final version of IFRS 9 *Financial Instruments*, bringing together the *Classification and measurement, Impairment and Hedge accounting* phases of the IASB's project to replace IAS 39. The new principle replaces the previous versions of IFRS 9 and is effective for annual periods beginning on or after 1 January 2018.

- On September 11, 2014, the IASB issued amendments to IFRS 10 and IAS 28 *Sales or Contribution of Assets between an Investor and its Associate or Joint Venture*. The amendments set out that on a sale/ contribution of assets or subsidiary to a joint venture or associate the extent of any gain or loss recognized in the transferor/transferring company depends on whether the transferred/conferred assets or subsidiary constitute a business. At the moment the IASB suspended the application of this amendment.

- On January 13, 2016 the IASB issued IFRS 16 – *Leases* that will supersede IAS 17 – *Leases*, as well as IFRIC 4, SIC-15 and SIC-27 interpretations. The new standard introduces a single lessee accounting model requiring lessees to recognize assets and liabilities for all leases unless the underlying asset has a low value or the lease term is 12 months or less. The Standard does not include material changes for lessor accounting model. The new principle is effective for annual periods beginning on or after 1 January 2019 with earlier adoption permitted if IFRS 15 'Revenue from Contracts with Customers' has also been applied.

The Group will comply with these new standards, amendments and interpretations based on their relevant effective dates, when endorsed by the European Union.

ANALYSIS OF FINANCIAL RISKS

The financial risks to which the Group is exposed include market risks and, to a lesser extent, credit risk and liquidity risk.

The table below lists material assets and liabilities in accordance with the requirements of IAS 39.

		12/31/2015			**12/31/2014**		
(in thousands of euros)	**Notes**	**Carrying value**	**Receivables**	**Held for trading**	**Carrying value**	**Receivables**	**Held for trading**
Trade receivables	(16)	105,609	105,609	-	109,521	109,521	-
Other current financial assets	(18)	58,179	58,179	-	24,963	24,963	-
Cash and cash equivalents	(18)	212,178	212,178	-	144,855	144,855	-
Total current financial assets		***375,966***	***375,966***	**-**	***279,339***	***279,339***	**-**
Total financial assets		**375,966**	**375,966**	**-**	**279,339**	**279,339**	**-**

		12/31/2015			**12/31/2014**		
(in thousands of euros)	**Notes**	**Carrying value**	**Liabilities at amortized cost**	**Held for trading**	**Carrying value**	**Liabilities at amortized cost**	**Held for trading**
Long-term borrowings	(20)	-	-	-	210	210	-
Total non-current financial liabilities		**-**	**-**	-	***210***	***210***	**-**
Trade payables	(23)	40,775	40,775	-	39,311	39,311	-
Current portion of long-term debt	(20)	2,300	2,300	-	3,007	3,007	-
Other current financial liabilities	(20)	144	-	144	259	-	259
Total current financial liabilities		***43,219***	***43,075***	***144***	***42,577***	***42,318***	***259***
Total financial liabilities		**43,219**	**43,075**	**144**	**42,787**	**42,528**	**259**

Risks related to fluctuations in foreign exchange and interest rates

The Group is exposed to market risk deriving from fluctuations in foreign exchange as it operates in an international framework in which transactions are made in different currencies, and interest rates.

Because the Group did not establish hedges specifically for this purpose, it is exposed to the interest rate risk in connection with variable-rate financial liabilities. As of December 31, 2015, borrowings totaled 2,300 thousand euros. Assuming a fluctuation of 2 percentage points in interest rates on medium- and long-term borrowings, the resulting impact on the financial expense recognized in the income statement would not be significant.
The same analysis was performed for the receivables assigned without recourse to the factoring company, which totaled 36,826 thousand euros in 2015. This computation was made because the factoring company charges a variable fee tied in part to the Euribor. An increase of 2 percentage points would result in an increase in financial expense of 0.7 million euros.

The Group's exposure to currency risk arises both in connection with the geographical distribution of the Group's industrial activities compared to the markets in which it sells its products, and in relation to the use of external borrowing denominated in foreign currencies.

As to borrowings denominated in foreign currencies, a fluctuation of 5 percentage points in exchange rates would have an impact of 0.5 million euros on the exchange differences recognized in the income statement.

Some Group subsidiaries are located in countries that are not members of the European Monetary Union. Since the Group's reporting currency is the euro, the income statements of these companies are translated into euros at the average exchange rate for the year. Consequently, even if revenues and margins were to remain equal when stated in the local currency, fluctuations in exchange rates could have an impact on the euro amount of revenues, expenses and operating results due to the translation into the consolidation currency. An analysis of the changes affecting the main currencies used by the Group has shown that a 5% change in the exchange rates of all of the currencies used by the Group would have an impact on the income statement of about 3 million euros. The euro amount attributed to assets and liabilities of consolidated companies that use reporting currencies different from the euro could vary as a result of changes in exchange rates. As required by the accounting principles adopted by DiaSorin, these changes are recognized directly in equity by posting them to the currency translation reserve. A 5% change in all foreign exchange rates would have an impact of about 10,5 million euros on the currency translation reserve.

The Group monitors any significant exposures to the foreign exchange translation risk. However, no hedges had been established against such exposures as of December 31, 2015. This is because the potential impact of the foreign exchange translation risk on the Group's equity is not significant.

Credit risk

The Group's receivables present a low level of risk since most of these receivables are owed by public institutions, for which the risk of non-collection is not significant.
At December 31, 2015, past-due trade receivables were equal to about 7% of revenues. These receivables were held mainly by the Group's Parent Company and the Brazilian and Spanish subsidiaries, which sell a very high percentage of their products to the local National Health Service. About 57% of these receivables was more than 120 days past due. These past-due receivables were covered by an allowance for doubtful accounts amounting to 9,821 thousand euros. In addition, in order to bridge the gap between contractual payment terms and actual collection times, the Group assigns its receivables to factors without recourse.

Liquidity risk

A prudent cash management strategy includes maintaining sufficient cash or readily available assets and credit lines, to meet immediate liquidity needs. Cash flows, funding requirements and liquidity levels are monitored centrally to ensure promptly and effectively the availability of financial resources and invest appropriately any excess liquidity.
Management believes that the funds and credit lines currently available, when combined with the resources generated by operating and financing activities, will enable the Group to meet the obligations resulting from its capital investment programs, working capital requirements and the need to repay its indebtedness upon maturity.

ITEMS THAT INVOLVE THE USE OF SIGNIFICANT ASSUMPTIONS AND ESTIMATES

The preparation of financial statements in accordance with the IFRSs requires the use of estimates for some material amounts. In addition, the Group's management is required to make judgments and assumptions as to how the Group's accounting policies should be applied in certain areas.
The process of drafting financial statements involves the use of estimates and assumptions about future events. These estimates represent the best assessment possible on the date of the financial statements. However, because of their very nature, they could produce material changes in balance sheet amounts in future years.
Estimates are updated on an on-going basis by the Group's management and are based on past experience, all other known factors and the occurrence of future events that are reasonably expected to take place. Special care is used in this area in view of the high level of uncertainty that characterizes the macroeconomic context.

The main items affected by estimates are reviewed below.

Allowance for doubtful accounts

The Allowance for doubtful accounts reflects management's estimates about losses that could be incurred in the portfolio of accounts receivable from end customers and from the indirect distribution network (independent distributors). The estimate of the amount by which receivables should be written down is based on the Group's loss expectations, determined on the basis of past experience for similar receivables, the current and historical past due percentages, losses and collections, and the careful monitoring of credit quality.

Provision for inventory write-downs

The Provision for inventory write-downs reflects management's estimates of the Group's loss expectations, determined on the basis of past experience and historical and projected trends in the market for in vitro diagnostics.

Useful life of development costs

Development costs that meet the requirements for capitalization are recognized as intangible assets. The Group's management has estimated the average useful life of these projects at 10 years, which corresponds to the average life cycle of LIAISON products and the length of time during which the assets associated with these products are expected to generate a cash inflow for the Group. The estimated useful life of capitalized development costs incurred to develop the LIAISON XL system is also 10 years.

Impairment of non-current assets

Non-current assets include property, plant and equipment, intangible assets (including goodwill), equity investments and other financial assets. Management reviews the carrying amounts of non-current assets held and in use and available-for-sale assets on a regular basis and whenever events or circumstances make such review necessary. The recoverable value of property, plant and equipment and intangible assets (including goodwill and know how) is verified using criteria that are consistent with the requirements of IAS 36, which are explained in the section of these Notes entitled "Impairment of assets."

Pension plans and other post-employment benefits

The companies of the Group are parties to pension and health benefit plans in different countries. The Group's largest pension plans are in Sweden, Germany and Italy. Management uses different statistical assumptions and evaluation factors to project future events and compute the costs, liabilities and assets related to these plans. Assumptions are made with regard to the discount rate, the expected yield of plan assets, the rates of future increases in employee compensation and trends in health care costs. The actuaries who provide the Group with consulting support also use subjective parameters, such as employee mortality and termination rates.

Stock option plans

The measurement of stock option plans at fair value requires the formulation of specific assumptions, the most significant of which include the following:
- the value of the underlying shares on the valuation date;
- the expected volatility of the price/value of the underlying shares;
- the dividend yield of the underlying shares.

Contingent liabilities

The Group is a party to legal and tax disputes that are under the jurisdiction of various countries. Given the uncertainty inherent in such situations, it is difficult to predict with certainty any expense that may result from these disputes. In the normal course of business, management relies on the support of its legal counsel and of experts on legal and taxation issues. The Group recognizes a liability in connection with these disputes when it believes that the occurrence of a cash outlay is probable and the amount of the resulting loss can be reasonably estimated. When a cash outlay becomes probable, but the amount cannot be determined, this fact is disclosed in the notes to the financial statements.

SEGMENT INFORMATION AT DECEMBER 31, 2015 AND DECEMBER 31, 2014

In accordance with IFRS 8, the Group designated the geographic regions where it operates as its operating segments.

The Group's organization and internal management structure and its reporting system are segmented as follows: Italy and U.K. Branch, Europe (Germany, France, Belgium and the Netherlands, Spain and Portugal, Ireland, Austria, Great Britain, Scandinavia, Czech Republic, Switzerland and Poland), North America (United States and Canada) and Rest of the World (Brazil, Mexico, Israel, China, Australia and South Africa).

The Group is characterized by an organization of its commercial structure by geographic regions, which was adopted to accommodate the Group's geographic expansion and strategic initiatives. The logic of this new organization reflects the destination of the Group's sales, dividing the sales areas into four regions: Europe and Africa, North America, Central and South America, Asia Pacific and China.

As a result, the communication of the financial data of the DiaSorin Group to the financial markets and the investing public is being changed to show revenue data aligned with its organization by regions.

The tables on the following pages show the Group's operating and financial data broken down by geographic region. A listing of revenues by customer location is provided in the table included in the corresponding Note that shows a breakdown of sales and service revenues by geographic region.

The table that follows shows no unallocated common costs. This is because each country (hence, each segment) has a complete organization (commercial, technical support and administrative) capable of operating independently. In addition, the Italy segment charges quarterly the other segments for costs the Corporate division faces at the central level for assets in favor of the Group's companies.

Eliminations refer primarily to inter-segment margins that are eliminated at consolidation. Specifically, the elimination of the margin earned by the Italy segment through the sale of equipment to other segments is carried out both at the result and investment levels. The margin generated by products sold by the manufacturing locations to the commercial branches but not yet sold to outsiders is eliminated only at the result level.

Segment assets include all operating items (non-current assets, receivables and inventory) but not tax-related items (deferred-tax assets) and financial assets, which are shown at the Group level.
The same approach was used for segment liabilities, which include operating items (mainly trade payables and amounts owed to employees) but do not include financial and tax liabilities or shareholders' equity, which are shown at the Group level.

(in thousands of euros)	**ITALY**		**EUROPE**		**NORTH AMERICA**		**REST OF THE WORLD**		**ELIMINATIONS**		**CONSOLIDATED**	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
INCOME STATEMENT												
Revenues from customers	126,715	120,594	143,056	128,938	133,334	109,156	96,076	85,082	-	-	499,181	443,770
Inter-segment revenues	154,545	132,413	25,634	24,345	39,418	30,056	3,230	3,033	(222,827)	(189,847)	-	-
Total revenues	**281,260**	**253,007**	**168,690**	**153,283**	**172,752**	**139,212**	**99,306**	**88,115**	**(222,827)**	**(189,847)**	**499,181**	**443,770**
Segment EBIT	**56,273**	**52,794**	**18,782**	**11,412**	**76,839**	**64,366**	**2,187**	**2,900**	**(2,080)**	**(1,581)**	**152,001**	**129,891**
Unallocated common costs	-	-	-	-	-	-	-	-	-	-	-	-
Operating margin	-	-	-	-	-	-	-	-	-	-	**152,001**	**129,891**
Financial income (expense)	-	-	-	-	-	-	-	-	-	-	(1,899)	(1,767)
Result before taxes	-	-	-	-	-	-	-	-	-	-	**150,102**	**128,124**
Income taxes	-	-	-	-	-	-	-	-	-	-	(49,554)	(44,050)
Net result	-	-	-	-	-	-	-	-	-	-	**100,548**	**84,074**
OTHER INFORMATION												
Investments in intangibles	3,231	1,161	581	675	651	611	412	170	-	-	4,875	2,617
Invest. in prop. plant and equip.	9,243	11,176	7,634	7,873	7,867	5,875	6,586	6,720	(4,157)	(3,545)	27,173	28,099
Total investments	**12,474**	**12,337**	**8,215**	**8,548**	**8,518**	**6,486**	**6,998**	**6,890**	**(4,157)**	**(3,545)**	**32,048**	**30,716**
Amortization of intangibles	(3,872)	(3,809)	(3,191)	(2,975)	(582)	(618)	(638)	(695)	174	-	(8,109)	(8,097)
Depreciation of prop. plant and equip.	(8,470)	(7,789)	(8,017)	(7,620)	(6,886)	(5,328)	(5,136)	(4,863)	3,634	3,298	(24,875)	(22,302)
Total amortization and depreciation	**(12,342)**	**(11,598)**	**(11,208)**	**(10,595)**	**(7,468)**	**(5,946)**	**(5,774)**	**(5,558)**	**3,808**	**3,298**	**(32,984)**	**(30,399)**

(in thousands of euros)	**ITALY**		**EUROPE**		**NORTH AMERICA**		**REST OF THE WORLD**		**ELIMINATIONS**		**CONSOLIDATED**	
	12/31/2015	**12/31/2014**	**12/31/2015**	**12/31/2014**	**12/31/2015**	**12/31/2014**	**12/31/2015**	**12/31/2014**	**12/31/2015**	**12/31/2014**	**12/31/2015**	**12/31/2014**
STATEMENT OF FINANCIAL POSITION												
Segment assets	233,485	238,758	141,606	140,519	98,238	83,304	50,523	60,856	(106,720)	(110,264)	417,132	413,173
Unallocated assets	-	-	-	-	-	-	-	-	-	-	290,774	192,518
Total assets	**233,485**	**238,758**	**141,606**	**140,519**	**98,238**	**83,304**	**50,523**	**60,856**	**(106,720)**	**(110,264)**	**707,906**	**605,691**
Segment liabilities	59,971	61,823	63,419	58,460	16,717	14,902	23,906	30,892	(54,142)	(59,410)	109,871	106,667
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	10,877	15,451
Shareholders' equity	-	-	-	-	-	-	-	-	-	-	587,158	483,573
Total liabilities and shareholders' equity	**59,971**	**61,823**	**63,419**	**58,460**	**16,717**	**14,902**	**23,906**	**30,892**	**(54,142)**	**(59,410)**	**707,906**	**605,691**

DESCRIPTION AND MAIN CHANGES

Consolidated income statements

In the income statement, costs are classified by function. This income statement format, also known as "cost of sales" income statement, is more representative of the Group's business than a presentation with expenses classified by nature.

Insofar as a classification of expenses by nature is concerned, depreciation and amortization expense totaled 32,984 thousand euros in 2015 (30,399 thousand euros in 2014) broken down as follows:

(in thousands of euros)	**2015**	**2014**
Depreciation of property, plant and equipment	24,875	22,302
Amortization of intangibles	8,109	8,097
Total	**32,984**	**30,399**

Depreciation of property, plant and equipment includes 17,653 thousand euros attributable to equipment held by customers (15,777 thousand euros in 2014), which in the income statement by destination is part of the cost of sales. An additional 5,129 thousand euros representing depreciation of plant and machinery and manufacturing and distribution equipment is included among production expenses (4,635 thousand euros in 2014).

The amortization of intangible assets is recognized mainly as part of general and administrative expenses (3,029 thousand euros), research and development costs (2,269 thousand euros) and production expenses (1,812 thousand euros).

Labor costs amounted to 127,016 thousand euros (116,411 thousand euros in 2014).
A breakdown is as follows:

(in thousands of euros)	**2015**	**2014**
Wages and salaries	96,022	88,396
Social security contributions	17,876	17,145
Severance indemnities	3,405	3,133
Cost of stock option plan	1,209	672
Other labor costs	8,504	7,065
Total	**127,016**	**116,411**

The table below shows the average number of Group employees in each category.

	2015	**2014**
Factory staff	311	272
Office staff	1,206	1,222
Managers	121	126
Total	**1,638**	**1,620**

1. Net revenues

In 2015 net revenues, which are generated mainly through the sale of diagnostic kits, totaled 499,181 thousand euros (443,770 thousand euros in 2014), up by 12.5% compared with 2014 (+6.0% at constant exchange rates). Net revenues include 9,184 thousand euros for equipment rentals and technical support (7,777 thousand euros in 2014).
A breakdown of revenues by geographic region is provided below:

(in thousands of euros)	**2015**	**2014**	**% Change at current exchange rate**	**%Change at constant exchange rate**
Europe and Africa	235,333	220,243	+6,9%	+5,7%
North America	127,783	103,770	+23,1%	+3,2%
Asia Pacific	97,361	77,504	+25,6%	+14,8%
Central and South America	38,704	42,253	-8,4%	-2,2%
Total	**499,181**	**443,770**	**+12,5%**	**+6,0%**

Sales to public institutions and universities totaled 191,620 thousand euros (166,815 thousand euros in 2014)

2. Cost of sales

In 2015, the cost of sales amounted to 157,284 thousand euros, as against 145,032 thousand euros in 2014. This item includes 8,030 thousand euros for royalties paid for the use of patents applied to manufacture products (6,506 thousand euros in 2014) and 8,834 thousand euros in costs incurred to distribute products to end customers (8,832 thousand euros in 2014) and 17,653 thousand euros for depreciation of equipment held by customers (15,777 thousand euros in 2014).

3. Sales and marketing expenses

In 2015 sales and marketing expenses amounted to 98,047 thousand euros, as against 88,949 thousand euros in 2014. This item consists mainly of marketing costs incurred to promote and distribute DiaSorin products, costs attributable to the direct and indirect sales force and the cost of the technical support offered together with the Group-owned equipment provided to customers under gratuitous loan contracts.

4. Research and development costs

Research and development costs, which totaled 26,158 thousand euros in 2015 (24,994 thousand euros in 2014), include all of the research and development outlays that were not capitalized equal to 14,631 thousand euros (14,377 thousand euros in 2014), the costs incurred to register the products offered for sale and meet quality requirements totaling 9,401 thousand euros (8,265 thousand euros in 2014) and the amortization of capitalized development costs equal to 2,126 thousand euros (2,352 thousand euros in 2014). In 2015, the Group capitalized new development costs amounting to 1,577 thousand euros compared with 1,401 thousand euros in the previous year.

5. General and administrative expenses

General and administrative expenses, which include expenses incurred for corporate management activities, Group administration, finance and control, information technology, corporate organization and insurance, totaled 55,494 thousand euros in 2015 (50,578 thousand euros in 2014). The item includes 4,204 thousand euros in costs attributable to Directors and strategic executives (3,036 thousand euros in 2014).

6. Other operating income (expenses)

A breakdown of other operating income and expenses is as follows:

(in thousands of euros)	**2015**	**2014**
Trade-related foreign exchange gains/(losses)	(1,962)	686
Tax charges	(1,987)	(1,861)
Provisions for bad debts and provisions for risks and charges	(3,846)	(1,794)
Out-of-period items and other operating income (expense)	(294)	1,031
Non-recurring expenses	(2,108)	(2,388)
Other operating income (expense)	**(10,197)**	**(4,326)**

The item includes income and expenses from operations that cannot be allocated to specific functional areas (such as gains and losses on asset sales, government grants, insurance settlements, reversals of unused provisions, additions to provisions for risks, incidental taxes and fees, contingent income and charges).

As regards provisions for risks and charges Law n. 125 of 08/06/2015 extended the pay-back mechanism to medical devices on the basis of which any amount exceeding the ceiling on public expenditure for the purchase of medical devices must be paid partly by the supplying. In virtue of the lack of implementing decrees to specify how to compute the payback measure, the Company carried out the best possible estimate allocating 1,150 thousand euros in risk provision. Bad debt allowance related to some customers of the Brazilian subsidiary suffering from particularly financial stress.

In 2015, non-recurring expenses related to activities aimed at identifying potential acquisitions and extraordinary consultancy expenses to make the Group's supply chain processes more efficient, while in 2014 non-recurring expenses related to the reorganization of the French and Norwegian branches and a functional development of some company areas in Italy.

7. Financial income (expenses)

The table below provides a breakdown of financial income and expenses:

(in thousands of euros)	**2015**	**2014**
Factoring transactions fees	(1,093)	(1,185)
Interest and other financial expenses	(1,189)	(1,282)
Interest on provisions for pensions	(562)	(749)
Share of the profit/(loss) of equity method investees	(431)	(365)
Interest and other financial income	1,778	1,633
Foreign exchange differences and financial instruments	(402)	181
Net financial income (expense)	**(1,899)**	**(1,767)**

In 2015, foreign exchange differences relating to financial items were negative by 402 thousand euros (positive by 181 thousand euros in 2014). The item included 852 thousand euros in income from changes in subsidiaries' financial balances that use currencies different from the Group's Parent Company currency (income of 1,705 thousand euros in 2014), and a loss of 1,254 thousand euros for the closure of financial instruments (expenses equal to 1,524 thousand euros in2014).

Furthermore, the collection of interests accrued on past-due positions amounted to 1,039 thousand euros (929 thousand euros in 2014) and interests accrued on bank accounts totaled 738 thousand euros (704 thousand euros in 2014).

8. Income taxes

The income tax expense recognized in the income statement amounted to 49,554 thousand euros (44,050 thousand euros in 2014) broken down as follows:

(in thousands of euros)	**2015**	**2014**
Current income taxes:		
- Local taxes (IRAP)	1,962	2,572
- Other income taxes	48,152	40,679
- Other taxes (non-deductible tax withholdings/prior-period taxes)	348	1,269
Deferred taxes	(908)	(470)
Local taxes (IRAP) amount	*83*	*123*
Total income taxes for the year	**49,554**	**44,050**

Other taxes include foreign non-deductible taxes withheld on dividends received by the Group's Parent Company from subsidiaries (452 thousand euros in 2015 as against 1,269 thousand euros in 2014).

A reconciliation of the theoretical tax rate to the effective tax rate, without taking into account the IRAP liability and withholding taxes on dividends, is provided below:

(in thousands of euros)	**2015**	**2014**
Profit before taxes	150,102	128,124
Theoretical tax rate	*27.5%*	*27.5%*
Theoretical income taxes	41,278	35,234
Tax effect of permanent differences	(2,938)	(1,171)
Effect of unrecognized deferred-tax liabilities/assets	2,331	190
Effect of foreign tax rates that are different from statutory Italian tax rates	6,247	6,009
Other differences	243	(176)
Total income taxes	**47,161**	**40,086**
Effective tax rate	**31.4%**	**31.3%**

The 2015 effective tax rate of 31,4%, reflects primarily the different tax rates applied in other countries where the Group operates, particularly with regard to the United States.

9. Earnings per share

Basic earnings per share amounted to 1.83 euros in 2015 (1.55 euros in 2014). Diluted earnings per share totaled 1.83 euros (1.55 euros in 2014). Basic earnings per shares were computed by dividing the net profit attributable to the shareholders by the weighted average number of shares outstanding during the year (54,883,529 in 2015 and 54,400,819 in the previous year).
The dilutive effect of stock option plans granted by DiaSorin S.p.A, determined by excluding tranches assigned to a price higher than the average price of the ordinary shares in 2015, is not relevant.

Consolidated statement of financial position

10. Property, plant and equipment

The tables below show the changes that occurred in the original cost of property, plant and equipment in 2015 and 2014:

(in thousands of euros)	**At December 31, 2014**	**Additions**	**Change in scope of consolidation**	**Divestments**	**Translation differences**	**Reclassifica tions and other changes**	**At December 31, 2015**
Land	2,345	-	-	-	30	-	2,375
Buildings	19,026	303	-	-	686	9	20,024
Plant and machinery	24,166	1,894	-	(425)	128	3,731	29,494
Manufacturing and distribution equipment	144,341	22,134	859	(12,393)	797	(1,688)	154,050
Other assets	16,841	1,284	-	(350)	116	(396)	17,495
Advances and tangible in progress	6,611	1,558	-	(155)	76	(4,172)	3,918
Total property, plant and equipment	**213,330**	**27,173**	**859**	**(13,323)**	**1,833**	**(2,516)**	**227,356**

(in thousands of euros)	**At December 31, 2013**	**Additions**	**Divestments**	**Translation differences**	**Reclassifications and other changes**	**At December 31, 2014**
Land	2,313	-	-	32	-	2,345
Buildings	18,303	29	(13)	707	-	19,026
Plant and machinery	22,010	1,248	(142)	399	651	24,166
Manufacturing and distribution equipment	132,579	20,418	(12,524)	4,533	(665)	144,341
Other assets	14,651	1,359	(368)	464	735	16,841
Advances and tangible in progress	4,034	5,045	(69)	72	(2,471)	6,611
Total property, plant and equipment	**193,890**	**28,099**	**(13,116)**	**6,207**	**(1,750)**	**213,330**

The following changes occurred in the corresponding accumulated depreciation accounts in 2015 and 2014:

(in thousands of euros)	**At December 31, 2014**	**Depreciation for the year**	**Divestments**	**Translation differences**	**Reclassifications and other changes**	**At December 31, 2015**
Buildings	14,450	568	-	469	-	15,487
Plant and machinery	15,185	1,996	(406)	76	640	17,491
Manufacturing and distribution equipment	101,837	20,786	(10,735)	5	(2,465)	109,428
Other assets	9,651	1,525	(332)	(31)	(356)	10,457
Total property, plant and equipment	**141,123**	**24,875**	**(11,473)**	**519**	**(2,181)**	**152,863**

(in thousands of euros)	**At December 31, 2013**	**Depreciation for the year**	**Divestments**	**Translation differences**	**Reclassifications and other changes**	**At December 31, 2014**
Buildings	13,472	517	(5)	466	-	14,450
Plant and machinery	13,439	1,650	(97)	193	-	15,185
Manufacturing and distribution equipment	92,334	18,762	(10,355)	2,591	(1,495)	101,837
Other assets	8,387	1,373	(320)	212	(1)	9,651
Total property, plant and equipment	**127,632**	**22,302**	**(10,777)**	**3,462**	**(1,496)**	**141,123**

A breakdown of the net carrying value of property, plant and equipment at December 31, 2015 and 2014 is provided below:

(in thousands of euros)	**At December 31, 2014**	**Additions**	**Change in scope of consolidation**	**Depreciation for the year**	**Divestments**	**Translation differences**	**Reclassifications and other changes**	**At December 31, 2015**
Land	2,345	-	-	-	-	30	-	2,375
Buildings	4,576	303	-	(568)	-	217	9	4,537
Plant and machinery	8,981	1,894	-	(1,996)	(19)	52	3,091	12,003
Manufacturing and distribution equipment	42,504	22,134	859	(20,786)	(1,658)	792	777	44,622
Other assets	7,190	1,284	-	(1,525)	(18)	147	(40)	7,038
Advances and tangible in progress	6,611	1,558	-	-	(155)	76	(4,172)	3,918
Total property, plant and equipment	**72,207**	**27,173**	**859**	**(24,875)**	**(1,850)**	**1,314**	**(335)**	**74,493**

(in thousands of euros)	**At December 31, 2013**	**Additions**	**Depreciation for the year**	**Divestments**	**Translation differences**	**Reclassifications and other changes**	**At December 31, 2014**
Land	2,313	-	-	-	32	-	2,345
Buildings	4,831	29	(517)	(8)	241	-	4,576
Plant and machinery	8,571	1,248	(1,650)	(45)	206	651	8,981
Manufacturing and distribution equipment	40,245	20,418	(18,762)	(2,169)	1,942	830	42,504
Other assets	6,264	1,359	(1,373)	(48)	252	736	7,190
Advances and tangible in progress	4,034	5,045	-	(69)	72	(2,471)	6,611
Total property, plant and equipment	**66,258**	**28,099**	**(22,302)**	**(2,339)**	**2,745**	**(254)**	**72,207**

The depreciation taken was computed in a manner that reflects fairly the actual wear and tear and economic/technical obsolescence of the assets.
Equipment held by customers that requires extraordinary maintenance is depreciated at a 33% rate from the moment the maintenance is completed.
With regard to equipment held by customers, depreciation expense amounted to 17,653 thousand euros (15,777 thousand euros in 2014).

The change in the scope of consolidation is consequent to the consolidation of DiaSorin Poland, as of July 1, 2015.

11. Goodwill and other intangibles

Goodwill totaled 68,502 thousand euros at December 31, 2015. The translation effect on the goodwill allocated to the DiaSorin Brazil, DiaSorin U.S.A. and DiaSorin South Africa CGUs, is positive for a net amount of 799 thousand euros compared with December 31, 2014.

As explained in the "Accounting Principles" section of this Report, goodwill is not amortized: it is tested for impairment and, if necessary, it is written down when impairment losses occur. The Group assesses the recoverability of goodwill and other intangibles with an indefinite life at least once a year by testing for impairment each cash generating unit (CGU).
The CGUs identified by the Group coincide with the "Legal Entities" or, where more relevant, with homogeneous aggregations. Goodwill has been allocated to the CGU'S that the time of their purchase benefit from the synergies generated by the respective business combinations generating goodwill.

A breakdown of how goodwill was recognized and/or allocated to the different CGUs for impairment test purposes is as follows:
- 765 thousand euros to the DiaSorin Belgium CGU,
- 2,822 thousand euros to the DiaSorin Brazil CGU,
- 6,840 thousand euros to the DiaSorin Germany CGU,
- 22,056 thousand euros to the DiaSorin Italy CGU,
- 19,582 thousand euros to the DiaSorin USA (North America) CGU,
- 15,155 thousand euros to the DiaSorin Ireland CGU,
- 1,282 thousand euros to the DiaSorin South Africa CGU.

The table below provides a breakdown by individual CGU of the changes in goodwill that occurred in 2015:

(in thousands of euros)	**At December 31, 2014**	**Translation differences**	**At December 31, 2015**
DiaSorin Belgium	765	-	765
DiaSorin Brazil	3,777	(955)	2,822
DiaSorin Germany	6,840	-	6,840
DiaSorin Italy	22,056	-	22,056
DiaSorin USA (North America)	17,561	2,021	19,582
DiaSorin Ireland	15,155	-	15,155
DiaSorin South Africa	1,549	(267)	1,282
Total goodwill	**67,703**	**799**	**68,502**

Insofar as the knowhow acquired with the Murex transaction in 2010 is specifically concerned, this intangible asset with an indefinite useful life was tested for impairment as part of the CGU formed by the homogeneous aggregation of DiaSorin Italy and UK Branch legal entities.

The impairment test is based on the most recent projections of economic results and cash flows for future years (2016-2018). These projections have been developed for each Cash Generating Unit on the basis of 2016 budget and of the last business plan laid out by the Company Management.

The recoverability of the recognized amounts was tested by comparing the net carrying amount of the individual CGUs with their value in use (recoverable value). The value in use is equal to the present value of the future cash flows that the continuing use of the assets belonging to each CGU is expected to generate both for the period of explicit flows, and at the end of the time horizon of the forecast (in accordance with the perpetuity method). Consequently, the impairment tests performed showed no need to write down the amount at which goodwill and intangibles is carried in the financial statements.

The main assumptions used to compute the recoverable value were those concerning the discount rate, the most recent budget data and long-range projections and the expected growth rate at the end of the time horizon of the forecast.
In computing the present value of future cash flow, the Group used a discount rate that reflects the weighted average cost of capital (WACC) and the cost of debt. The discount rate used was determined on a post-tax basis and coherently with the cash flows. The Group computed a specific WACC for each CGU to take into account the specific risk entailed by the Group's business in each country (this variable is reflected in the use of government bonds as risk-free for each country).

The discount rates used for each CGU are listed in the table below:

Company	% used
DiaSorin S.p.A. (Italy)	7.67%
DiaSorin S.p.A.UK *branch* (Italy)	7.67%
DiaSorin S.A. (France)	4.97%
DiaSorin Iberia S.A.(Spain)	6.72%
DiaSorin Iberia S.A. (Portugal)	6.47%
DiaSorin S.A/N.V (Belgium)	4.93%
DiaSorin S.A/N.V (Netherlands)	4.87%
DiaSorin I.N.UK Limited	5.49%
DiaSorin Diagnostics Ireland Limited	6.86%
DiaSorin Deutschland GmbH	4.69%
DiaSorin Austria GmbH	4.89%
DiaSorin Czech s.r.o.	4.88%
DiaSorin Inc.(United States – North America)	6.57%
DiaSorin Inc. (Canada – North America)	5.62%
DiaSorin Ltda (Brazil)	16.73%
DiaSorin Mexico S.A de C.V.	9.66%
DiaSorin Ltd (Israel)	6.09%
DiaSorin Ltd (China)	7.35%
DiaSorin Australia (Pty) Ltd	6.69%
DiaSorin South Africa (PTY) Ltd	10.88%
DiaSorin Switzerland AG	4.28%
DiaSorin Poland sp. z.o.o.	6.74%

The time horizon used for cash flows projections is 3 years for all the CGUs, except for Brazil for which the time horizon was extended to 5 years due to the overall macroeconomic crisis affecting the country. For subsequent years, a terminal value (perpetual return) was applied, using a growth rate (the "g" rate) of 2% (a rate that management believes could represent the projected minimum growth rate in the sectors in which the CGUs operate). In addition, the Group performed a sensitivity analysis assuming a worsening of variables (WACC and g rate) in the impairment test. Specifically, the discount rate was up to one percentage points and terminal growth rate decreased to 0.5%. The sensitivity analysis results showed no indications of impairment.

Other intangibles totaled 49,404 thousand euros at December 31, 2015 (49,247 thousand euros at December 31, 2014).

The tables that follow show the changes that occurred in the original cost of goodwill and other intangibles in 2015 and 2014:

	At December 31, 2014	**Additions**	**Change in the scope of consolidation**	**Translation differences**	**Divestments and other changes**	**At December 31, 2015**
Goodwill	67,703	-	-	799	-	68,502
Development costs	25,590	1,577	-	685	-	27,852
Concessions, licenses and trademarks	51,773	1,473	2,818	(52)	283	56,295
Industrial patents and intellectual property rights	27,032	442	-	(260)	35	27,249
Advances and other intangibles	3,703	1,383	-	7	-	5,093
Total intangible assets	**175,801**	**4,875**	**2,818**	**1,179**	**318**	**184,991**

(in thousands of euros)	**At December 31, 3014**	**Additions**	**Translation differences**	**Divestments and other changes**	**At December 31, 2014**
Goodwill	65,503	-	2,200	-	67,703
Development costs	23,507	1,401	682	-	25,590
Concessions, licenses and trademarks	50,424	787	340	222	51,773
Industrial patents and intellectual property rights	26,597	379	28	28	27,032
Advances and other intangibles	3,677	50	8	(32)	3,703
Total intangible assets	**169,708**	**2,617**	**3,258**	**218**	**175,801**

The following changes occurred in the corresponding accumulated amortization accounts in 2015 and 2014:

(in thousands of euros)	**At December 31, 2014**	**Amortization**	**Translation differences**	**Divestments and other changes**	**At December 31, 2015**
Goodwill					
Development costs	11,765	2,126	311	-	14,202
Concessions, licenses and trademarks	25,598	3,468	47	(17)	29,096
Industrial patents and intellectual property rights	18,004	2,456	(215)	-	20,245
Advances and other intangibles	3,484	59	(1)	-	3,542
Total intangible assets	**58,851**	**8,109**	**142**	**(17)**	**67,085**

(in thousands of euros)	**At December 31, 2013**	**Amortization**	**Translation differences**	**Divestments and other changes**	**At December 31, 2014**
Development costs	9,119	2,352	294	-	11,765
Concessions, licenses and trademarks	22,254	3,161	182	1	25,598
Industrial patents and intellectual property rights	15,465	2,524	15	-	18,004
Advances and other intangibles	3,456	60	5	(37)	3,484
Total intangible assets	**50,294**	**8,097**	**496**	**(36)**	**58,851**

A breakdown of the net carrying value of goodwill and other intangibles at December 31, 2015 and 2014 is provided below:

(in thousands of euros)	**At December 31, 2014**	**Additions**	**Change in the scope of consolidation**	**Amortization**	**Translation differences**	**Divestments and other changes**	**At December 31, 2015**
Goodwill	67,703	-	-	-	799	-	68,502
Development costs	13,825	1,577	-	(2,126)	374	-	13,650
Concessions, licenses and trademarks	26,175	1,473	2,818	(3,468)	(99)	300	27,199
Industrial patents and intellectual property rights	9,028	442	-	(2,456)	(45)	35	7,004
Advances and other intangibles	219	1,383	-	(59)	8	-	1,551
Total intangible assets	**116,950**	**4,875**	**2,818**	**(8,109)**	**1,037**	**335**	**117,906**

(in thousands of euros))	**At December 31, 2013**	**Additions**	**Amortization**	**Translation differences**	**Divestments and other changes**	**At December 31, 2014**
Goodwill	65,503	-	-	2,200	-	67,703
Development costs	14,388	1,401	(2,352)	388	-	13,825
Concessions, licenses and trademarks	28,170	787	(3,161)	158	221	26,175
Industrial patents and intellectual property rights	11,132	379	(2,524)	13	28	9,028
Advances and other intangibles	221	50	(60)	3	5	219
Total intangible assets	**119,414**	**2,617**	**(8,097)**	**2,762**	**254**	**116,950**

The change in the scope of consolidation is consequent to the consolidation of DiaSorin Poland, as of July 1, 2015.
Capitalized development costs, which totaled 1,577 thousand euros (1,401 thousand euros in 2014), mainly reflect the investments on molecular diagnostics and new specialty tests.
These costs are amortized on a straight-line basis over their useful life, which management estimates at 10 years.
A test of the recoverability of the net carrying amount of capitalized development costs was performed by determining the recoverable value of the CGU to which they were attributed and testing it for impairment. No write-downs were required as a result of this test.

12. Equity investments

Equity investments totaled 219 thousand euros at December 31, 2015 (506 thousand euros at December 31, 2014). A breakdown of equity investments is provided below:

(in thousands of euros)	**At December 31, 2014**	**Additions**	**Share of the profit/(loss) of investees accounted for using the equity method**	**Translation differences**	**At December 31, 2015**
Equity investment valued using the equity method:					
DiaSorin Trivitron Healthcare Private Limited	479	112	(431)	32	192
Equity investment valued at cost:					
DiaSorin Deutschland Unterstuetzungskasse GmbH	26	-	-	-	26
Consorzio Sobedia	1	-	-	-	1
Total equity investments	**506**	**112**	**(431)**	**32**	**219**

Equity investments valued at cost are not consolidated because they are not operational. Their impact on the Group's total assets and liabilities, financial position and profit or loss is not material. Moreover, the valuation of these investments by the equity method would not have an effect materially different from that produced by the cost approach.

13. Deferred-tax assets and deferred-tax liabilities

Deferred-tax assets amounted to 20,198 thousand euros at December 31, 2015 (22,194 thousand euros at December 31, 2014). They relate to consolidated companies that have deferred-tax assets in excess of deferred-tax liabilities and to consolidation adjustments. Deferred-tax liabilities, which totaled 2,049 thousand euros (3,008 thousand euros at December 31, 2014) relate to consolidated companies that have deferred-tax liabilities in excess of deferred-tax assets. They are shown on the liabilities side of the statement of financial position.
The balance reflects the net deferred-tax assets computed on the consolidation adjustments (mainly from the elimination of unrealized gains on intra-Group transactions) and on temporary differences

between the asset and liabilities amounts used to prepare the consolidated financial statements and the corresponding amounts used by the consolidated companies for tax purposes.
Deferred-tax assets were recognized in the financial statements when their future use was deemed to be probable. The same approach was used to recognize the benefit provided by the use of tax loss carryforwards, most of which, under current laws, can be brought forward indefinitely.
Based on the multi-year plans prepared by the Group's management, the Group is expected to generate sufficient taxable income in future years to allow for the full recovery of the abovementioned amounts.

An analysis of deferred-tax assets, net of offsettable deferred-tax liabilities, is provided below:

(in thousands of euros)	**12/31/2015**	**12/31/2014**
Deferred-tax assets	20,198	22,194
Deferred-tax liabilities	(2,049)	(3,008)
Total net deferred-tax assets	**18,149**	**19,186**

The table below shows a breakdown of the tax effect of the temporary difference that generated the net deferred-tax assets:

(in thousands of euros)	**12/31/2015**	**12/31/2014**
Positive changes:		
Amortization/Write-down of goodwill/ intangible assets	811	2,688
Provisions for risks and charges	4,329	4,069
Provision for employees benefits	4,269	4,392
Intra-Group profits and other consolidation adjustment	7,782	7,418
Other charges deductible in future years	2,246	1,938
Accumulated deficit	1,361	1,869
Total	**20,798**	**22,374**
Negative changes:		
Depreciation and amortization	(948)	(1,285)
DiaSorin Ireland Goodwill	(446)	(736)
Capitalization of development costs	(1,255)	(1,165)
Amortized borrowing costs	-	(2)
Total	**(2,649)**	**(3,188)**
Net deferred-tax assets	**18,149**	**19,186**

14. Other non-current assets

Other non-current assets amounted to 758 thousand euros (2,884 thousand euros at December 31, 2014) They consist mainly of trade receivable from the Brazilian and Chinese subsidiaries due beyond 12 months.

15. Inventories

A breakdown of inventories, which totaled 106,193 thousand euros, is provided below:

(in thousands of euros)	**12/31/2015**			**12/31/2014**		
	Gross amount	**Write-down provisions**	**Net amount**	**Gross amount**	**Write-down provisions**	**Net amount**
Raw materials and supplies	34,715	(2,174)	32,541	30,202	(1,804)	28,398
Work in progress	40,798	(3,134)	37,664	40,834	(2,758)	38,076
Finished goods	37,250	(1,262)	35,988	36,426	(1,580)	34,846
Total	**112,763**	**(6,570)**	**106,193**	**107,462**	**(6,142)**	**101,320**

The inventory increase of 4,873 thousand euros compared with December 31, 2014 reflects a procurement policy that calls for bigger inventories at the Group's production facilities in addition to the exchange rates fluctuations.

The table below shows the changes that occurred in the provisions for inventory write-downs:

(in thousands of euros)	**12/31/2015**	**12/31/2014**
Opening balance	**6,142**	**5,971**
Additions for the year	1,726	2,105
Utilizations/Reversals for the year	(1,500)	(2,242)
Exchange differences and other changes	202	308
Ending balance	**6,570**	**6,142**

16. Trade receivables

Trade receivables which totaled 105,609 thousand euros at December 31, 2015 decreased by 3,912 thousand euros compared with December 31, 2014, despite the increase in revenues, following the collection of past-due positions owed by public entities (especially in Italy and Spain), better collection condition and a favorable geographic mix. Receivables from public institutions and universities amounted to 38,903 thousand euros (42,002 thousand euros at December 31, 2014).
The table below shows the changes that occurred in the allowance for doubtful accounts amounting to 9,821 thousand euros at December 31, 2015:

(in thousands of euros)	**12/31/2015**	**12/31/2014**
Opening balance	**8,882**	**8,100**
Additions for the year	2,826	1,507
Utilizations/Reversals for the year	(986)	(791)
Exchange differences and other changes	(901)	66
Ending balance	**9,821**	**8,882**

In order to bridge the gap between contractual payment terms and actual collection times, the Group uses factoring transactions to assign its receivables without recourse. In 2015, the Group's Parent Company receivables assigned without recourse to the factoring company totaled 36,826 thousand euros (42,927 thousand euros in 2014).

17. Other current assets

Other current assets totaled 12,173 thousand euros (10,291 thousand euros at December 31, 2014). They included accrued income and prepaid expenses for insurance, interest, rentals and government grants totaling 2,379 thousand euros (1,999 thousand euros at December 31,2014) and tax credits for advances and foreign taxes withheld amounting to 6,241 thousand euros (5,415 thousand euros at December 31, 2014).

18. Cash and current financial assets

Cash and cash equivalents amounted to 212,178 thousand euros at December 31, 2015 (144,855 thousand euros at December 31, 2014). They consist of balances in banks accounts. More detailed information is provided in the Statement of Cash Flows above.

Current financial assets amounted to 58,179 thousand euros at December 31, 2015 (24,963 thousand euros at December 31, 2014). This item includes short-term cash investments that do not qualify as

cash equivalents, as defined in Paragraph 7 of IAS 7, because the overall term of the securities involved was longer than three months at the date of purchase.
In particular, other current financial assets include term deposits exceeding three months opened by the Group Parent Company in 2015 (30 million euros) and the U.S. subsidiary in 2014 (USD 30 million) and renewed during 2015; no penalties will be applied in case of prematurely closure and interests will not be paid.

19. Shareholders' equity

Share capital
At December 31, 2015, the fully paid-in share capital consisted of 55,948,257 million common shares, par value of 1 euro each. No changes occurred compared with December 31, 2014.

Treasury shares
At December 31, 2015 the amount of treasury shares was 969.950 (1.73% of the share capital, totaling 25,459 thousand euros (44,045 thousand euros at December 31, 2014).
The decrease of 18,586 thousand euros compared with December 31, 2014 is due to the exercise of some tranches of the 2010 stock option Plan by the Group's Parent company and its subsidiaries.

Additional paid-in capital
Additional paid-in capital totaled 18,155 thousand euros at December 31, 2015 and no changes occurred compared with December 31, 2014.

Statutory reserve
This reserve amounted to 11,190 thousand euros and no changes occurred compared with December 31, 2014.

Other reserves and retained earnings
A breakdown of other reserves and retained earnings is as follows:

(in thousands of euros)	**12/31/2015**	**12/31/2014**	**Change**
Currency translation reserve	28,544	12,322	16,222
Reserve for treasury shares	25,459	44,045	(18,586)
Stock option reserve	1,773	4,781	(3,008)
Gains/Losses on remeasurements of defined benefit plans	(6,561)	(7,537)	976
Retained earnings	380,192	307,271	72,921
IFRS transition reserve	(2,973)	(2,973)	-
Other reserves	342	342	-
Total other reserves and retained earnings	**426,776**	**358,251**	**68,525**
of which minority interest	***216***	***204***	***12***

Currency translation reserve
This item amounted to 28,544 thousand euros (12,322 thousand euros at December 31, 2014) and reflects the foreign exchange differences resulting from the translation at year-end exchange rates of the shareholders' equities of consolidated companies with financial statements denominated in foreign currencies. The increase of 16,222 thousand euros is due to the fluctuation of the exchange rate of the US dollar vis-à-vis the Euro.

Reserve for treasury shares
At December 31, 2015, the reserve for treasury shares amounted to 25,459 thousand euros (44,045 thousand euros December 31, 2015). This reserve was established pursuant to law (Article 2357 *ter* of the Italian Civil Code) due to purchases of treasury shares made in 2011.
The change of 18,586 thousand euros compared with December 31, 2014 is due to the exercise of some tranche of the 2010 stock option Plan.

Stock option reserve
The balance in the stock option reserve, which amounted to 1,773 thousand euros (4,781 thousand euros at December 31, 2014) refers to the stock option plans in effect at December 31, 2015 (see Note 27). The changes in the reserve that occurred in 2015 included an increase due to the recognition of the overall cost of the stock option Plans (1,209 thousand euros) that was posted and recognized in the income statement as labor costs included in general and administrative expenses, and a decrease of 4,217 thousand euros as a result of the options exercised.

Gains/Losses on remeasurement of defined-benefit plans
At December 31, 2015 this item, negative by 6,561 thousand euros (7,537 thousand euros at December 31, 2014) includes net gains of the period related to the actuarial assessment of the Group's defined-benefit plans amounting to 976 thousand euros, net of tax effect (287 thousand euros).

Retained earnings
Retained earnings amounted to 380,192 thousand euros (307,271 thousand euros at December 31, 2014). The increase of 72,921 thousand euros compared with December 31, 2014, is the net result of:

- the appropriation of the consolidated net profit earned by the Group in 2014 (84,074 thousand euros);
- the distribution of dividends to shareholders approved on April 22, 2015 from the Ordinary Shareholders' Meeting amounting to 32,936 thousand euros (equal to 0.60 per share);
- the exercise of some tranches of the 2010 Stock Option Plan, which resulted both in a positive change of 21,783 thousand euros and in the sale of treasure shares.

IFRS transition reserve
The IFRS transition reserve was established on January 1, 2005, upon first-time adoption of the IFRSs as an offset to the adjustments recognized to make the financial statements prepared in accordance with Italian accounting principles consistent with IFRS requirements, net of the applicable tax effect (as required by and in accordance with IFRS 1). This reserve has not changed since it was first established.

Other reserves
This item includes the consolidation reserve equal to 904 thousand euros, net of the discounted repurchase price of the Chinese subsidiary's minority interest together with the put option right granted to the minority shareholder amounting to 562 thousand euros. No changes occurred compared with December 31, 2014

The table below shows a reconciliation of the net result and shareholders' equity of the Group's Parent Company to the corresponding consolidated data at December 31, 2015:

(in thousands of euros)	**Net result in 2015**	**Shareholders' equity at 12/31/15**
Amount in the financial statements of the Parent Company DiaSorin S.p.A.	**46,004**	**390,442**
Difference between the carrying amount of equity investments and the value of the underlying shareholders' equity	-	206,929
Profits/(Losses) of consolidated companies	63,954	-
Elimination of unrealized intra-Group profits, net of the applicable tax effect	(3,127)	(16,147)
Elimination of intra-Group dividends	(12,217)	-
Eliminations of write-downs/(revaluation) of equity investments	5,934	5,934
Amount in the consolidated financial statements	**100,548**	**587,158**

20. Borrowings and other financial liabilities

Borrowings and other financial liabilities amounted to 2,300 thousand euros at December 31, 2015. A breakdown of borrowings and other financial liabilities is as follows (amounts in thousands of euros):

Lender	**Currency**	**Current portion**	**Non-current portion**	**Total**
Santander	BRL	9,000	-	9,000
	Amount in €	2,087	-	2,087
IMI MIUR	€	213	-	213
Total owed to financial institutions		**2,300**	**-**	**2,300**

The table below lists the changes that occurred in the financing facilities that were outstanding at December 31, 2015 compared with 2014 (amounts in thousands of euros):

Lender	**Balance at 12/31/2014**	**Repayments**	**Currency translation differences**	**Amortized cost effect**	**Balance at 12/31/2015**
Santander	2,795	-	(708)	-	2,087
IMI MIUR	418	(213)	-	8	213
Finance leases	4	(3)	(1)	-	-
Total owed to financial institutions	**3,217**	**(216)**	**(709)**	**8**	**2,300**

The IMI–Ministry of Education, University and Research loan was the subject of an agreement executed with INTESA SANPAOLO S.p.A. on July 6, 2006, pursuant to Article 1 of Law No. 346 of August 5, 1988, in connection with a research project involving the "Study of New Automated Immunochemistry Methods."

Interest on this loan is payable semi-annually at a variable rate equal to the six-month Euribor plus a fixed spread of 2%. On the same payment dates, the Company receives an interest grant equal to the reference rate used for subsidized industrial credit that was in effect when the loan agreement was signed and is equal to 5% per annum.

The loan has a term of 10 years, including a four-year preamortization period, with repayment in equal semiannual instalments due starting on January 1, 2011.

A portion of this loan amounting to 213 thousand euros was repaid in 2015, in accordance with the amortization plan.

If all or part of the loan is repaid ahead of schedule or if the loan agreement is cancelled pursuant to law or in accordance with the terms of the agreement, DiaSorin is required to pay to the bank a fee equal to 1% of any principal amount repaid ahead of schedule.
The loan agreement does not include operating or financial covenants.

In 2015, the Brazilian subsidiary extended its local currency loan to 12 months (for an amount equal to BRL 9,0 million) guaranteed by the Group's Parent Company.

In 2015, in order to mitigate the foreign exchange risk related to the currency fluctuations, the Group's Parent Company executed currency forward sales that do not qualify as hedges in accordance with the provisions of IAS 39. Forward contracts were outstanding at December 31, 2015, requiring the recognition of a negative fair value of 144 thousand euros (259 thousand euros at December 31 2014).

21. Provision for employee severance indemnities and other employee benefits

The balance in this account reflects all of the Group pension plan obligations, other post-employment benefits and benefits payable to employees when certain requirements are met. Group companies provide post-employment benefits to their employees by contributing to external funds and by funding defined-contribution and/or defined-benefit plans.
The manner in which these benefits are provided varies depending on the applicable statutory, tax-related and economic conditions in the countries where Group companies operate. As a rule, benefits are based on each employee's level of compensation and years of service.

Defined-contribution plans
Certain Group companies pay contributions to private funds or insurance companies pursuant to a statutory or contractual obligation or on a voluntary basis. With the payment of these contributions, the companies in question absolve all of their obligations. The liability for contributions payable is included under "Other current liabilities." The cost attributable to each year, which accrues based on the services provided by employees, is recognized as a labor cost of the relevant organizational unit.
In 2015, this cost amounted to 3,575 thousand euros.

Defined-benefit plans
The Group's pension plans that qualify as defined-benefit plans include the provisions for employee severance indemnities in Italy, the Alecta system in Sweden and the U-Kasse pension plan and Direct Covenant system in Germany.
The liability owed under these plans is recognized at its actuarial value using the projected unit credit method; actuarial gains and losses resulting from the determination of these liabilities are credited or charged to equity in the statement of comprehensive income in the year in which they arise.

Other employee benefits
The Group also provides its employees with additional long-term benefits, which are paid when employees reach a predetermined length of service. In these cases, the value of the liability recognized in the financial statements reflects the probability that these benefits will be paid and the length of time for which they will be paid. The liability owed under this plan is recognized at its actuarial value using the projected unit credit method. Actuarial gains and losses resulting from the determination of these items are recognized in the income statement; gains of 4 thousand euros were recognized in the income statement in 2014 (losses of 102 thousand euros in 2014).

The table that follows lists the Group's main employee benefit plans that are currently in effect:

(in thousands of euros)	**12/31/2015**	**12/31/2014**	**Change**
Employee benefits			
provided in:			
- Italy	5,660	6,144	(484)
- Germany	22,622	22,471	151
- Sweden	2,469	3,003	(534)
- Other countries	583	488	95
Total employee benefits	**31,334**	**32,106**	**(772)**
broken down as follows:			
- Defined-benefit plans			
Provision for employee severance indemnities	*4,336*	*4,793*	*(457)*
Other defined-benefit plans	*25,091*	*25,474*	*(383)*
	29,427	30,267	(840)
- Other long-term benefits	1,907	1,839	68
Total employee benefits	**31,334**	**32,106**	**(772)**

The table below shows a breakdown of the main changes that occurred in the Group's employee benefit plans in 2015 (amounts in thousands of euros):

(in thousands of euros)	**Defined-benefit plans**	**Other benefits**	**Total employee benefits**
Balance at December 31, 2014	**30,267**	**1,839**	**32,106**
Interest expenses	560	2	562
Actuarial Losses/(Gains) recognized in income statement	-	(4)	(4)
Actuarial Losses/(Gains) arising from financial assumptions	(1,390)	-	(1,390)
Actuarial Losses/(Gains) arising from demographic changes	(6)	-	(6)
Actuarial Losses/(Gains) recognized in Shareholders' equity	133	-	133
Current service cost	796	172	968
Benefits paid	(989)	(99)	(1,088)
Currency translation differences and other changes	56	(3)	53
Balance at December 31, 2015	**29,427**	**1,907**	**31,334**

The main changes that occurred in 2015 with regard to provision for employee benefit include actuarial gains recognized in Shareholders' equity (1,263 thousand euros) and contributions paid (1,088 thousand euros). The net amount recognized in the 2015 income statement for employee benefits was an expense of 1,526 thousand euros (1,391 thousand euros in 2014).

Actuarial losses/(gains) arising from other employee benefits and current service cost are recognized in the income statement as part of labor costs, allocated to the area to which they correspond. Interest expense is recognized in the income statement as part of Net financial income (expense) (see Note 7). Actuarial losses/(gains) on defined-benefit plans are credited or charged to equity in the statement of comprehensive income in the period in which they arise.

The table below lists the main assumptions used for actuarial computation purposes in the defined benefit plans:

	Pension plans	
	12/31/2015	12/31/2014
Discount rate	2.18%	1.68%
Projected wage increases	2.75%	2.50%
Inflation rate	1.67%	1.75%
Average employee turnover rate	5.12%	5.69%

A sensitivity analysis of the defined-benefit obligation to changes in main assumptions is set out below:

(in thousands of euros)	**Provision of employee severance indemnities**	**Other defined-benefit plans**
Discount rate		
0.8% Increase	(155)	(3,600)
0.8% Decrease	159	4,649
Projected wage increases		
0.8% Increase	-	-
0.8% Decrease	-	-
Inflation rate		
0.8% Increase	101	3,195
0.8% Decrease	(98)	(2,645)
Average employee turnover rate		
10% Increase	7	-
10% Decrease	(7)	-

22. Other non-current liabilities

Other non-current liabilities, which totaled 4,925 thousand euros (4,677 thousand euros at December 31, 2014) include provisions for risks and charges established in connection with pending or contingent legal disputes and for supplemental severance benefits owed to sales agents.
The table that follows shows the changes that occurred in these provisions:

(in thousands of euros)	**12/31/2015**	**12/31/2014**
Opening balance	**3,679**	**3,858**
Additions for the period	1,497	876
Utilizations/Reversals for the period	(1,234)	(1,065)
Translation differences and other changes	(255)	10
Ending balance	**3,687**	**3,679**

As regards additions for the period, Law n. 125 of 08/06/2015 extended the pay-back mechanism to medical devices on the basis of which any amount exceeding the ceiling on public expenditure for the purchase of medical devices must be paid partly by the supplying. In virtue of the lack of implementing decrees to specify how to compute the payback measure, the Company carried out the best possible estimate allocating 1,150 thousand euros in risk provision.

Reversals for the period concern disputes ended successfully.

The provision for supplemental severance benefits owed to sales agents, which amounted to 182 thousand euros at December 31 2015, was computed in accordance with the provisions of IAS 37, according to which the amount of the provision must be an estimate of the present value of the amounts that will be paid upon termination of the agency relationship to the sales agents entitled to receive these benefits.

23. Trade payables

Trade payables, which totaled 40,775 thousand euros (39,311 thousand euros at December 31, 2014) represent amounts owed to external suppliers for the purchase of goods and services. There are no amounts due after one year.

24. Other current liabilities

Other current liabilities of 32,837 thousand euros at December 31, 2015 (30,573 thousand euros at December 31, 2014) consist mainly of amounts owed to employees for additional monthly payments to be paid equal to 22,544 thousand euros (20,734 thousand euros at December 31, 2014), contributions payable to social security and health benefit institutions amounting to 2,914 thousand euros (2,867 thousand euros at December 31, 2014) and accruals and deferred charges for a total of 1,386 thousand euros (2,550 thousand euros at December 31, 2014).

25. Income taxes payable

The balance of 6,384 thousand euros at December 31, 2015 (8,967 thousand euros at December 31, 2014) represents the income tax liability for the profit earned in the period, net of estimated payments made equal to 14,553 thousand euros, and amounts owed for other indirect taxes and fees. The analysis of income taxes is provided in note 8.

26. Commitment and contingent liabilities

Guarantees provided

The guarantees that the Group provided to third parties totaled 8,688 thousand euros at December 31, 2015. These guarantees were established to secure lines of credit provided to Group companies (in the amount of 5,961 thousand euros including 1,822 thousand euros to the Indian Joint Venture) and in connection with defined-contribution pension plans of some subsidiaries (in the amount of 2,269 thousand euros).

Bank sureties provided to third parties, mainly in connection with the submission of bids in response to public calls for tenders, totaled 16,757 thousand euros at December 31, 2015.

Other significant commitments and contractual obligations

Significant contractual commitment includes the agreement that DiaSorin S.p.A., the Group's Parent Company, executed with Stratec in connection with the development and production of the Chemiluminescence diagnostic system LIAISON XL and the new LIAISON XS. Specifically, with regard to the supply contract, DiaSorin and Stratec entered into an agreement calling for Stratec to manufacture and supply exclusively to DiaSorin the analyzers. The Group has agreed to purchase a minimum number of analyzers. The projected commitment is deemed to be significantly lower than the normal level of capital investment that would be required for current or future equipment production. As a result, net invested capital is not expected to undergo significant structural changes in the future as a result of this commitment.

Contingent liabilities

The DiaSorin Group operates globally. As a result, it is exposed to the risks that arise from the complex laws and regulations that apply to its commercial and manufacturing activities. The Group believes that, overall, the amounts set aside, for pending legal disputes, in the corresponding provision for risks are adequate.

27. Stock option plans

2010 Plan

On April 27, 2010, the Ordinary Shareholders' Meeting approved the new 2010 Stock Option Plan for senior executives and key employees of DiaSorin S.p.A. and its subsidiaries. The Board of Directors approved an initial tranche of beneficiaries with a grant of 515,000 options by a resolution dated February 14, 2011, a second tranche with a grant of 40,000 options by a resolution dated August 3, 2011, a third tranche with a grant of 50,000 options by a resolution dated November 11, 2011, a fourth tranche with a grant of 70,000 options by a resolution dated December 21, 2011, a fifth tranche with a grant of 60,000 options by a resolution dated March 9, 2012, a sixth tranche with a grant of 10,000 options by a resolution dated November 7, 2012, a seventh tranche with a grant of 5,000 options by a resolution dated March 8, 2013, an eighth tranche with a grant of 5,000 options by a resolution dated May 10, 2013 and a ninth tranche with a grant of 15,000 options by a resolution dated November 8, 2013. Please note that, due some "good leaver" and "bad leaver" events 137,835 options from the abovementioned grants were automatically cancelled and, pursuant to the Plan Regulations, became null and void for the previous beneficiaries. These free option grants convey to the beneficiaries the right to acquire up to 750,000 common shares at the exercised price, based on a ratio of 1 share for each option granted and exercised, in accordance with the terms and conditions of the 2010 Plan.

The implementation of the program to purchase treasury shares for use in connection with the Company's new stock option plan began on January 17, 2011, in accordance with the terms and conditions authorized by the Shareholders' Meeting of April 27, 2010.
The program was completed on February 15, 2011, resulting in the purchase of 750,000 common shares. The shares were purchased at unit prices that were never lower by more than 15% or higher by more than 15% compared with the closing price of the DiaSorin common shares for the stock market trading session preceding each purchase.

As of December 31, 2015 stock options amounted to 587,165, out of which 555,050 have been exercised between January 22 and December 9, 2015 at an average exercise price of 32.34 per share.
During the abovementioned period, the average price of the DiaSorin shares was 40.89 euros.

A breakdown of the option grants is as follows:

2010 Plan	Grant date	Number of options exercised	Year
I Tranche	February 14, 2011	425,000	2015
II Tranche	August 3, 2011	40,000	2015
III Tranche	November 11, 2011	25,000	2015
IV Tranche	December 21, 2011	50,000	2015
IV Tranche	December 21, 2011	20,000	
V Tranche	March 9, 2012	5,050	2015
VI Tranche	November 7, 2012	10,000	2015
VIII Tranche	May 10, 2013	2,115	
IX Tranche	November 8, 2013	10,000	
Total		**587,165**	

2014 Plan

On April 23, 2014, the Ordinary Shareholders' Meeting approved the new 2014 Stock Option Plan for senior executives and key employees of DiaSorin S.p.A. and its subsidiaries pursuant to Art. 2357-*ter* of the Italian Civil Code., authorizing the Board of Directors to dispose of DiaSorin treasury shares, reserving them, in the necessary or appropriate amount and under the terms established by the Plan, to serve the Plan itself.

The Board of Directors approved an initial tranche of beneficiaries with a grant of 710,000 options by a resolution dated August 1, 2014, a second tranche with a grant of 5,000 options by a resolution dated November 14, 2014, a third tranche with a grant of 20,000 options by a resolution dated December 18, 2014 and a fourth tranche with a grant of 10,000 options by a resolution dated July 30, 2015. Please note that, due some "bad leaver" and "good leaver" events 40,000 options from the abovementioned grants were automatically cancelled and, pursuant to the Plan Regulations, became null and void for the previous beneficiaries.
These free option grants convey to the beneficiaries the right to acquire up to 750,000 common shares at the exercised price, based on a ratio of 1 share for each option granted and exercised, in accordance with the terms and conditions of the 2014 Plan.

As at December 31, 2015 stock options amounted to 705,000.
A breakdown of the option grants is as follows:

2014 Plan	Grant date	Number of options
I Tranche	August 1, 2014	690,000
II Tranche	November 14, 2014	5,000
IV Tranche	July 30, 2015	10,000
Total		**705,000**

Valuation of stock options

The stock options granted to Directors and employees are measured at their fair value on the grant date in accordance with the method provided in IFRS 2 and the total cost of the plan thus determined is allocated over the vesting period.

The fair value computation method uses a binomial model and is based on the following assumptions:

<u>A – Exercise price</u>

The exercise price was determined in accordance with Article 6.2 of the Plan's Regulations.

<u>B – Stock price</u>

The value assigned to the underlying instrument for stock option valuation purposes is the daily closing price for DiaSorin shares on the grant date.

<u>C – Expected volatility</u>

The expected volatility of the underlying instrument measures the expected fluctuations in price/value over a given period of time. The measure of volatility used in the option pricing model used is the annualized standard deviation of the continuously compounded rates of return on an equity security over a period of time.

<u>D – Employee exit rate</u>

This rate, which reflects the probability that Directors or employees who are the recipients of stock option grants will leave the Company before the vesting date, was deemed to be 0%.

<u>E – Risk-free interest rate</u>

IFRS 2 requires the use of a risk-free interest rate that will be valid over the expected life of the options, with the term expected life meaning the length of time between the grant date and the expected option exercise date.

<u>F – Dividend yield</u>

The value of stock options is also affected by assumptions about the dividend yield, which is the annual dividend paid per share stated as a percentage of the share price.

The table below lists the input data used for stock option valuation purposes

2010 Plan	Vesting period (in years)	Exercise Price	Stock Price	Per value per share	Volatility	Employee Exit Rate	Risk Free Rate	Dividend Yield	Stock price reference date	Vesting date
I Tranche	1.164383562	€ 34.28	€ 32.30	€ 1.00	30.00%	0.00%	0.4190%	1.700%	12/19/2013	2/17/2014
II Tranche	1.720547945	€ 33.49	€ 32.30	€ 1.00	30.00%	0.00%	0.6540%	1.700%	12/19/2013	9/08/2014
III Tranche	1.912328767	€ 25.04	€ 32.30	€ 1.00	30.00%	0.00%	0.6540%	1.700%	12/19/2013	11/17/2014
IV Tranche	2.065753425	€ 20.59	€ 32.30	€ 1.00	30.00%	0.00%	0.6540%	1.700%	12/19/2013	1/12/2015
V Tranche	2.528767123	€ 22.68	€ 32.30	€ 1.00	30.00%	0.00%	0.9150%	1.700%	12/19/2013	6/29/2015
VI Tranche	2.912328767	€ 27.23	€ 32.30	€ 1.00	30.00%	0.00%	0.9150%	1.700%	12/19/2013	11/16/2015
VIII Tranche	3.490410959	€ 28.12	€ 32.30	€ 1.00	30.00%	0.00%	0.9150%	1.700%	12/19/2013	6/15/2016
IX Tranche	3.906849315	€ 33.50	€ 32.30	€ 1.00	30.00%	0.00%	1.2310%	1.700%	12/19/2013	11/14/2016

2014 Plan	Vesting period (in year))	Exercise Price	Stock Price	Per value per share	Volatility	Employee Exit Rate	Risk Free Rate	Dividend Yield	Stock price reference date	Vesting date
I Tranche	3.005479452	€ 30.74	€ 29.50	€ 1.00	30.00%	0.00%	0.6408%	1.700%	8/01/2014	8/02/2017
II Tranche	3.002739726	€ 29.67	€ 31.20	€ 1.00	30.00%	0.00%	0.4198%	1.700%	11/14/2014	11/14/2017
IV Tranche	3.008219178	€ 41.43	€ 41.56	€ 1.00	30.00%	0.00%	0.5142%	1.700%	7/30/2015	8/01/2018

On December 19, 2013, the Board of Directors voted to extend the exercise terms of all the options that have been granted pursuant to the 2010 Plan to 365 days. All the other conditions remain unchanged. Pursuant to these changes and as required by IFRS2, the incremental fair value deriving from the change in the 2010 Plan amounted to 24 thousand euros. The incremental fair value is recognized in the income statement over the Plan's residual vesting period together with the fair value on the grant date.
Based on the assumptions described above, the fair value of the 2010 Plan is equal to 347 thousand euros, with a vesting period that goes from February 14, 2011 to November 14, 2016. The fair value per option is as follows (amounts in euros):

2010 PLAN	Number of options on the vesting date	Fair Value per option
IV Tranche	20,000	13.462145
VIII Tranche	2,115	5.642632
IX Tranche	10,000	6.543593

Based on the assumptions described above, the fair value of the 2014 Plan is equal to 3,539 thousand euros with a vesting period that goes from August 1, 2014 to December 18, 2017. The fair value per option is as follows (amounts in euros):

2014 PLAN	Number of options on the vesting date	Fair Value per option
I Tranche	690.000	4,972722
II Tranche	5.000	6,237949
IV Tranche	10.000	7,631389

The cost attributable to 2015, which amounted to 1,209 thousand euros, was recognized in the income statement as part of labor costs and general and administrative expenses, with the offsetting entries posted to shareholder's equity.

The exercise of some tranches under the 2010 Plan during 2015 caused the stock option reserve to decrease by 4,217 thousand euros.

28. Related-party transactions

In the normal course of business, DiaSorin S.p.A. engages on a regular basis in commercial and financial transactions with its subsidiaries, which are also Group companies. These transactions, which are executed on standard market terms, consist of the supply of goods and services, including administrative, information technology, personnel management, technical support and consulting services, which produce receivables and payables at the end of the year, and financing and cash management transactions, which produce income and expenses.

These transactions are eliminated in the consolidation process and, consequently, are not discussed in this section of the Report.

Employees are also awarded incentive payments tied to the achievement of corporate or personal targets and bonuses predicated on the achievement of a predetermined length of service, and receive additional benefits through a stock option plan. The total cost recognized in the income statement amounted to1,209 thousand euros (672 thousand euros in 2014).
The total cost recognized in the income statement for Directors and strategic executives amounted to 4,204 thousand euros (3,036 thousand euros in 2014).
The compensation payable to senior managers and eligible employees (key management) is consistent with standard market terms for compensation offered to employees with a similar status.

29. Significant events occurring after December 31, 2015 and business outlook

On March 29, 2016 DiaSorin S.p.A. and Quest Diagnostics announced they have entered into a purchase agreement under which DiaSorin will buy Quest's Focus Diagnostics, Inc. immunodiagnostic and molecular diagnostic products business ("Focus").

Under the terms of the purchase agreement, DiaSorin will pay to Quest Diagnostics $300 million in cash for all the tangible and intangible assets of Focus used by the Company to develop, manufacture and distribute its molecular diagnostic products and its traditional immunoassay ELISA products, including among other the relevant intellectual property, contracts and customer list.

Today, Focus' product lines include the Simplexa™ molecular product line, HerpeSelect® HSV serology, and the line of DxSelect™ IFA and ELISA assays. DiaSorin expects to continue to manufacture Focus products from the company's base facility in Cypress, California, USA with the approximately 180 Focus employees currently employed in manufacturing, research and development, sales and marketing, and administration.

The acquisition will be carried out by DiaSorin also through a newly created U.S. affiliate and it is expected to be completed in the second quarter 2016, subject to customary closing conditions

In the fiscal year ended December 31, 2015 the Focus products business had revenues in the range of $80 million, of which approximately 80% were from sales to customers based in the US, with a double-digit growth year on year. EBITDA margin was estimated in the range of 30 percentage points.

The cash transaction will be funded through available cash and partly though a credit line granted by a major banking institution.

In view of the Group's operating performance after December 31, 2015 and taking into account possible evolutions of the global macroeconomic scenario and the diagnostic sector in particular, management believes that in 2016 DiaSorin will succeed in reporting:

- Revenues: growth between 5% and 6% at CER compared with 2015.
- EBITDA: growth between 6% and 7% at CER compared with 2015.

The management's estimation does not take into account the acquisition of the Focus business. Once the purchase agreement has been concluded, the impact of Focus on the income statement will be communicated during the presentation of the new Industrial Plan.

30. Non-recurring material extraordinary events and transactions

In 2015, non-recurring material, extraordinary events and transactions occurred.

31. Transactions resulting from atypical and/or unusual activities

Pursuant to Consob Communication No. DEM/6064296 of July 28, 2006, the Company discloses that in 2015 the Group did not execute atypical and/or unusual transactions, as defined in the abovementioned Communication, according to which atypical and/or unusual transactions are transactions that because of the significance/material amount, type of counterparties, subject of the transaction, method used to determine the transfer price and timing of occurrence (in proximity to the end of the reporting period) could give rise to doubts as to: the accuracy/completeness of financial statement disclosures, conflict of interest, safety of the corporate assets and protection of minority shareholders.

32. Translation of financial statements of foreign companies

The table below lists the main exchange rates used to translate into euros the 2015 financial statements of foreign companies:

Currency	**Average exchange rate for the year**		**Exchange rate at December 31,**	
	2015	**2014**	**12/31/2015**	**12/31/2014**
U.S. dollar	1.1095	1.3285	1.0887	1.2141
Brazilian real	3.7004	3.1211	4.3117	3.2207
British pound	0.7258	0.8061	0.7340	0.7789
Swedish kronor	9.3535	9.0985	9.1895	9.3930
Swiss Franc	1.0679	1.2146	1.0835	1.2024
Czech koruna	27.2792	27.5359	27.0230	27.7350
Canadian dollar	1.4186	1.4661	1.5116	1.4063
Mexican peso	17.6161	17.6550	18.9145	17.8679
Israeli shekel	4.3122	4.7449	4.2481	4.7200
Chinese yuan	6.9733	8.1857	7.0608	7.5358
Australian dollar	1.4777	1.4719	1.4897	1.4829
South African rand	14.1723	14.4037	16.9530	14.0353
Norwegian kroner	8.9496	8.3544	9.6030	9.0420
Polish zloty	4.1841	4.1843	4.2639	4.2732

Annex I: List of equity investments with the supplemental disclosures required by CONSOB Communication no. DEM/6064293

	Head office location	Currency	Share Capital (*)	Net profit/loss for the year (*)	Shareholders' equity in latest approved financial statements (*)	Per value per share or partner-ship interest	% interest held directly	No. of shares or partnership interest held
Equity investments consolidated line by line								
DiaSorin S.A/N.V.	Bruxelles (Belgium)	**EUR**	1,674,000	2,925,065	4,696,601	6,696	99.99%	249
DiaSorin Ltda	Sao Paolo (Brazil)	**BRL**	65,547,409	(31,079,734)	17,322,128	1	99.99%	65,547,408
DiaSorin S.A.	Antony (France)	**EUR**	960,000	660,884	9,645,580	15	99.99%	62,492
DiaSorin Iberia S.A.	Madrid (Spain)	**EUR**	1,453,687	121,905	2,055,973	6	99.99%	241,877
DiaSorin Ltd	Oldbury (UK)	**GBP**	500	217,693	774,059	1	100.00%	500
DiaSorin Inc.	Stillwater (USA)	**USD**	1	56,117,700	222,460,600	0,01	100.00%	100
DiaSorin Canada Inc	Mississauga (Canada)	**CAD**	200,000	102,700	812,600	N/A	-	100 Class A common shares
DiaSorin Mexico S.A de C.V.	Mexico City (Mexico)	**MXP**	63,768,473	8,178,920	43,911,061	1	99.99%	49,999
DiaSorin Deutschland GmbH	Dietzenbach (Germany)	**EUR**	275,000	3,140,083	8,062,437	275,000	100.00%	1
DiaSorin AB	Solna (Sweden)	**SEK**	5,000,000	764,413	15,059,781	100	100.00%	50,000
DiaSorin Ltd	Rosh Haayin (Israel)	**ILS**	100	3,115,000	22,641,000	1	100.00%	100
DiaSorin Austria GmbH	Wien (Austria)	**EUR**	35,000	495,574	1,869,160	35,000	100.00%	1
DiaSorin Czech s.r.o.	Prague (Czech Republic)	**CZK**	200,000	3,033,000	42,720,000	200,000	100.00%	1
DiaSorin Diagnostics Ireland Limited	Dublin (Ireland)	**EUR**	3,923	(42)	4,515,565	0,01	100.00%	392,282
DiaSorin Ireland Limited	Dublin (Ireland)	**EUR**	163,202	2,939,772	34,257,581	1,20	-	136,002
DiaSorin I.N.UK Limited	Dublin (Ireland)	**EUR**	7,826,072	1,564,473	13,863,805	0,01	-	782,607,110
DiaSorin South Africa (PTY) Ltd	Johannesburg (South Africa)	**ZAR**	101	36,628,017	123,495,084	1	100.00%	101
DiaSorin Australia (Pty) Ltd	Sydney (Australia)	**AUD**	3,300,000	120,556	2,591,076	33,000	100.00%	100
DiaSorin Ltd	Shanghai (China)	**RMB**	1,211,417	27,672,516	35,488,386	1	80.00%	96,000
DiaSorin Switzerland AG	Risch (Switzerland)	**CHF**	100,000	404,608	589,247	100	100.00%	1,000
DiaSorin Poland sp. z o.o.	Warsaw (Poland)	**PLN**	500,000	(767,009)	11,237,991	50	100.00%	100

Company	Head office location	Currency	Share Capital (*)	Net profit/loss for the year (*)	Shareholders' equity in latest approved financial statements (*)	Per value per share or partner-ship interest	% interest held directly	No. of shares or partnership interest held
Equity investment valued using the equity method								
DiaSorin Trivitron Healthcare Private Limited	Chennai (India)	**INR**	212,295,610	(62,513,723)	69,979,784	10	-	10,827,076
Equity investment valued at cost								
DiaSorin Deutschland Unterstuetzungskasse GmbH	Dietzenbach (Germany)	**EUR**	25,565	476,403	3,873,258	1	-	1
Consorzio Sobedia	Saluggia (Italy)	**EUR**	5,000	(817)	4,183	N/A	20,00%	1

(*) Amounts stated in the local currency

Annex II: Disclosure required pursuant to Article 149-duodecies of the Consob Issuers' Regulations

(in thousands of euros)	**Party providing the service**	**Client**	**Fee attributable to 2015**
Independent Auditing	Deloitte & Touche S.p.A.	DiaSorin S.p.A. – Group's Parent Company	121
	Deloitte network	DiaSorin S.p.A. – Group's Parent Company	30
	Deloitte network	Subsidiaries	532
Certification services	Deloitte & Touche S.p.A.	DiaSorin S.p.A. – Group's Parent Company	4
Other services	Deloitte network	Subsidiaries	25
Total			**712**

Certification of the consolidated financial statements
Pursuant to Article 81-ter of Consob Regulation no. 11971 of May 14, 1999, as amended

1. We, the undersigned, Carlo Rosa, in my capacity as Chief Executive Officer, and Luigi De Angelis, in my capacity as Corporate Accounting Documents Officer, of the issuer DiaSorin S.p.A.,

attest that,

insofar as the provisions of Article 154-*bis*, Sections 3 and 4, of Legislative Decree No. 58 of February 24, 1998 are concerned, the administrative and accounting procedures applied to prepare the 2015 consolidated financial statements are:

a) adequate in light of the Company's characteristics; and

b) were applied effectively.

2. Moreover, we attest that:

2.1 the consolidated financial statements at December 31, 2015:

a) were prepared in accordance with the applicable international accounting principles recognized by the European Union, pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and Council dated July 19, 2002;

b) are consistent with the data in the supporting documents and accounting records;

c) are suitable for the purpose of providing a truthful and fair representation of the balance sheet, operating performance and financial position of the issuer and of all of the companies included in the scope of consolidation;

2.2 the Report on Operations provides a reliable analysis of the Group's performance and result from operations and of the status of the issuer and of all of the companies included in the scope of consolidation, together with a description of the main risks and uncertainties to which they are exposed.

Saluggia, April 1, 2016

Signed:

Carlo Rosa	Luigi De Angelis
Chief Executive Officer	Corporate Accounting Documents Officer

STATUTORY FINANCIAL STATEMENTS OF DIASORIN S.P.A. AT DECEMBER 31, 2015 AND AT DECEMBER 31, 2014

INCOME STATEMENT

(in euros)	**2015**	**2014**
Net revenues	281,261,148	253,006,627
Cost of sales	(155,233,498)	(137,272,780)
Gross Profit	**126,027,650**	**115,733,847**
Sales and marketing expenses	(28,655,694)	(26,842,521)
Research and development costs	(13,295,345)	(12,854,575)
General and administrative expenses	(26,760,267)	(24,722,515)
Other operating income /(expenses)	(1,043,679)	1,480,383
Non-recurring amount	*(944,961)*	*(1,129,984)*
Operating result (EBIT)	**56,272,665**	**52,794,619**
Net financial income /(expense)	6,088,982	21,485,895
Result before taxes	**62,361,647**	**74,280,514**
Income taxes	(16,357,940)	(17,658,061)
Net Result	**46,003,707**	**56,622,453**

Pursuant to Consob Resolution No. 15519 of July 27, 2006, the impact of related-party transactions on the income statement of DiaSorin S.p.A. is shown in a separate income statement schedule provided later in this Report.

COMPREHENSIVE INCOME STATEMENT

(in thousands of euros)	**2015**	**2014**
Net result (A)	**46,004**	**56,622**
Other comprehensive gains/(losses) that will not be reclassified subsequently to gain/(loss) of the year:		
Gains/(losses) on remeasurement of defined benefit plans	136	(313)
Total other comprehensive gains/(losses) that will not be reclassified subsequently to gain/(loss) of the year (B1)	**136**	**(313)**
Other comprehensive gains/(losses) that will be reclassified subsequently to gain/(loss) of the year:		
Gains/(losses) from translation of financial statements of foreign branches	430	412
Total other comprehensive gains/(losses) that will be reclassified subsequently to gain/(loss) of the year (B2)	**430**	**412**
TOTAL OTHER COMPREHENSIVE GAINS/(LOSSES), NET OF TAX EFFECT (B1)+(B2)=(B)	**566**	**99**
TOTAL COMPREHENSIVE GAINS/(LOSSES) (A)+(B)	**46,570**	**56,721**

STATEMENT OF FINANCIAL POSITION

(in euros)	**12/31/2015**	**12/31/2014**
ASSETS		
Non-current assets		
Property, plant and equipment	30,026,869	30,026,669
Goodwill	31,851,695	31,851,695
Other intangibles	28,143,735	28,450,602
Equity investments	100,245,972	94,231,548
Deferred-tax assets	4,835,888	6,199,196
Other non-current assets	7,735,058	14,362,057
Total non-current assets	*202,839,217*	*205,121,767*
Current assets		
Inventories	71,005,221	69,720,464
Trade receivables	43,843,069	46,611,864
Trade receivables from Group companies	33,200,542	37,759,482
Financial receivables from Group companies	6,370,981	12,075,801
Other current assets	5,163,084	4,086,213
Other current financial assets	30,000,000	-
Cash and cash equivalents	82,698,733	68,032,665
Total current assets	*272,281,630*	*238,286,489*
TOTAL ASSETS	**475,120,847**	**443,408,256**

Pursuant to Consob Resolution No. 15519 of July 27, 2006, the impact of related-party transactions on the statement of financial position of DiaSorin S.p.A. is shown in a separate statement of financial position schedule provided later in this Report.

STATEMENT OF FINANCIAL POSITION *(continued))*

(in euros)	**12/31/2015**	**12/31/2014**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Shareholders' equity		
Share capital	55,948,257	55,948,257
Treasury shares	(25,458,577)	(44,044,853)
Additional paid-in capital	18,155,103	18,155,103
Statutory reserve	11,189,651	11,189,651
Other reserves and retained earnings	284,604,193	259,780,193
Net profit for the year	46,003,707	56,622,453
Total shareholders' equity	**390,442,334**	**357,650,804**
Non-current liabilities		
Long-term borrowings	-	209,339
Provisions for employee severance indemnities and other employee benefits	5,660,258	6,144,082
Other non-current liabilities	2,226,928	2,017,869
Total non-current liabilities	*7,887,186*	*8,371,290*
Current liabilities		
Trade payables	27,299,218	29,754,881
Trade payables due to Group companies	9,801,047	10,024,570
Current portion of long-term debt	212,574	209,339
Payables due to Group companies	23,461,589	17,797,918
Other current liabilities	14,983,615	13,881,860
Other financial liabilities	143,942	258,996
Income taxes payable	889,342	5,458,598
Total current liabilities	*76,791,327*	*77,386,162*
Total liabilities	**84,678,513**	**85,757,452**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**475,120,847**	**443,408,256**

Pursuant to Consob Resolution No, 15519 of July 27, 2006, the impact of related-party transactions on the statement of financial position of DiaSorin S.p.A. is shown in a separate statement of financial position schedule provided later in this Report,

STATEMENT OF CASH FLOWS

(in thousands of euros)	**2015**	**2014**
Cash flow from operating activities		
Net profit for the year	46,004	56,622
Adjustments for:		
- Income taxes	16,358	17,658
- Depreciation and amortization	12,342	11,598
- Financial expense (income)	(6,089)	(21,486)
- Additions to/Utilizations of provisions for risks	(487)	244
- (Gains)/Losses on sales of non-current assets	(33)	(70)
- Additions to/(Reversals of) provisions for employee severance indemnities and other employee benefits	70	186
- Changes in shareholders' equity reserves:		
- Stock options reserve	1,209	672
- Currency translation reserve on operating activities	2	23
- Change in other non-current assets/liabilities	(375)	(635)
Cash flow from operating activities before changes in working capital	**69,001**	**64,812**
(Increase)/Decrease in trade receivables	2,235	(823)
(Increase)/Decrease in inventories	(718)	(13,699)
Increase/(Decrease) in trade payables	(2,815)	5,354
(Increase)/Decrease in other current items	(2,027)	663
Cash from operating activities	**65,676**	**56,307**
Income taxes paid	(17,183)	(16,730)
(Paid)/ collected interests	(154)	(26)
Net cash from operating activities	**48,339**	**39,551**
Investments in intangibles	(3,233)	(1,161)
Investments in property, plant and equipment	(9,243)	(11,176)
Equity investments	(2,854)	-
Proceeds from divestments of non-current assets	710	526
Cash used in ordinary investing activities	**(14,620)**	**(11,811)**
(Repayment of)/Proceeds from loans and other financial liabilities	(376)	(4,051)
(Opening)/Repayments of term deposit	(30,000)	-
Increase/(Decrease) of financial positions with Group companies	15,021	10,305
(Purchase)/Sale of treasury shares	17,949	626
Dividends paid	(32,936)	(29,919)
Dividends received from Group companies	12,217	29,718
Foreign exchange translation differences	(928)	(49)
Cash from financing activities	**(19,053)**	**6,630**
Net change in cash and cash equivalents	**14,666**	**34,370**
CASH AND CASH EQUIVALENTS OPENING BALANCE	**68,033**	**33,663**
CASH AND CASH EQUIVALENTS CLOSING BALANCE	**82,699**	**68,033**

Pursuant to Consob Resolution No, 15519 of July 27, 2006, the impact of related-party transactions on the statement of cash flows of DiaSorin S.p.A. is shown in a separate statement of statement of cash flows schedule provided later in this Report.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(in thousands of euros)	**Share capital**	**Treasury shares**	**Additional paid-in capital**	**Statutory reserve**	**Stock option reserve**	**Reserve for treasury shares**	**Currency translation reserve**	**Other reserves and retained earnings**	**Net profit (loss) for the year**	**Total shareholders' equity**
Shareholders' equity at 12/31/2013	**55,948**	**(44,882)**	**18,155**	**11,181**	**4,222**	**44,882**	**(67)**	**158,275**	**81,836**	**329,550**
Appropriation of previous year's profit	-	-	-	9	-	-	-	81,827	(81,836)	-
Dividend distribution	-	-	-	-	-	-	-	(29,919)	-	**(29,919)**
Stock options and other changes	-	-	-	-	559	-	-	113	-	**672**
Translation adjustment financial statements foreign branch	-	-	-	-	-	-	412	-	-	**412**
Gains/Losses on remeasurement of defined benefit plans, net of tax	-	-	-	-	-	-	-	(313)	-	**(313)**
Sale of treasury shares	-	837	-	-	-	(837)	-	626	-	**626**
Net profit for the year	-	-	-	-	-	-	-	-	**56,622**	**56,622**
Shareholders' equity at 12/31/2014	**55,948**	**(44,045)**	**18,155**	**11,190**	**4,781**	**44,045**	**345**	**210,609**	**56,622**	**357,650**
Appropriation of previous year's profit	-	-	-	-	-	-	-	56,622	(56,622)	-
Dividend distribution	-	-	-	-	-	-	-	(32,936)	-	**(32,936)**
Stock options and other changes	-	-	-	-	(3,008)	-	-	4,217	-	**1,209**
Translation adjustment financial statements foreign branch	-	-	-	-	-	-	430	-	-	**430**
Gains/Losses on remeasurement of defined benefit plans, net of tax	-	-	-	-	-	-	-	136	-	**136**
Sale of treasury shares	-	18,586	-	-	-	(18,586)	-	17,949	-	**17,949**
Net profit for the year	-	-	-	-	-	-	-	-	**46,004**	**46,004**
Shareholders' equity at 12/31/2015	**55,948**	**(25,459)**	**18,155**	**11,190**	**1,773**	**25,459**	**775**	**256,597**	**46,004**	**390,442**

INCOME STATEMENT
pursuant to Consob Resolution No. 15519 of July 27, 2006

(in thousands of euros)	**Notes**	**2015**	***amount with related parties***	**2014**	***amount with related parties***
Net Revenues	(1)	281,261	154,546	253,007	132,413
Cost of sales	(2)	(155,233)	(42,360)	(137,273)	(34,747)
Gross profit		**126,028**		**115,734**	
Sales and marketing expenses	(3)	(28,655)	(2,414)	(26,842)	(2,057)
Research and development costs	(4)	(13,295)	78	(12,855)	49
General and administrative expenses	(5)	(26,761)	(4,322)	(24,723)	(3,471)
Other operating income (expense)	(6)	(1,044)	1,943	1,480	1,970
Non-recurring amount		*(945)*		*(1,130)*	
Operating result (EBIT)		**56,273**		**52,794**	
Net financial income (expense)	(7)	6,089	6,852	21,486	22,033
Result before taxes		**62,362**		**74,280**	
Income taxes	(8)	(16,358)		(17,658)	
Net Result		**46,004**		**56,622**	
Basic earnings per share	(9)	**0.84**		**1.04**	
Diluted earnings per share	(9)	**0.84**		**1.04**	

STATEMENT OF FINANCIAL POSITION
pursuant to Consob Resolution No. 15519 of July 27, 2006

(in thousands of euros)	**Notes**	**12/31/2015**	***amount with related parties***	**12/31/2014**	***amount with related parties***
ASSETS					
Non-current assets					
Property, plant and equipment	(10)	30,027		30,027	
Goodwill	(11)	31,851		31,851	
Other intangibles	(11)	28,144		28,452	
Equity investments	(12)	100,246		94,232	
Deferred-tax assets	(13)	4,836		6,199	
Other non-current assets	(16)	7,735	7,689	14,362	14,315
Total non-current assets		*202,839*		*205,123*	
Current assets					
Inventories	(14)	71,005		69,720	
Trade receivables	(15)	77,044	33,201	84,371	37,759
Financial receivables	(16)	6,371	6,371	12,076	12,076
Other current assets	(17)	5,163		4,085	
Other current financial assets	(20)	30,000		-	
Cash and cash equivalents	(18)	82,699		68,033	
Total current assets		*272,282*		*238,285*	
TOTAL ASSETS		**475,121**		**443,408**	

STATEMENT OF FINANCIAL POSITION *(continued)*
pursuant to Consob Resolution No, 15519 of July 27, 2006

(in thousands of euros)	**Notes**	**12/31/2015**	***amount with related parties***	**12/31/2014**	***amount with related parties***
LIABILITIES AND SHAREHOLDERS' EQUITY					
Shareholders' equity					
Share capital	(19)	55,948		55,948	
Treasury shares	(19)	(25,459)		(44,045)	
Additional paid-in capital	(19)	18,155		18,155	
Statutory reserve	(19)	11,190		11,190	
Other reserves and retained earnings	(19)	284,604		259,780	
Net profit for the year		46,004		56,622	
Total shareholders' equity		**390,442**		**357,650**	
Non-current liabilities					
Long-term borrowings	(20)	-		209	
Provisions for employee severance indemnities and other employee benefits	(21)	5,660		6,144	
Other non-current liabilities	(22)	2,227		2,018	
Total non-current liabilities		*7,887*		*8,371*	
Current liabilities					
Trade payables	(23)	37,100	9,801	39,780	10,025
Current financial liabilities	(20)	23,675	23,462	18,007	17,798
Other current liabilities	(24)	14,984	124	13,882	124
Other financial liabilities	(20)	144		259	
Income taxes payable	(25)	889		5,459	
Total current liabilities		*76,792*		*77,387*	
Total liabilities		**84,679**		**85,758**	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**475,121**		**443,408**	

STATEMENT OF CASH FLOWS
pursuant to Consob Resolution No. 15519 of July 27, 2006

(in thousands of euros)	**2015**	***amount with related parties***	**2014**	***amount with related parties***
Cash flow from operating activities				
Net profit for the year	46,004		56,622	
Adjustments for:				
- Income taxes	16,358		17,658	
- Depreciation and amortization	12,342		11,598	
- Financial expense (income)	(6,089)		(21,486)	
- Additions to/Utilizations of provisions for risks	(487)		244	
- (Gains)/Losses on sales of non-current assets	(33)		(70)	
- Additions to/(Reversals of) provisions for employee severance indemnities and other employee benefits	70		186	
- Changes in shareholders' equity reserves:				
- Stock options reserve	1,209		672	
- Currency translation reserve on operating activities	2		23	
- Change in other non-current assets/liabilities	(375)		(635)	
Cash flow from operating activities before changes in working capital	**69,001**		**64,812**	
(Increase)/Decrease in trade receivables	2,235	4,558	(823)	1,924
(Increase)/Decrease in inventories	(718)		(13,699)	
Increase/(Decrease) in trade payables	(2,815)	(224)	5,354	(140)
(Increase)/Decrease in other current items	(2,027)		663	(302)
Cash from operating activities	**65,676**		**56,307**	
Income taxes paid	(17,183)		(16,730)	
Paid/ collected interests	(154)		(26)	
Net cash from operating activities	**48,339**		**39,551**	
Investments in intangibles	(3,233)		(1,161)	
Investments in property, plant and equipment	(9,243)		(11,176)	
Equity investments	(2,854)		-	
Proceeds from divestments of non-current assets	710		526	
Cash used in ordinary investing activities	**(14,620)**		**(11,811)**	
(Repayment of)/Proceeds from loans and other financial liabilities	(376)		(4,051)	
(Opening)/ Repayment of term deposit	(30,000)		-	
Increase/(Decrease) of financial positions with Group companies	15,021	15,021	10,305	10,305
(Purchase)/Sale of treasury shares	17,949		626	
Dividends paid	(32,936)		(29,919)	
Dividends received from Group companies	12,217	12,217	29,718	29,718
Foreign exchange translation differences	(928)		(49)	
Cash from financing activities	**(19,053)**		**6,630**	
Net change in cash and cash equivalents	**14,666**		**34,370**	
CASH AND CASH EQUIVALENTS OPENING BALANCE	**68,033**		**33,663**	
CASH AND CASH EQUIVALENTS CLOSING BALANCE	**82,699**		**68,033**	

NOTES TO THE FINANCIAL STATEMENTS OF DIASORIN S.P.A. AT DECEMBER 31, 2015 AND DECEMBER 31, 2014

GENERAL INFORMATION

Background information

The DiaSorin Group is specialized in the development, manufacture and distribution of products in the immunodiagnostics and molecular diagnostics. DiaSorin S.p.A., the Group's Parent Company, has its headquarters in Via Crescentino (no building No.), Saluggia (VC).

The Company owns controlling interests in other companies, which it carried at cost in its financial statements and, consequently, also prepared consolidated financial statements, which provide exhaustive additional information about the balance sheet, financial position and income statement of the Company and the Group.

The income statement and the statement of financial position are presented in euros, while the statement of cash flows, the statements of changes in shareholders' equity and the breakdown of total profit (loss) are presented in thousands of euros. The amounts that appear in the notes to the financial statements are also in thousands of euros.

Principles for the preparation of the statutory financial statements

The 2015 statutory financial statements were prepared in accordance with the International Financial Reporting Standards ("IFRSs"), as issued by the International Accounting Standards Board ("IASB") and adopted by the European Union, and are consistent with the regulations enacted to implement Article 9 of Legislative Decree No. 38/2005.

The financial statements and the accompanying notes include the additional information that accounting schedules and other financial statement disclosures are required to provide pursuant to Consob Resolution No. 15519 of July 27, 2006 and the Consob Communication of July 28, 2006.

The designation IFRSs also includes the International Accounting Standards ("IAS") that are still in effect and all of the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The financial statements were prepared in accordance with the historical cost and going concern principles.

The preparation of financial statements in accordance with the IFRSs requires the use of estimates for some material amounts. In addition, the Company's management is required to make judgments and assumptions as to how the Company's accounting policies should be applied in certain areas. The areas of the financial statements that require the greatest attention or are especially complex and, consequently, involve the most significant estimated amounts are discussed in a separate Note later in this Report.

The financial statements of the Branch were consolidated by the line-by-line consolidation method.
Under this method, assets, liabilities, expenses and revenues are consolidated using their full amount, irrespective of the percentage interest held, and the minority interest in shareholders' equity and net profit is shown in separate line items of the consolidated financial statements.

Financial statement presentation format

The financial statements are presented in accordance with the following formats:

- In the income statement, costs are broken down by function. This income statement format, also known as a “cost of sales” income statement, is more representative of the Group’s business than a presentation with expenses broken down by nature because it is consistent with internal reporting and business management methods and is consistent with international practice in the diagnostic sector;
- In the statement of financial position, current and non-current assets and current and non-current liabilities are shown separately;
- The cash flow statement is presented in accordance with the indirect method.

In the income statement, expense and income amounts generated by extraordinary transactions that are not part of standard operations are shown separately in order to permit a better assessment of the Company’s operating performance.

VALUATION CRITERIA AND ACCOUNTING PRINCIPLES

Property, plant and equipment

The primary components of property, plant and equipment include:
a) Land;
b) Industrial buildings;
c) General purpose and specialized facilities;
d) Machinery;
e) Manufacturing and distribution equipment;
f) Other assets

These assets are recognized at their acquisition or subscription cost, plus directly attributable incidental expenses. Items of property, plant and equipment are valued at cost. Their cost is reduced by depreciation (with the exception of land, which is not depreciated) and write-downs for impairment. Depreciation is computed on a straight-line basis at rates that reflect an asset’s decrease in value and wear and tear. Depreciation is computed from the moment an asset is available for use.

Significant components of property, plant and equipment that have different useful lives are recognized separately and each one is depreciated in accordance with its own useful life.
The useful lives and residual values of these assets are reviewed each year upon the closing of the annual financial statements.

The depreciation rates used are as follows:

Industrial buildings	5.5%
General purpose and specialized facilities	10-12%
Machinery	12%
Manufacturing and distribution equipment	40%
Equipment held by customers	25%
Reconditioned equipment held by customers	33%

Costs incurred for regular maintenance and repairs are charged directly to income the year they are incurred. Costs incurred to recondition equipment are capitalized only to the extent that the reconditioned equipment meets the requirements to be recognized separately as an asset or an asset component in accordance with the component approach. Reconditioning costs and any non-depreciated residual values are depreciated over the asset's residual life, which is estimated at three years.

Leasehold improvements that meet the requirements of IAS 16 "Property, Plant and Equipment" are classified as property, plant and equipment and depreciated over the asset's residual life or the remaining length of the lease, whichever is shorter.

If, irrespective of the amount of depreciation already taken, the recoverable value of an asset, computed in accordance with the method provided in IAS 36, is lower than its carrying value, the latter is written down to the assets' recoverable value and the resulting impairment loss is recognized. If in subsequent years the reasons for the original write-down cease to apply, the asset is restored to its original value (net of any depreciation that would have been taken had the asset not been written down) or its recoverable value, whichever is lower.

Gains and losses on the disposal or retirement of assets, which are computed as the difference between the sales proceeds and the asset's net carrying value, are recognized in the income statement for the year.

Intangible assets

Intangible assets are recognized in the statement of financial position only if they are identifiable, controllable, there is an expectation that it will produce future economic benefits and its cost can be measured reliably.
Intangible assets with a finite useful life are valued at their acquisition or production cost, net of accumulated amortization and impairment losses. Amortization is computed on the basis of an asset's estimated useful life and begins when an asset is available for use. Useful lives are reviewed annually and the impact of any changes is reflected prospectively.
Intangible assets with an indefinite useful life are not amortized. They are tested for impairment annually or more frequently, if necessary, even when there are no indications that the value of the assets has been impaired. These tests are carried out for each cash generating unit to which intangible assets have been allocated.

Intangible assets with an indefinite useful life

Goodwill

Goodwill generated through the acquisition of a subsidiary or another business combination is the portion of the purchase price paid in excess of the Company's interest in the fair value on the date of acquisition of the acquired assets, liabilities and identifiable contingent liabilities. Goodwill is recognized as an intangible asset with an indefinite useful life and is not amortized. However, its carrying amount is tested once a year (or more often if necessary) for impairment, even when there are no indications that its value has been impaired, and to test the indefinite life assumption. Impairment losses are immediately recognized in profit or loss and may not be reversed subsequently. After initial recognition, goodwill is valued at cost, less any accumulated impairment losses. When a subsidiary is sold, the net carrying amount of the goodwill allocated to that subsidiary is included in the computation of the gain or loss generated by the sale.

For impairment test purposes, goodwill is allocated to the cash generating units (CGUs) or groups of CGUs that are expected to benefit from the synergies resulting from such aggregation.

The carrying value of goodwill generated by acquisitions completed before January 1, 2005 (date of transition to the IFRS) is maintained at the amount determined in accordance with Italian accounting principles, subject to impairment testing at that date, as allowed under the exemption provided by IFRS 1.

<u>Intangible assets with a defined life</u>

Development costs

Costs incurred internally to develop new products or systems constitute an intangible asset and may be recognized as such only if all the following requirements can be satisfied:

- It is a technically feasible to complete an asset so that it will be available for use or sale and the Group intends to do so.
- The Company is able to sell, exchange or distribute the future economic benefits attributable to an asset without having to relinquish future economic benefits generated by other assets used by the same cash generating unit.
- There is evidence that the costs incurred will generate probable future benefits. Such evidence can consist of the existence of a market for the output of the asset or of the usefulness of the asset, if used internally.
- The Company has access to adequate technical and financial resources to complete the development of the asset and to sell or use internally its output.
- The expenditures attributable to the asset during its development can be measured reliably.

Capitalized development costs include only the expenditures that can be attributed directly to the development process.

In the first year, amortization is computed based on the length of time during which the asset is effectively in use. The useful life of development costs is estimated at 10 years, in accordance with the maximum length of time during which management believes that the asset will generate economic benefits for the Company. The estimated useful life of capitalized development costs incurred to develop the LIAISON XL system is also 10 years.

Research and development costs that do not satisfy the requirements listed above are charged to income immediately and may not be capitalized in subsequent years.

Other intangibles

Other intangibles are recognized in the statement of financial position only it is probable that their use will generate future economic benefits and if their cost can be measured reliably. If these conditions are met, these intangible assets are recognized at cost, which is their purchase price plus incidental expenses.

The gross carrying amount of intangible assets with a finite useful life is amortized on a straight line basis based on the assets' estimated useful lives. Amortization begins when an asset is put into use. In the first year, amortization is computed based on the length of time during which the asset is effectively in use. The Company uses the following amortization rates:

Asset type	Amortization rate
Concessions, licenses, trademarks and similar rights	6.67% - 10% or length of contract
Trademarks	5% - 20%
Industrial patents and intellectual property rights	Length of contract

Absent an explicit duration of the reference contracts, the amortization period for distribution rights ranges between 10 and 15 years, based on management's best estimate, and is tied to the LIAISON technology and related products. The duration of the amortization period, which is based on internal analyses and valuations, development plans and the return flows from their use, is deemed to be consistent with expectations concerning the duration and development of the Group's activities and products and with the likelihood that the positions achieved in the diagnostics market will be retained.

Impairment of assets

The Company tests its property, plant and equipment and its intangible assets once a year to determine whether the value of these assets has been impaired. If evidence of impairment is detected, the recoverable value of the affected assets is determined. Intangibles with an indefinite useful life, intangibles that are not yet ready for use and goodwill generated through a business combination are tested for impairment at least once a year, even when there are no indications that the value of the assets has been impaired, or more often if there is an indication that their value may have been impaired, as required.

An asset's recoverable amount is the higher of its fair value, less cost to sell, and its value in use, computed as the present value of the future cash flows expected to be derived from an asset or cash-generating unit. Expected future cash flows reflect assumptions that are consistent with the criteria applied to determine the discount rate. Cash flow projections are based on Company plans and on reasonable and documented assumptions about the Company's future results and macroeconomic conditions.

The discount rate used must reflect the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

When the recoverable amount of an individual asset cannot be estimated, the Company estimates the recoverable amount of the CGU to which the asset belongs.

Whenever the recoverable amount of an asset or a CGU is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the reduction is recognized as an impairment loss. Subsequently, if an impairment loss for an asset other than goodwill ceases to exist or is reduced, the carrying amount of the asset (or CGU) is increased to the new estimated recoverable amount (but not more than the asset's net carrying amount had no impairment loss been recognized). This reversal is recognized immediately in earnings. Impairment losses recognized on goodwill or intangibles with indefinite useful life are not recoverable under any circumstances.

Equity investments in subsidiaries

As required by IFRS 5, equity investments in subsidiaries, joint ventures and affiliated companies that are not classified as held-for-sale assets (or included in discontinuing operations classified as held-for-sale assets) are recognized in accordance with the historical cost method. Specifically, the Company recognizes income on equity investments only if it receives from the investee company dividends generated subsequent to acquisition and only for the amount of the dividends. Dividends received in excess of the earnings generated subsequent to acquisition are treated as proceeds from the sale of equity investments and are deducted from the cost of the equity investment.

Whenever financial statements are prepared, the Company determines whether there are indications that the value of these investments may have been impaired. If such indications exist, an impairment test is carried out to determine if the carrying amount of the investments corresponds to their fair value. Any impairment loss is recognized only to the extent that the recoverable value is lower than the carrying amount of the asset. If, subsequent to the recognition of the impairment loss, there are indications that the loss no longer exists or has decreased, the value of the investment is reinstated to reflect the loss reduction.
Once the carrying amount of an equity investment has been written off, any additional losses suffered by the investee company are recognized as a liability if the Parent Company has a legal or implied obligation to cover such additional losses of the investee company.

The book value of equity investments is increased to take into account stock options awarded to subsidiaries employees and, in accordance with IFRS 2, it is treated as a capital contribution to the subsidiaries in question.

Inventories

Inventories, which consist mainly of raw materials, work-in-progress and finished products, are carried at the lower of cost and net realizable value, determined in accordance with market conditions. Costs include the price paid to suppliers plus the incidental expenses incurred to bring the purchased goods to the warehouse door, net of discounts and rebates. Production costs include the costs directly attributable to individual goods or classes of goods, plus a reasonable allocation of the overall outlays incurred for the activities carried out to produce the goods in question (fixed production overhead). The allocation of fixed production overhead is based on the normal capacity of the production facilities. Cost is determined by the FIFO method.
The carrying amount of inventories, determined in the manner described above, is reduced by a provision that reflects the impact of obsolete and slow-moving inventory items.

Receivables and payables

Receivables are recognized at their face value, adjusted to their estimated realizable value by means of an allowance for doubtful accounts. This allowance incorporates both the risks related to specific receivables and the overall risk of non-payment inherent in receivables in general, estimated conservatively based on past experience and the known financial condition of the debtors in general.

Trade payables and other payables are carried at their face value, which is deemed to be indicative of their redemption amount.
Receivables and payables denominated in foreign currencies are translated at the exchange rates in force on the date of the financial statements and any resulting gains or losses are recognized in earnings.

Cash and cash equivalents

They consist of cash and cash equivalents, short-term bank deposits, shares in liquidity funds and other money market securities converted into cash.

Factoring of receivables

The Company engages in the factoring of its receivables.
The receivables assigned through such transactions are removed from the statement of financial position if all of the risks and benefits inherent in the ownership of the receivables are transferred to the factor.

Shareholders' equity

Equity instruments issued by the Company are recognized for the amount of consideration received. Dividends distributed by the Company are recognized as a liability when the distribution resolution is approved. The purchase cost of treasury shares and the proceeds from their sale are recognized directly in equity, with no impact on the income statement.

Treasury shares
When the Company and its subsidiaries purchase Company shares, the consideration paid is deducted from the shareholders' equity attributable to the Company's shareholders, until the shares are retired or sold. No gain or loss is recognized in the income statement when treasury shares are bought, sold, issued or retired. When these shares are subsequently reissued, the consideration received, net of taxes, is added to the shareholders' equity attributable to the Company's shareholders.

Employee benefits

Pension plans
Defined-benefit pension plans, which include the severance benefits payable to employees pursuant to Article 2120 of the Italian Civil Code, are based on the length of the working lives of employees and the wages earned by employees over a predetermined period of service. The liability that represents the benefits owed to employees under defined-benefit plans is recognized at its actuarial value.
The recognition of defined-benefit plans requires the use of actuarial techniques to estimate the amount of the benefits accrued by employees in exchange for the work performed during the current year and in previous years. The resulting benefit must then be discounted to determine the present value of the Company's obligation. The determination of the present value of the Company's obligation is made by an independent actuary, using the projected unit credit method. This method treats each period of service provided by an employee to a company as an individual accrual unit. The actuarial liability must be quantified exclusively on the basis of the seniority achieved as of the date of valuation. Consequently, the total liability is prorated based on a ratio between the years of service accrued as of the valuation reference date and the total seniority that an employee is expected to have achieved when the benefit is paid. Moreover, this method requires taking into account future wage increases due for any reason (inflation, career moves, labor contract renewals, etc.) until the end of the employment relationship.
The cost of defined-benefit plans accrued during the year, which is reflected in the income statement as part of labor costs, is equal to the sum of the average present value of the accrued benefits of current employees for service provided during the year and their annual vested interest in the present value of the Company's obligations at the beginning of the year, computed by discounting future outlays by the same rate as that used to estimate the Company's liability at the end of the previous year. The annual discount rate used for these computations was the same as the year-end market rate for zero-coupon bonds with a maturity equal to the average residual duration of the liability. Actuarial gains and losses reflecting changes in the actuarial assumptions or experience adjustments are credited or charged to equity in the statement of comprehensive income for the period in which they arise. If the amount is recorded on the balance sheet as an asset, it is limited to the present value of economic benefits available in the form of refunds or reductions in future contributions to the plan.

Starting on January 1, 2007, the Italian Budget Law and the related implementation decrees introduced significant changes to the rules that govern the Provision for employee severance indemnities ("PESI"), which include the right of employees to decide the destination of future accrued PESI amounts. Specifically, new PESI flows may be directed to selected pension investments or retained at the employer company, which will then deposit its PESI contribution in a treasury account at the Italian social security administration (abbreviated as INPS in Italian).
In light of these changes, the PESI should now be viewed as a defined-benefit plan only insofar as the amounts vested before January 1, 2007 are concerned and as a defined-contribution plan after January 1, 2007. The accounting impact of implementing the new rules is described in Note 21.

Equity-based compensation plans

The Company grants to Group executives and middle managers' additional benefits through equity-based plans (stock options). In accordance with IFRS 2 "Share-based Payment," stock options awarded to employees are measured at their fair value on the grant date, in accordance with models that take into account factors and data (option exercise price, duration of the option, current price of the underlying shares, expected share price volatility, expected dividends and interest rate for zero-risk investments over the life of the option) applicable on the grant date.
If the option is exercised after a certain period or when certain performance requirements are met (vesting period), the total value of the option is prorated over the vesting period and recognized in earnings, with the offsetting entry posted to a specific shareholders' equity account called "Other reserves".
Because stock options are equity instruments, as defined by IFRS 2, the fair value of each option determined on the grant date is not adjusted. The estimate of the number of options that will reach maturity (and hence the number of employees who will be entitled to exercise their options) is adjusted. The result of any change in estimate is posted as an increase to or a reduction of the abovementioned shareholders' equity account, with the offsetting entry reflected in the income statement. At the end of the exercise period, the exercised options are reflected in the Company's share capital by adding an amount obtained by multiplying the number of shares issued by the par value of each share. The portion of "Other reserves" that is attributable to plan costs previously recognized in earnings and the amount obtained by multiplying the number of shares issued by the difference between the exercise price and the par value per share is posted to a shareholders' equity reserve.

Provisions for risks and charges

Provisions for risks and charges include amounts set aside to fund current obligations (statutory or implied) that arise from a past event, the performance of which will probably require the use of resources and the amount of which can be reasonably estimated. When the use of financial resources is expected to extend for a period of more than one year, the corresponding obligation should be recognized at its present value by discounting expected future cash flows at a rate that takes into account the cost of money and the risks inherent in the liability.

The provisions are updated on each financial statement date to reflect best current estimates. The impact of any changes in estimates is reflected in the income statement for the period during which the change occurred.

Risks that are merely reasonably possible of producing a liability are disclosed in the Notes to the financial statements, but no amount is recorded in the financial statements.

Income taxes

Income taxes include both current and deferred taxes.
Current taxes are computed on the basis of the estimated taxable income for the year in accordance with the tax laws in force.

Taxable income is different from reported income because it does not include positive and negative components that will be taxable or deductible in subsequent years and those items that will never be taxable or deductible. The liability for current taxes is computed using the tax rates in force on the date of the financial statements or the tax rate that will be in force when the asset is realized or the liability settled, if they are known.

Deferred-tax assets and liabilities are the taxes that the Company expects to pay or recover on temporary differences between the values attributed to assets and liabilities for reporting purposes and the corresponding tax-related values used to compute taxable income, computed in accordance with the balance sheet liability method. As a rule, deferred-tax liabilities are recognized for all taxable temporary differences, while deferred-tax assets are recognized only insofar as the Company deems it probable that, in the future, it will generate sufficient taxable income to use the deductible temporary differences. The tax benefit produced by carrying forward tax losses is recognized if and to the extent that it is probable that, in the future, the Company will have sufficient taxable income to offset these losses.

The carrying value of deferred-tax assets is updated on each financial statement date and reduced when the existence of future taxable income sufficient to recover all or part of these assets is no longer probable.

Deferred taxes are computed at the tax rate in force on the closing date of the financial statements or at the tax rate that will be in force when the asset is realized or the liability settled. Deferred taxes are charged directly to income, except for those attributable to items recognized directly in equity, in which case the corresponding deferred taxes are also recognized in equity.

Financial liabilities

Financial liabilities consist of loans payable, including advances for the factoring of receivables, and other financial liabilities as derivatives and liabilities that correspond to assets acquired under finance leases.
Initially, financial liabilities other than derivatives are recognized at their fair value less transaction costs. Subsequently, they are valued at their amortized costs, which is their initial amount, less any principal repayments, adjusted upward or downward to reflect the amortization (by the effective interest rate method) of any differences between the initial value and the value at maturity.

Financial Derivatives

Consistent with the provisions of IAS 39, derivatives qualify for hedge accounting only if they are formally designated as hedging instruments when the hedge is first established, the hedge is highly effective and the effectiveness can be measured reliably.
When financial instruments qualify for hedge accounting, the following accounting treatments are applied:

- Fair value hedges: if a derivative is designated as hedging the exposure to changes in fair value of a recognized asset or liability attributable to a specific risk that could have an impact on the income statement, the gains or losses derived from subsequent fair value measurements of the hedge are recognized in earnings. Gains or losses on the hedged item that are attributable to the hedged risk change the carrying amount of the hedged items and are also recognized in earnings.

- Cash flow hedges: if a derivative is designated as a hedging of the exposure to variability in the future cash flows attributed to a recognized asset or liability or to a highly probable future transaction that could have an impact on the income statement, the effective portion of the gain or loss stemming from changes in the fair value of the hedge is recognized in equity. Accumulated gains or losses are reclassified from shareholders' equity to the income statement in the same period in which the hedged transaction is recognized. Any gains or losses associated with a hedge that has become ineffective are immediately recognized in earnings. If a hedge or a hedging transaction is closed out but the hedged transaction has not yet been executed, all accumulated gains and losses, which until then were recognized in equity, are recognized in the income statement when the corresponding transaction is executed. If the occurrence of the hedged transaction is no longer viewed as probable, unrealized gains and losses suspended in equity are immediately transferred to the income statement.

When hedge accounting cannot be applied, all gains and losses generated by subsequent fair value measurements of derivatives are immediately recognized in earnings.

Revenue recognition

Sales Revenues
Sales revenues are recognized to the extent that economic benefits will flow to the Company and the amount of these benefits can be determined reliably. Revenues are recognized net of discounts, allowances and returns.
Revenues from the sale of goods are recognized when the Group has transferred to the buyer the risks and benefits inherent in the ownership of the goods, the sales price has been agreed upon or can be determined and collection of the price is expected.

Service revenues
Service revenues are generated by technical support contracts, when such support is billed separately. These revenues are recognized in the income statement based on the percentage of completion of each transaction and only when the outcome of the transaction can be estimated reliably.

Royalties
The Company collects royalties from third parties for the use of patents required to manufacture specific products. Royalties, which are generally based on the sales revenues generated by patent users, are recognized on an accrual basis.

Interest income
Interest income is recognized in the income statement at the effective yield rate. It is earned mainly on credit balances in bank accounts.

Dividends

Dividends received from investee companies are recognized in the income statement when the right to receive payment is established and only if they are derived from the distribution of earnings generated subsequent to the acquisition of the investee company.

Dividend distributions are recognized when the right of the Company's shareholders to receive payment is established, which generally occurs when the Shareholders' Meeting approves the dividend distribution resolution. The dividend distribution is recognized as a liability in the financial statements for the period during which the dividend distribution is approved by the Shareholders' Meeting.

Government grants

Government grants are recognized when there is a reasonable certainty that they will be collected. This occurs when the distributing public entity approves a formal resolution to that effect.
Grants received in connection with the purchase of property, plant and equipment or the capitalization of development costs are recognized among non-current liabilities and recognized in the income statement in equal instalments computed on the basis of the useful lives of the assets for which the grant was received.

Grants received as an interest subsidy upon the occurrence of specific events are recognized in the income statement at the present value of the benefit, when there is a formal commitment to grant the benefit by the distributing public entity. The corresponding liabilities are recognized at their fair value on the date the grant was received. Interest on this liability is recognized in the income statement in accordance with the amortized cost method.

Cost of sales

Cost of sales represents the cost incurred to produce or purchase the goods and merchandise sold by the Company. It includes all of the costs incurred to purchase and process materials and the overhead directly attributable to production.
Overhead includes depreciation of the property, plant and equipment and the amortization of the intangible assets used for production purposes, as well as inventory write-downs. Cost of sales also includes freight paid to deliver products to customers.

Research and development costs

This item includes research and development costs that cannot be capitalized and the amortization of capitalized development costs.

Interest expense

Interest expense is recognized in accordance with the accrual principles, based on the financed amount and the applicable effective interest rate.

Earnings per share

Basic earnings per share are computed by dividing the portion of the net profit or loss attributable to holders of common shares of the Group's Parent Company (the numerator) by the weighted average number of common shares outstanding during the year (the denominator).

Diluted earnings per share are computed by adjusting the portion of the net profit or loss attributable to holders of common shares of the Group's Parent Company (the numerator) and the weighted average number of common shares outstanding during the year (the denominator) to take into account all potential shares with a dilutive effect. A potential share is a financial instrument or other contract that can convey to its holder the right to receive common shares.

Material extraordinary events and transactions – Atypical and/or unusual transactions

Consistent with Consob Communication No. DEM/6064293 of July 28, 2006, the notes to the financial statements provide information about the impact of material extraordinary events and transactions and/or atypical and/or unusual transactions on the Company's balance sheet, financial position and operating performance.

Related parties

Consistent with Consob Communication No. DEM/6064293 of July 28, 2006, the notes to the financial statements provide information about the impact of related-party transactions on the Company's balance sheet, financial position and income statement.

NEW ACCOUNTING PRINCIPLES

On 20 May 2013, the IASB issued the IFRIC Interpretation 21 - *Levies*, an interpretation of IAS 37 - *Provisions, Contingent Liabilities and Contingent Assets*. IFRIC 21 addresses when an entity should recognize a liability to pay levies imposed by government, other than taxes that are within the scope of other standards (i.e. IAS 12 – *Income Taxes*). IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. The principle shall be applied retrospectively for the financial years starting at the latest from 17 June 2014 or later. The adoption of this interpretation does not have effects on the consolidated income statement of the Group.

On December 12, 2013 the IASB issued the Annual Improvements to IFRSs 2011–2013 Cycle. The most important topics addressed in these amendments are, among others, the exclusion from the scope of IFRS 3 – Business Combinations to all types of joint arrangements the extension (as required by IFRS 11- Joint arrangements) and to clarify the application of certain exceptions in IFRS 13 – Fair value Measurement. Amendments shall be applied at the latest from 1 January 2015 or later. The adoption of this interpretation does not have effects on the consolidated income statement of the Group.

Accounting principles and amendments not yet applicable and not adopted early by the Group

On November 21, 2013, the IASB issued narrow scope amendments to IAS 19 – Employee Benefits entitled "Defined Benefit Plans: Employee Contributions". The amendments are intended to simplify the accounting treatment for contributions to defined benefit plans from employees or third parties. Amendments shall be applied at the latest from 1 February 2015 or later.

On May 6, 2014 the IASB issued amendments to IFRS 11 – *Joint arrangements: Accounting for acquisitions of interests in joint operations*, clarifying the accounting for acquisitions of an interest in a joint operation that constitutes a business. The amendments are effective, retrospectively, for annual periods beginning on or after 1 January 2016 with earlier application permitted.

On May 12, 2014, the IASB issued an amendment to IAS 16 – *Property, Plant and Equipment* and to IAS 38 – *Intangible Assets – "Clarification of acceptable methods of depreciation and amortization"*. Amendments to IAS 16 – *Property, Plant and Equipment* establish that a revenue-based amortization method is inappropriate. The IASB has clarified that revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. Amendments to IAS 38 introduce a rebuttable presumption to clarify that a revenue-based amortization method is inappropriate for the same reasons established by the amendments as required by IAS 16. This presumption, however, can be rebutted in certain limited circumstances. These amendments are effective for annual periods beginning from January 1, 2016, with early application permitted.

On December 12, 2013 the IASB issued the Annual Improvements to IFRSs 2010–2012 Cycle. The most important topics addressed in these amendments are, among others, the definition of vesting conditions in IFRS 2 – Share based payment, the disclosure on judgment used in the aggregation of operating segments in IFRS 8 – Operating Segments. Amendments shall be applied at the latest from 1 February 2015 or later.

On August 12, 2014, the IASB issued amendments to IAS 27 - *Equity Method in Separate Financial Statements*. The amendments reinstate the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements. The amendments are effective for annual periods beginning on or after 1 January 2016, with earlier application being permitted.

On September 25, 2014, the IASB issued "*Annual Improvements to IFRSs: 2012-2014 Cycle*", a series of amendments to the following four standards: IAS 19 (to clarify that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid), IFRS 5 (to provide specific guidance for cases in which an entity reclassifies an asset or a disposal group from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued) IFRS 7 (to add additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of determining the disclosures required) and IAS 34 (to clarify that certain disclosures, if they are not included in the notes to interim financial statements, may be disclosed "elsewhere in the interim financial report"). The amendments are effective for annual periods beginning on or after 1 January 2016.

At the date of these financial statements, the competent bodies of the European Union have not yet completed the approval process required for the adoption of the following accounting principles and amendments:

- On May 28, 2014, the IASB issued IFRS 15 – *Revenue from contracts with customers* - that will supersede IAS 18 *Revenue* and IAS 11 *Construction Contracts*, as well as the interpretations of IFRIC 13 *Customer Loyalty Programs*, IFRIC 15 *Agreements for the Construction of Real Estate*, IFRIC 18 *Transfers of Assets from Customers* and SIC 31 *Revenues-Barter Transactions Involving Advertising Services*. The new revenue model will apply to all contracts with customers except for those within the scope of IAS/IFRS concerning leases, insurance contracts and financial instruments. The core principle of the revenue recognition standard is delivered as follows:

    - identify the contract with the customer;
    - identify the performance obligations in the contract;
    - determine the transaction price;
    - allocate the transaction price to the performance obligations in the contracts;
    - recognize revenue when (or as) the entity satisfies a performance obligation.

  The principle is applicable starting from 1 January 2018, but an early application is permitted.

- On July 24, 2014, the IASB issued the final version of IFRS 9 *Financial Instruments*, bringing together the *Classification and measurement*, *Impairment and Hedge accounting* phases of the

IASB’s project to replace IAS 39. The new principle replaces the previous versions of IFRS 9 and is effective for annual periods beginning on or after 1 January 2018.

- September 11, 2014, the IASB issued amendments to IFRS 10 and IAS 28 *Sales or Contribution of Assets between an Investor and its Associate or Joint Venture*. The amendments set out that on a sale/ contribution of assets or subsidiary to a joint venture or associate the extent of any gain or loss recognized in the transferor/transferring company depends on whether the transferred/conferred assets or subsidiary constitute a business. At the moment the IASB suspended the application of this amendment.

- On January 13, 2016 the IASB issued IFRS 16 – *Leases* that will supersede IAS 17 – *Leases*, as well as IFRIC 4, SIC-15 and SIC-27 interpretations. The new standard introduces a single lessee accounting model requiring lessees to recognize assets and liabilities for all leases unless the underlying asset has a low value or the lease term is 12 months or less. The Standard does not include material changes for lessor accounting model. The new principle is effective for annual periods beginning on or after 1 January 2019 with earlier adoption permitted if IFRS 15 'Revenue from Contracts with Customers' has also been applied.

The Group’s Parent Company will comply with these new standards, amendments and interpretations based on their relevant effective dates, when endorsed by the European Union

ANALYSIS OF FINANCIAL RISKS

The table below lists material assets and liabilities in accordance with the requirements of IAS 39.

		12/31/2015			12/31/2014		
(in thousands of euros)	Notes	**Car-rying value**	**Receivables**	**Held for trading**	**Car-rying value**	**Receivables**	**Held for trading**
Other non-current financial assets	(16)	7,735	7,735	-	14,362	14,362	
Total non- current financial assets		***7,735***	***7,735***	***-***	***14,362***	***14,362***	***-***
Trade receivables	(15)	43,843	43,843	-	46,612	46,612	-
Intercompany trade receivables	(15)	33,201	33,201	-	37,759	37,759	-
Other current assets	(17)	5,163	5,163	-	4,085	4,085	-
Other current financial assets	(20)	30,000	30,000	-	-	-	-
Intercompany financial receivables	(16)	6,371	6,371	-	12,076	12,076	-
Cash and cash equivalents	(18)	82,699	82,699	-	68,033	68,033	-
Total current financial assets		***201,277***	***201,277***	***-***	***168,565***	***168,565***	***-***
Total financial assets		**209,012**	**209,012**	**-**	**182,927**	**182,927**	**-**

		12/31/2015			12/31/2014		
(in thousands of euros)	Notes	**Car-rying value**	**Liabilities at amortized cost**	**Held for trading**	**Car-rying value**	**Liabilities at amortized cost**	**Held for trading**
Long-term borrowings	(20)	-	-	-	209	209	-
Total non-current financial liabilities		***-***	***-***	***-***	***209***	***209***	***-***
Trade payables	(23)	27,299	27,299	-	29,755	29,755	-
Intercompany trade payables	(23)	9,801	9,801	-	10,025	10,025	-
Intercompany financial liabilities	(20)	23,462	23,462	-	17,798	17,798	-
Current portion of long-term debt	(20)	213	213	-	209	209	-
Other current financial liabilities	(20)	144	-	144	259	-	259
Total current financial liabilities		***60,919***	***60,775***	***144***	***58,046***	***57,787***	***259***
Total financial liabilities		**60,919**	**60,775**	**144**	**58,255**	**57,996**	**259**

Risks related to fluctuations in foreign exchange and interest rates

The Group's Parent Company is exposed to the market risk caused by fluctuations in foreign exchange rates because it operates at the international level and executes transactions involving different foreign exchange and interest rates. A fluctuation of 5 percentage points in foreign currencies other that the euro would have an impact on the income statement equal to about 0.5 million euros.

As to fluctuations in foreign exchange rates and taking into account the low level of indebtedness the Group's Parent company is not significantly exposed to exchange rate fluctuations.

Credit risk

The Parent Company's receivables present a low level of risk since most of these receivables are owed by public institutions for which the risk of non-collection is not significant. An analysis of trade receivables shows that about 53% is not overdue, 15% is less than 90 days past due and the remaining 32% is more than 90 days past due.
Past due receivables are covered by an allowance for doubtful accounts amounting to 4,417 thousand euros. In addition, in order to bridge the gap between contractual payment terms and actual collection times, the Company assigns its receivables to factors without recourse.

Liquidity risk

A prudent cash management strategy includes maintaining sufficient cash or readily available assets and credit lines, to meet immediate liquidity needs. Cash flows, funding requirements and liquidity levels are monitored centrally to ensure promptly and effectively the availability of financial resources and invest appropriately any excess liquidity.
Management believes that the funds and credit lines currently available, when combined with the resources generated by operating and financing activities, will enable the Group's Parent Company to meet the obligations resulting from its capital investment programs, working capital requirements and the need to repay its indebtedness upon maturity.

ITEMS THAT INVOLVE THE USE OF SIGNIFICANT ASSUMPTIONS AND ESTIMATES

The preparation of financial statements in accordance with the IFRS requires the use of estimates for some material amounts. In addition, management is required to make judgments and assumptions as to how accounting policies should be applied in certain areas.
The process of drafting financial statements involves the use of estimates and assumptions about future events. These estimates represent the best assessment possible on the date of the financial statements. However, because of their very nature, they could produce material changes in balance sheet amounts in future years.
Estimates are updated on an on-going basis and are based on past experience, all other known factors and the occurrence of future events that are reasonably expected to take place. The main items affected by estimates are reviewed below.

Allowance for doubtful accounts

The Allowance for doubtful accounts reflects management's estimates about losses that could be incurred in the portfolio of accounts receivable from end customers and from the indirect distribution network (independent distributors). The estimate of the amount by which receivables should be written down is based on the Company's loss expectations, determined on the basis of past experience for similar receivables, the current and historical past due percentages, losses and collections, and the careful monitoring of credit quality.

Provision for inventory write-downs

The Provision for inventory write-downs reflects management's estimates of the Company's loss expectations, determined on the basis of past experience and historical and projected trends in the market for in vitro diagnostics.

Useful life of development costs

Development costs that meet the requirements for capitalization are recognized as intangible assets. The Company's management has estimated the average useful life of these projects at 10 years, which corresponds to the average life cycle of LIAISON products and the length of time during which the assets associated with these products are expected to generate a cash inflow for the Company.

Impairment of non-current assets

Non-current assets include property, plant and equipment, intangible assets (including goodwill), equity investments and other financial assets. Management reviews the carrying amounts of non-current assets held and in use and available-for-sale assets on a regular basis and whenever events or circumstances make such review necessary. The recoverable value of property, plant and equipment and intangible assets (including goodwill) is verified using criteria that are consistent with the requirements of IAS 36, which are explained in the section of these Notes entitled "Impairment of assets."

Pension plans and other post-employment benefits

Management uses different statistical assumptions and evaluation factors to project future events and compute the costs, liabilities and assets related to these plans. Assumptions are made with regard to the discount rate, the expected yield of plan assets, the rates of future increases in employee compensation and trends in health care costs. The actuaries who provide the Company with consulting support also use subjective parameters, such as employee mortality and termination rates.

Stock option plans

The measurement of stock option plans at fair value requires the formulation of specific assumptions, the most significant of which include the following:

- the value of the underlying shares on the valuation date;
- the expected volatility of the price/value of the underlying shares;
- the dividend yield of the underlying shares.

Contingent liabilities

The Group's Parent Company is a party to legal and tax disputes that are under the jurisdiction of various countries. Given the uncertainty inherent in such situations, it is difficult to predict with certainty any expense that may result from these disputes. In the normal course of business, management relies on the support of its legal counsel and of experts on legal and taxation issues. The Group's Parent Company recognizes a liability in connection with these disputes when it believes that the occurrence of a cash outlay is probable and the amount of the resulting loss can be reasonably estimated. When a cash outlay becomes probable, but the amount cannot be determined, this fact is disclosed in the notes to the financial statements.

DESCRIPTION AND MAIN CHANGES

Income statement

In the consolidated income statement, costs are classified by function. This income statement format, also known as "cost of sales" income statement, is more representative of the Group's business than a presentation with expenses classified by nature.

Insofar as a classification of expenses by nature is concerned, depreciation and amortization totaled 12,342 thousand euros (11,598 thousand euros in 2014), broken down as follows:

(in thousands of euros)	**2015**	**2014**
Depreciation of property, plant and equipment	8,470	7,789
Amortization of intangibles	3,872	3,809
Total	**12,342**	**11,598**

Depreciation of property, plant and equipment includes 4,963 thousand euros attributable to equipment held by customers (4,839 thousand euros in 2014), which in the income statement by destination is part of the cost of sales. An additional 2,994 thousand euros representing depreciation of plant and machinery and manufacturing and distribution equipment is included among production expenses.

The amortization of intangible assets is recognized mainly as part of general and administrative expenses (1,385 thousand euros) research and development costs (1,380 thousand euros).
Amortization of intangibles was allocated as follows:

(in thousands of euros)	**2015**	**2014**
Cost of sales	449	372
Sales and marketing expenses	658	651
Research and development costs	1,380	1,381
General and administrative expenses	1,385	1,405
Total	**3,872**	**3,809**

Labor costs amounted to 45,752 thousand euros (42,565 thousand euros in 2014).
A breakdown is as follows:

(in thousands of euros)	**2015**	**2014**
Wages and salaries	32,471	30,809
Social security contributions	9,040	8,272
Severance indemnities	2,076	1,919
Cost of stock option plan	856	434
Other labor costs	1,309	1,131
Total	**45,752**	**42,565**

The table below shows the average number of employees of DiaSorin S.p.A. in each category:

	2015	**2014**
Factory staff	81	71
Office staff	533	532
Executives	30	27
Total	**644**	**630**

1. Net revenues

Net revenues, which are generated mainly through the sale of diagnostic kits, totaled 281,261 thousand euros in 2015, up 11.2% compared with 2014. This item includes 2,440 thousand euros for equipment rental fees and technical support (2,051 thousand euros in 2014). A breakdown of revenues by geographic region is provided below:

(in thousands of euros)	**2015**	**2014**
Revenues from third customers – Italy	**70,984**	**69,529**
Revenues from third customers – International	**55,731**	**51,065**
Asia Pacific	29,349	24,509
Europe and Africa	15,193	16,715
Central and South America	11,189	9,841
Intercompany revenues	**154,546**	**132,413**
Europe and Africa	79,013	69,347
Asia Pacific	33,962	24,517
North America	30,978	24,498
Central and South America	10,593	14,051
Total	**281,261**	**253,007**

Revenues from sales to public institutions and universities amounted to 52,145 thousand euros (50,515 thousand euros in 2014).

2. Cost of sales

In 2015, the cost of sales amounted to 155,233 thousand euros (42,360 thousand euros from related - party transactions), as against 137,273 thousand euros in 2014. The cost of sales includes 4,650 thousand euros for royalties paid for the use of patents applied to manufacture products (4,284 thousand euros in 2014) and 2,581 thousand euros for distributing products to end customers (2,769 thousand euros in 2014). An amount of 4,963 thousand euros relates to depreciation of equipment held by customers (4,839 thousand euros in 2014).

3. Sales and marketing expenses

Sales and marketing expenses amounted to 28,655 thousand euros, as against 26,842 thousand euros in 2014. This item consists mainly of marketing costs incurred to promote and distribute DiaSorin products costs attributable to the direct and indirect sales force and the cost of the technical support offered together with the Company-owned equipment provided to customers under gratuitous loan contracts. The total includes 2,414 thousand euros generated by related-party transactions (2,057 thousand euros 2014).

4. Research and development costs

In 2015, research and development costs totaled 13,395 thousand euros (12,855 thousand euros in 2014), include all of the research and development outlays that were not capitalized, including the costs incurred to register the products offered for sale and meet quality requirements.
This item also includes the amortization of previously capitalized development costs, amounting to 1,227 thousand euros (1,289 thousand euros in 2014).

In 2015, the Group's Parent Company capitalized development costs amounting to 526 thousand euros compared with 261 thousand euros in 2014.

5. General and administrative expenses

General and administrative expenses, which totaled 26,761 thousand euros (24,723 thousand euros in 2014) reflect costs incurred for corporate management activities, Group administration, finance and control, information technology, corporate organization, and insurance. The total amount includes 4,322 thousand euros from related-party transactions (3,471 thousand euros in 2014). The remuneration of the Board of Directors, excluding the Company's employees, amounted to 895 thousand euros (886 thousand euros in 2014). The remuneration of competence of the Statutory Auditors amounted to 100 thousand euros (100 thousand euros in 2014).

6. Other operating income (expenses)

A breakdown of other operating income and expenses is as follows:

(in thousands of euros)	**2015**	**2014**
Intra-Group services	1,943	1,970
Trade-related foreign exchange gains/(losses)	(664)	593
Tax expenses	(137)	(316)
Additions to the allowances for doubtful accounts and provisions for risks and charges	(1,253)	(499)
Out-of-period items and other operating income (expense)	12	862
Non-recurring expenses	(945)	(1,130)
Other operating income (expenses)	**(1,044)**	**1,480**

The item includes income and expenses from operations that cannot be allocated to specific functional areas (such as gains and losses on asset sales, government grants, insurance settlements, reversals of unused provisions, additions to provisions for risks, incidental taxes and fees, contingent income and charges).

As regards provisions for risks and charges Law n. 125 of 08/06/2015 extended the pay-back mechanism to medical devices on the basis of which any amount exceeding the ceiling on public expenditure for the purchase of medical devices must be paid partly by the supplying. In virtue of the lack of implementing decrees to specify how to compute the payback measure, the Company carried out the best possible estimate allocating 1,150 thousand euros in risk provision.

In 2015, non-recurring expenses equal to 945 thousand euros related to extraordinary consultancy expenses to make the Group's supply chain processes more efficient, while in 2014 non-recurring expenses, equal to 1,130 thousand euros related to the functional reorganization of some company areas.

7. Financial income (expenses)

The table below provides a breakdown of financial income and expenses:

(in thousands of euros)	**2015**	**2014**
Interest and other financial expenses	(1,437)	(1,674)
- amount with related parties	*(2)*	*(1)*
Fair value measurement of financial instruments	259	(293)
Interest and other financial income	1,895	1,865
- amount with related parties	*571*	*636*
Dividends received from subsidiaries	12,217	21,398
Write-downs/revaluation of investments in subsidiaries	(5,934)	-
Foreign exchange differences	(911)	190
Net financial income (expense)	**6,089**	**21,486**

In 2015 net financial income totaled 6,089 thousand euros, compared with net financial income of 21,486 thousand euros in 2014.the change is mainly due to the management of equity investments.
Dividends received from subsidiaries decreased to 12,217 thousand euros in 2015, compared with 21,398 thousand euros in 2014, due to the lack of dividends received by the U.S. subsidiary in 2015.
A breakdown of dividends received form subsidiaries is as follows:

(in thousands of euros)	**2015**	**2014**
Diasorin Inc.	-	10,983
Diasorin South Africa (PTY) Ltd	1,679	1,274
Diasorin Deutschland GmbH	3,784	4,173
Diasorin S,A/N,V, (Belgium)	2,750	1,900
Diasorin Ltd (Israel)	1,800	800
Diasorin Ltd (China)	2,022	1,468
Diasorin S.A. (France)	-	800
Diasorin Austria GmbH (Austria)	182	-
Total dividends received	**12,217**	**21,398**

In order to adjust the carrying value of equity investments to their recoverable value based on expected cash flows, the equity investments held in DiaSorin Brazil was written down for 7,670 thousand euros. The write-down reflects the difficult operating and financial situation of the subsidiary affected, among other factors, by the adverse macroeconomic environment in which it operates.

Conversely, due the growth of DiaSorin Iberia and the expected cash flows, the carrying value of the investment increased by 1,736 thousand euros, restoring its original value.

Fees on factoring transactions amounted to 1,093 thousand euros (1,185 thousand euros in 2014), the collection of interests accrued on past-due position totaled 986 thousand euros (892 thousand euros in 2014) and interest accrued on bank accounts were equal to 339 thousand euros (338 thousand euros in 2014).

Foreign exchange differences on other financial balances, which were negative by 911 thousand euros (positive by 190 thousand euros in 2014) include a negative amount of 1,513 thousand euros for the closure of hedging instruments (expense of 1,230 thousand euros in 2014). Positive exchange differences were, instead, on intercompany financing facilities and bank accounts (totaling 602 thousand euros in 2015 as against positive differences of 1,420 thousand euros in 2014).

8. Income taxes

The income tax expense recognized in the income statement amounted to 16,358 thousand euros (17,658 thousand euros in 2014) broken down as follows:

(in thousands of euros)	**2015**	**2014**
Current income taxes:		
- Local taxes (IRAP)	1,962	2,572
- Corporate income taxes (IRES)	12,919	12,567
Other income taxes (non-deductible taxes/ taxes of previous years)	348	1,269
Deferred taxes	1,129	1,250
Local taxes (IRAP) amount	*83*	*123*
Total income taxes	**16,358**	**17,658**

Other income taxes include not deductible withholding taxes incurred abroad on dividends received from subsidiaries (452 thousand euros in 2015 as against 1,269 thousand euros in 2014).
A reconciliation of the theoretical tax rate to the effective tax rate, without taking into account the IRAP liability and withholding taxes on dividends, is provided below:

(in thousands of euros)	**2015**	**2014**
Profit before taxes	62,362	74,281
Theoretical tax rate	27.5%	27.5%
Theoretical income taxes	17,150	20,427
Tax effect of permanent differences	(3,527)	(6,733)
Other differences	342	-
Total income taxes	**13,965**	**13,694**
Effective tax rate	**22.4%**	**18.4%**

The effective tax rate was 22.4% due mainly to permanent differences concerning a lower amount of dividends received from subsidiaries and write-downs and revaluations of equity investments.
Other differences include deferred taxes being recalculated following the adjustment of tax rates starting from 2017.

9. Earnings per share

Basic earnings per share amounted to 0.84 euros in 2015 (1.04 euros in 2014) while diluted earnings per share totaled 0.84 euros (euros 1.04 in 2014). Basic earnings per shares were computed by dividing the net profit attributable to the shareholders by the weighted average number of shares outstanding during the year (54,883,529 in 2015 and 54,400,819 in 2014).
The dilutive effect of the stock option plans adopted by DiaSorin S.p.A., excluding the tranches awarded at a price higher than the average price of the DiaSorin common shares in 2015 is not significant.

Statement of financial position

10. Property, plant and equipment

The tables below show the changes that occurred in the original cost of property, plant and equipment in 2015 and 2014:

(in thousands of euros)	At December 31, 2014	Additions	Divestments	Translation differences	Reclassifi-cations and other changes	At December 31, 2015
Land	659	-	-	-	-	659
Buildings	6,355	11	-	-	9	6,375
Plant and machinery	16,505	1,103	(115)	119	3,731	21,343
Manufacturing and distribution equipment	57,881	5,960	(1,903)	63	(2,025)	59,976
Other assets	5,615	305	(19)	199	-	6,100
Advances and tangible in progress	5,857	1,864	(56)	14	(4,128)	3,551
Total property, plant and equipment	**92,872**	**9,243**	**(2,093)**	**395**	**(2,413)**	**98,004**

(in thousands of euros)	At December 31, 2013	Additions	Divestments	Translation differences	Reclassifi-cations and other changes	At December 31, 2014
Land	659	-	-	-	-	659
Buildings	6,351	17	(13)	-	-	6,355
Plant and machinery	15,310	636	(136)	129	566	16,505
Manufacturing and distribution equipment	55,346	5,564	(2,297)	68	(800)	57,881
Other assets	5,029	386	(10)	210	-	5,615
Advances and tangible in progress	2,814	4,573	(21)	10	(1,519)	5,857
Total property, plant and equipment	**85,509**	**11,176**	**(2,477)**	**417**	**(1,753)**	**92,872**

The following changes occurred in the corresponding accumulated depreciation accounts in 2015 and 2014:

(in thousands of euros)	At December 31, 2014	Depreciation	Divestments	Translation differences	Reclassifi-cations and other changes	At December 31, 2015
Buildings	4,810	84	-	-	-	4,894
Plant and machinery	10,489	1,390	(114)	92	640	12,497
Manufacturing and distribution equipment	44,959	6,567	(1,288)	25	(2,718)	47,545
Other assets	2,587	429	(19)	44	-	3,041
Total property, plant and equipment	**62,845**	**8,470**	**(1,421)**	**161**	**(2,078)**	**67,977**

(in thousands of euros)	At December 31, 2013	Depreciation	Divestments	Translation differences	Reclassifi-cations and other changes	At December 31, 2014
Buildings	4,732	83	(5)	-	-	4,810
Plant and machinery	9,463	1,023	(95)	98	-	10,489
Manufacturing and distribution equipment	42,043	6,299	(1,908)	26	(1,501)	44,959
Other assets	2,171	384	(10)	42	-	2,587
Total property, plant and equipment	**58,409**	**7,789**	**(2,018)**	**166**	**(1,501)**	**62,845**

A breakdown of the net carrying value of property, plant and equipment at December 31, 2015 and 2014 is provided below:

(in thousands of euros)	**At December 31, 2014**	**Additions**	**Depreciation**	**Divestments**	**Translation differences**	**Reclassifi-cations and other changes**	**At December 31, 2015**
Land	659	-	-	-	-	-	659
Buildings	1,545	11	(84)	-	-	9	1,481
Plant and machinery	6,016	1,103	(1,390)	(1)	27	3,091	8,846
Manufacturing and distribution equipment	12,922	5,960	(6,567)	(615)	38	693	12,431
Other assets	3,028	305	(429)	-	155	-	3,059
Advances and tangible in progress	5,857	1,864	-	(56)	14	(4,128)	3,551
Total property, plant and equipment	**30,027**	**9,243**	**(8,470)**	**(672)**	**234**	**(335)**	**30,027**

(in thousands of euros)	**At December 31, 2013**	**Additions**	**Depreciation**	**Divestments**	**Translation differences**	**Reclassifi-cations and other changes**	**At December 31, 2014**
Land	659	-	-	-	-	-	659
Buildings	1,619	17	(83)	(8)	-	-	1,545
Plant and machinery	5,847	636	(1,023)	(41)	31	566	6,016
Manufacturing and distribution equipment	13,303	5,564	(6,299)	(389)	42	701	12,922
Other assets	2,858	386	(384)	-	168	-	3,028
Advances and tangible in progress	2,814	4,573	-	(21)	10	(1,519)	5,857
Total property, plant and equipment	**27,100**	**11,176**	**(7,789)**	**(459)**	**251**	**(252)**	**30,027**

The depreciation expense recognized in 2015 was computed in a manner that reflects fairly the actual wear and tear and economic/technical obsolescence of the assets.
Equipment held by customers that requires extraordinary maintenance is depreciated at 33% rate from the moment the maintenance is completed.
With regard to the equipment held by customers under gratuitous loan agreements, the depreciation of these assets amounted to 4,963 thousand euros (4,839 thousand euros in 2014).

11. Goodwill and other intangibles

The tables that follow show how the original cost of the intangible assets changed in 2015 and 2014:

(in thousands of euros)	**At December 31, 2014**	**Additions**	**Divestments and other changes**	**At December 31, 2015**
Goodwill	37,061	-	-	37,061
Development costs	15,597	526	-	16,123
Concessions, licenses and trademarks	33,807	1,119	295	35,221
Industrial patents and intellectual property rights	9,375	311	35	9,721
Advances and other intangibles	104	1,277	(1)	1,380
Total intangibles	**95,944**	**3,233**	**329**	**99,506**

(in thousands of euros)	**At December 31, 2013**	**Additions**	**Divestments and other changes**	**At December 31, 2014**
Goodwill	37,061	-	-	37,061
Development costs	15,336	261	-	15,597
Concessions, licenses and trademarks	32,940	644	223	33,807
Industrial patents and intellectual property rights	9,091	256	28	9,375
Advances and other intangibles	98	-	6	104
Total intangibles	**94,526**	**1,161**	**257**	**95,944**

The following changes occurred in the corresponding accumulated amortization accounts in 2015 and 2014:

(in thousands of euros)	**At December 31, 2014**	**Amortization**	**Divestments and other changes**	**At December 31, 2015**
Goodwill	5,210	-	-	5,210
Development costs	8,277	1,227	-	9,504
Concessions, licenses and trademarks	15,355	2,004	(3)	17,356
Industrial patents and intellectual property rights	6,737	624	-	7,361
Advances and other intangibles	62	17	2	81
Total intangibles	**35,641**	**3,872**	**(1)**	**39,512**

(in thousands of euros)	**At December 31, 2013**	**Amortization**	**Divestments and other changes**	**At December 31, 2014**
Goodwill	5,210	-	-	5,210
Development costs	6,988	1,289	-	8,277
Concessions, licenses and trademarks	13,503	1,852	-	15,355
Industrial patents and intellectual property rights	6,084	653	-	6,737
Advances and other intangibles	45	15	2	62
Total intangibles	**31,830**	**3,809**	**2**	**35,641**

A breakdown of the net carrying value of intangible assets at December 31, 2015 and 2014 is provided below:

(in thousands of euros)	**At December 31, 2014**	**Additions**	**Amortization**	**Divestments and other changes**	**At December 31, 2015**
Goodwill	31,851	-	-	-	31,851
Development costs	7,320	526	(1,227)	-	6,619
Concessions, licenses and trademarks	18,452	1,119	(2,004)	298	17,865
Industrial patents and intellectual property rights	2,638	311	(624)	35	2,360
Advances and other intangibles	42	1,277	(17)	(3)	1,299
Total intangibles	**60,303**	**3,233**	**(3,872)**	**330**	**59,994**

(in thousands of euros)	**At December 31, 2013**	**Additions**	**Amortization**	**Divestments and other changes**	**At December 31, 2014**
Goodwill	31,851	-	-	-	31,851
Development costs	8,348	261	(1,289)	-	7,320
Concessions, licenses and trademarks	19,437	644	(1,852)	223	18,452
Industrial patents and intellectual property rights	3,007	256	(653)	28	2,638
Advances and other intangibles	53	-	(15)	4	42
Total intangibles	**62,696**	**1,161**	**(3,809)**	**255**	**60,303**

Goodwill

Goodwill totaled 31,851 thousand euros at December 31, 2015. Upon first-time adoption of the IFRSs, the Company chose to avail itself of the option provided in IFRS 1 (Appendix B, Section B2, g (i)). Accordingly, it recognized as goodwill the residual amount shown for this item in the financial statements at January 1, 2005 prepared in accordance with Italian accounting principles, written down to eliminate the capitalization of development costs previously included in the value of goodwill.

The goodwill recognized in the financial statements is the goodwill attributed upon absorption to Byk Diagnostica S.r.l. and the value of the goodwill generated upon the merger of DiaSorin S.p.A. into Biofort S.p.A., net of the allocation of research and development costs carried out upon first-time adoption of the IFRSs, and the acquisition of the Murex business operations in 2010.
The balance in this account did not change in 2015.

As explained in the "Accounting Principles" section of this Report, goodwill is not amortized. Instead, its value is written down when impairment losses occur. The Company assesses the recoverability of goodwill and of other intangibles with indefinite useful lives annually through impairment tests.

The recoverability of the recognized amounts was tested by comparing the net carrying amount of the individual CGUs (Carrying Amount) with their recoverable value (value in use). The recoverable amount is the present value of future cash flows that are expected to arise from the continuing use of the assets belonging to each Cash Generating Unit, both for the period of explicit flows, and at the end of the time horizon of the forecast (under so-called method of perpetuity).

The impairment test is based on the most recent projections of economic results and cash flows for future years (2016-2018). These projections have been developed on the basis of 2016 budget and of the last business plan laid out by the Company Management.

In computing the present value of future cash flows, the Company used a discount rate that reflects the weighted average of the cost of capital and debt (WACC). The discount rate used was determined on an after-tax basis in accordance with the determination of cash flows and takes into account the specific risks associated with the countries where the Company operates. The discount rate applied was 7.67%.

The planning time horizon used was 3 years. For subsequent years, a terminal value (perpetual return) has been applied, using a growth rate (the "g" rate) of 2%, representative of what management believes may represent an average rate of growth projected for the sector.

In addition, the Company performed a sensitivity analysis for changes in the basic assumptions of the impairment test, WACC and the g rate. More specifically the discount rate WACC increased to 1 percentage point and the growth rate "g" decreased to 0.5%.

The impairment tests performed showed that there was no need to adjust the carrying value of goodwill and other intangibles in the financial statements of DiaSorin S.p.A.

Development costs

At December 31, 2015, capitalized development costs amounted to 6,619 thousand euros (7,320 thousand euros at December 31, 2014). In 2015 additions totaled 526 thousand euros and refer to the development of LIAISON XL technology products. They are amortized on a straight-line basis over the length of their useful life, which management estimates at 10 years.
The recoverability of the net carrying amount of capitalized development projects was tested by determining the recoverable value of the CGUs to which they were allocated and testing the CGUs for impairment. The impairment tests performed showed that no write-down was required.

Concessions, licenses and trademarks

At December 31, 2015, this item totaled 17,865 thousand euros (18,452 thousand euros at December 31, 2014). It consists mainly of the trademark and knowhow acquired in 2010 in connection with the Murex transaction

12. Equity investments

Equity investments totaled 100,246 thousand euros at December 31, 2015 (94,232 thousand euros at December 31, 2014). The table that follows lists the Company's equity investments and shows the changes that occurred in 2015:

Company	**Head office location**	**12/31/2014**	**Change**	**12/31/2015**
DiaSorin S.A/N.V.	Bruxelles (Belgium)	1,145	-	1,145
DiaSorin Ltda	San Paolo (Brazil)	9,762	1,083	10,845
DiaSorin S.A.	Antony (France)	2,016	97	2,113
DiaSorin Iberia S.A.	Madrid (Spain)	3,595	1,736	5,331
DiaSorin Ltd	Oldbury (UK)	572	-	572
DiaSorin Inc.	Stillwater (USA)	31,805	130	31,935
DiaSorin Mexico S.A de C.V.	Mexico City (Mexico)	3,296	-	3,296
DiaSorin Deutschland GmbH	Dietzenbach (Germany)	5,109	65	5,174
DiaSorin AB	Sundbyberg (Sweden)	4,819	-	4,819
DiaSorin Ltd	Rosh Haayin (Israel)	-	-	-
DiaSorin Austria GmbH	Wien (Austria)	1,035	-	1,035
DiaSorin Poland sp. Z o.o.	Warsaw (Poland)	-	2,854	2,854
DiaSorin Czech s.r.o.	Prague (Czech Republic)	2,126	-	2,126
DiaSorin Diagnostics Ireland Limited	Dublin (Ireland)	22,546	33	22,579
DiaSorin South Africa (PTY) Ltd	Johannesburg (South Africa)	3,791	16	3,807
DiaSorin Australia (Pty) Ltd	Sidney (Australia)	2,275	-	2,275
DiaSorin Ltd	Shanghai (China))	96	-	96
DiaSorin Switzerland AG	Risch (Switzerland	243	-	243
Consorzio Sobedia	Saluggia (Italy)	1	-	1
Total equity investments		**94,232**	**6,014**	**100,246**

To strengthen its financing structure, the Brazilian company received 8,741 thousand euros in capital contributions. The increase in equity investments value in DiaSorin S.A., DiaSorin Inc., DiaSorin Deutschland GmbH, DiaSorin Diagnostics Ireland Limited, DiaSorin South Africa (PTY) Ltd, DiaSorin Ltda and DiaSorin S.A., equal to 353 thousand euros, represents the expense for the period recognized in equity and related to stock options awarded to subsidiaries employees.
Equity investments increased by 2,854 thousand euros due to the establishment of the Poland subsidiary.

The carrying amount of the equity investments has been tested for impairment. To determine the value in use the Company based on the most recent projections of economic results and cash flows for future years (2016-2018, except for Brazil for which the time horizon was extended to 5 years due to the overall macroeconomic crisis affecting the country). These projections have been developed for each Cash Generating Unit on the basis of 2016 budget and of the last business plan laid out by the Company Management.

In computing the present value of future cash flows, the Company used a discount rate that consists of the weighted average of the cost of capital and of debt (WACC – *Weighted Average Cost of Capital*). The discount rate used was determined on an after-tax basis in accordance with the determination of cash flows and takes into account the specific risks associated with the countries where the Company operates.

The growth rate of the terminal value, equal to 2% for each equity investment, is representative of what management believes may represent a minimum growth rate for sector and countries where the equity investment operates.
The comparison between the recoverable value and the carrying amount showed no impairment occurred except for DiaSorin Brazil. In order to adjust the carrying value of equity investments to their recoverable value based on expected cash flows, the equity investments held in DiaSorin Brazil was written down for 7,670 thousand euros. The write-down reflects the difficult operating and financial situation of the subsidiary affected, among other factors, by the adverse macroeconomic environment in which it operates.
Conversely, due the growth of DiaSorin Iberia and the expected cash flows, the carrying value of the investment increased by 1,736 thousand euros, restoring its original value.
Later on results have been tested for sensitivity analysis to assess the recoverability assuming a worsening of assumption in the impairment test. Specifically, the discount rate was up to one percentage points and terminal growth rate decreased to 0.5%.

The comparison between the recoverable value and the carrying amount showed no impairment occurred even assuming a worsening of WACC and g rate variables.

A list of the equity investments held by the Group's Parent Company is provided below.

Company	Head Office location	Currency	Share capital (*)	Net profit/(loss) for the year	Shareholders' equity in latest approved financial statements (*)	Value per share or partnership interest	% interest held directly	no. of shares held	Equity investment in EURO
Equity investments consolidated line by line									
DiaSorin S.A/N.V.	Bruxelles (Belgium)	**EUR**	1,674,000	2,925,065	4,696,601	6,696	99.99%	249	1,145,001
DiaSorin Ltda	San Paolo (Brazil)	**BRL**	65,547,409	(31,079,734)	17,322,128	1	99.99%	65,547,408	10,845,306
DiaSorin S.A.	Antony (France)	**EUR**	960,000	660,884	9,645,580	15,3	99.99%	62,492	2,113,120
DiaSorin Iberia S.A.	Madrid (Spain)	**EUR**	1,453,687	121,905	2,055,973	6,01	99.99%	241,877	5,330,802
DiaSorin Ltd	Oldbury (UK)	**GBP**	500	217,693	774,059	1	100.00%	500	572,500
DiaSorin Inc.	Stillwater (USA)	**USD**	1	56,117,700	222,460,600	0,01	100.00%	100	31,935,350
DiaSorin Mexico S.A de C.V.	Mexico City (Mexico)	**MXP**	63,768,473	8,178,920	43,911,061	1	99.99%	49,999	3,295,932
DiaSorin Deutschland GmbH	Dietzenbach (Germany)	**EUR**	275,000	3,140,083	8,062,437	275,000	100.00%	1	5,173,217
DiaSorin AB	Solna (Sweden)	**SEK**	5,000,000	764,413	15,059,781	100	100.00%	50,000	4,818,667
DiaSorin Ltd	Rosh Haayin (Israel)	**ILS**	100	3,115,000	22,641,000	1	100.00%	100	18
DiaSorin Austria GmbH	Wien (Austria)	**EUR**	35,000	495,574	1,869,160	35,000	100.00%	1	1,035,000
DiaSorin Czech s.r.o.	Prague (Czech republic)	**CZK**	200,000	3,033,000	42,720,000	200,000	100.00%	1	2,125,931
DiaSorin Diagnostics Ireland Limited	Dublin (Ireland)	**EUR**	3,923	(42)	4,515,565	0,01	100.00%	392,282	22,578,245
DiaSorin South Africa (PTY) Ltd	Johannesburg (South Africa)	**ZAR**	101	36,628,017	123,495,084	1	100.00%	101	3,807,655
DiaSorin Australia (Pty) Ltd	Sydney (Australia)	**AUD**	3,300,000	120,556	2,591,076	33,000	100.00%	100	2,274,990
DiaSorin Ltd	Shanghai (China)	**RMB**	1,211,417	27,672,516	35,488,386	1	80.00%	96,000	96,000
DiaSorin Switzerland AG	Risch (Switzerland)	**CHF**	100,000	404,608	589,247	100	100.00%	1,000	243,415
DiaSorin Poland sp. z o.o.	Warsaw (Poland)	**PLN**	500,000	(767,009)	11,237,991	50	100.00%	100	2,853,823
Investments in other companies									
Consorzio Sobedia	Saluggia (Italy)	**Euro**	5,000	(817)	4,183	N/A	20.00%	1	1,000

(*) Amounts stated in local currencies

13. Deferred-tax assets

Deferred-tax assets amounted to 4,836 thousand euros (6,199 thousand euros at December 31, 2014). They are recognized in the financial statements when their future use is deemed probable. The balance reflects the deferred-tax assets computed on the temporary differences between the asset and liabilities amounts used to prepare the consolidated financial statements and the corresponding amounts used by the consolidated companies for tax purposes. A more detailed description of the temporary differences tax effect that generates deferred-tax assets is provided below:

(in thousands of euros)	**12/31/2015**	**12/31/2014**
Positive changes:		
Amortization/write-down of goodwill/intangible assets	2,541	3,484
Provisions for risks	2,247	2,301
Provisions for employee	427	545
Other charges deductible in future years	729	880
Unrealized exchange differences	612	-
Total	**6,556**	**7,210**
Negative changes:		
Amortization	(924)	(866)
Unrealized exchange differences	(796)	(143)
Amortized borrowing costs	-	(2)
Total	**(1,720)**	**(1,011)**
Net deferred-tax assets	**4,836**	**6,199**

14. Inventories

A breakdown of inventories, which totaled 71,005 thousand euros, is as follows:

(in thousands of euros)		**12/31/2015**			**12/31/2014**	
	Gross amount	**Provisions for write-down**	**Net amount**	**Gross amount**	**Provisions for write-down**	**Net amount**
Raw materials and supplies	18,421	(1,072)	17,349	17,687	(1,053)	16,634
Work in progress	32,599	(1,091)	31,508	33,089	(1,261)	31,828
Finished goods	22,963	(815)	22,148	22,038	(780)	21,258
Total	**73,983**	**(2,978)**	**71,005**	**72,814**	**(3,094)**	**69,720**

Inventories increased by 1,285 thousand euros compared with December 31, 2014 due to the increase in manufacturing volumes to support growing revenues.
The table below shows the changes that occurred in the provisions for inventory write-downs:

(in thousands of euros)	**2015**	**2014**
Opening balance	**3,094**	**2,751**
Additions for the period	985	862
Utilizations for the period	(1,129)	(543)
Translation differences	28	24
Ending balance	**2,978**	**3,094**

15. Trade receivables

Trade receivables of 77,044 thousand euros at December 31, 2015 (including 33,201 thousand euros from related-party transactions). The decrease of 7,327 thousand euros compared with December 31, 2014 (84,371 thousand euros), despite higher revenues as a result of better collection conditions especially in the domestic market.
Trade receivables owed by public institutions amounted to 14,883 thousand euros at December 31, 2015. The allowance for doubtful accounts amounted to 4,417 thousand euros. A comparison with December 31, 2015 is provided below:

(in thousands of euros)	**12/31/2015**	**12/31/2014**
Opening balance	**4,971**	**4,723**
Additions for the year	253	377
Utilizations for the year	(807)	(129)
Ending balance	**4,417**	**4,971**

In order to bridge the gap between contractual payment terms and actual collection terms, the Group uses factoring transactions to assign its receivables without recourse. In 2015, the receivables assigned by the Group's Parent Company amounted to 36,826 thousand euros (42,927 thousand euros in 2014).

16. Financial receivables and other non-current financial assets

The balance of 14,106 thousand euros refers to the current portion (2.977 thousand euros) and the non-current portion (7,689 thousand euros) of loans provided to Group companies and to transactions executed within the context of the centralized cash management system managed by the Group's Parent Company (3,394 thousand euros).
The change in loans provided to Group companies is provided below (amount stated in thousands of euros):

Subsidiary	**Balance at 12/31/2014**	**Disbursement**	**Repayments**	**Currency translation differences and other changes**	**Balance at 12/31/2015**
Diasorin Czech sro	1,442	-	(433)	30	1,039
DiaSorin Ireland Ltd	5,200	-	(1,400)	35	3,835
DiaSorin Iberia sa	3,500	-	(1,500)	36	2,036
DiaSorin Australia Pty	3,478		(298)	67	3,247
Diasorin Ltda (Brazil)	3,000	-	-	(3,000)	-
Diasorin Sa de CV (Mexico)	-	560	-	(51)	509
Total	**16,620**	**560**	**(3,631)**	**(2,883)**	**10,666**

In 2015 the DiaSorin Mexico subsidiary took out a loan to help its commercial development. The loan amounted to MXN 9,250 thousand. In the last quarter of 2015, the loan to the Brazilian subsidiary was converted into interest in the share capital of the subsidiary.

As of December 31, 2015, all existing loans have variable interest rates (benchmark: six-months interbank rates for currencies in which loans are expressed) with a spread in line with market conditions applicable to the lending operation.

17. Other current assets

Other current assets of 5,163 thousand euros (4,085 thousand euros at December 31, 2014) consist mainly of accrued income and prepaid expenses, for insurance and rentals and taxes withheld on dividends the Group's Parent Company received from foreign subsidiaries.

18. Cash and current financial assets

Cash and cash equivalents amounted to 82,699 thousand euros. They consist of balances in banks accounts. At December 31, 2014 this item totaled 68,033 thousand euros. More detailed information is provided in the Statement of Cash Flow above.

Current financial assets amounted to 30,000 thousand euros at December 31, 2015 and include short-term cash investments that do not qualify as cash equivalents, as defined in Paragraph 7 of IAS 7, because the overall term of the securities involved was longer than three months at the date of purchase. In particular, other current financial assets include term deposits exceeding three months opened by the Group Parent Company in 2015. No penalties will be applied in case of prematurely closure and interests will not be paid.

19. Shareholders' equity

Share capital

At December 31, 2015, the fully paid-in share capital consisted of 55,948,257 million common shares, par value of 1 euro each. No change occurred compared with December 31, 2014.

Treasury shares

Treasury shares amounted to 969,950 (1.73% of the share capital) and totaled 25,459 thousand euros (44,045 thousand euros at December 31, 2014).
The decrease of 18,586 thousand euros compared with December 31, 2014 is due to the exercise of some tranches of the 2010 stock option Plan by the Group's Parent company employees and its subsidiaries.

Additional paid-in capital

This reserve amounted to 18,155 thousand euros at December 31, 2015 and no changes occurred compared with December 31, 2014.

Other reserves and retained earnings

A breakdown of other reserves and retained earnings is as follows:

(in thousands of euros)	**12/31/2015**	**12/31/2014**	**change**
Currency translation reserve	775	345	430
Reserve for treasury shares	25,459	44,045	(18,586)
Stock option reserve	1,773	4,781	(3,008)
Gains/(losses) on remeasurement of defined benefit plans	(920)	(1,056)	136
Reserve for equity investments revaluation	1,496	229	1,267
Retained earnings	255,015	210,430	44,585
IFRS transition reserve	1,006	1,006	-
Total Other reserves and retained earnings	**284,604**	**259,780**	**24,824**

Currency translation reserve
The change of 430 thousand euros shown in the currency translation reserve at December 31, 2015 is due to the translation into euros of the U.K. Branch balances and to unrealized foreign exchange differences on the indebtedness denominated in foreign currencies held by the Parent Company to hedge its equity investment in the U.K. Branch which were negative by 484 thousand euros, net of the tax effect (equal to 183 thousand euros).

Reserve for treasury shares
At December 31, 2015, the reserve for treasury shares amounted to 25,459 thousand euros (44,045 thousand euros at December 31, 2014). This reserve was established pursuant to law (Article 2357 ter of the Italian Civil Code) due to purchases of treasury shares made during 2011. The change of 18,586 thousand euros compared with December 31, 2014 is due to the exercise of some tranches of the 2010 stock option Plan.

Stock option reserve
The balance in the stock option reserve, which amounted to 1,773 thousand euros (4,781 thousand euros at December 31, 2014) refers to the stock option plans in effect at December 31, 2015 (see Note 27). The changes in the reserve that occurred in 2015 included an increase due to the recognition of the overall cost of the stock option Plans (856 thousand euros) that was posted and recognized in the income statement as a labor costs included in general and administrative expenses, and a decrease of 4,217 thousand euros as a result of the options exercised throughout 2015.
The reserve includes expense for the period related to stock options awarded to subsidiaries employees and recognized as increase in equity investments value (353 thousand euros).

Gains/Losses on remeasurement of defined-benefit plans
At December 31, 2015 this item, negative by 920 thousand euros includes net losses of the period related to the actuarial assessment of the Group's defined-benefit plans amounting to 136 thousand euros, net of tax effect (52 thousand euros).

Retained earnings
The increase of 44,585 thousand euros in retained earnings, compared with December 31, 2014, is mainly the net result of:

- the appropriation of the net profit earned in 2014 (56,622 thousand euros);
- the distribution of dividends, equal to 32,936 thousand euros, to shareholders approved on April 22, 2015 from the Ordinary Shareholders' Meeting (equal to 0.60 euros per share);
- the exercise of some tranches of the 2010 Stock Option Plan, which resulted both in a positive change of 22,166 thousand euros and, consequently, in the sale of treasury shares.

IFRS transition reserve

The IFRS transition reserve was established on January 1, 2006, upon first-time adoption of the IFRSs as an offset to the adjustments recognized to make the financial statements prepared in accordance with Italian accounting principles consistent with IFRS requirements, net of the applicable tax effect (as required by and in accordance with IFRS 1). This reserve has not changed since it was first established.

The table below, which complements the disclosures provided above, shows which components of shareholders' equity are available for other uses and the applicable utilization options:

(in thousands of euros)

Description	**Amount**	**Utilization options (*)**
Share capital	55,948	
Additional paid-in capital (**)	18,155	A,B
Earnings reserves	11,190	
consisting of:		
Statutory reserve	*11,190*	B
Other reserves:		
Reserve for treasury shares	25,459	
Other reserves and retained earnings	232,335	A,B,C

(*)Utilization options

A: to increase share capital
B: to cover losses
C: to distribute dividends to shareholders

(**) The additional paid-in capital may be distributed only after the statutory reserve reaches an amount equal to one-fifth of the share capital

20. Borrowings

Borrowing include negative balances arising from the context of the centralized cash management system managed by the Group's Parent Company (23,462 thousand euros) and amounts owed to financial institutes (213 thousand euros).

A breakdown of borrowings is as follows (amount stated in thousands of euros):

Lender	**Current portion**	**Non-current portion**	**Total**
IMI MIUR	213	-	213
Total owed to financial institution	**213**	-	**213**
Group's centralized cash management system	23,462	-	23,462
TOTAL	**23,675**	-	**23,675**

The table below lists the financing facilities owed to outside lenders that were outstanding at December 31, 2015 and the changes that occurred during the year:

(in thousands of euros)	**Balance at 12/31/14**	**Repayments**	**Amortized cost effect**	**Balance at 12/31/15**
IMI MIUR	418	(213)	8	213
Total owed to financial institutions	**418**	**(213)**	**8**	**213**

The IMI–MIUR loan was the subject of an agreement executed with INTESA SANPAOLO S.p.A. on July 6, 2006, pursuant to Article 1 of Law No. 346 of August 5, 1988, in connection with a research project involving the "Study of New Automated Immunochemistry Methods."
Interest on this loan is payable semi-annually at a variable rate equal to the six-month Euribor plus a fixed spread of 2%. On the same payment dates, the Company receives an interest grant equal to the reference rate used for subsidized industrial credit that was in effect when the loan agreement was signed and is equal to 5% per annum.
The loan has a term of 10 years, including a four-year preamortization period, with repayment in equal semiannual instalments due starting on January 1, 2011.
A portion of this loan amounting to 213 thousand euros was repaid in 2015, in accordance with the amortization plan.
If all or part of the loan is repaid ahead of schedule or if the loan agreement is cancelled pursuant to law or in accordance with the terms of the agreement, DiaSorin is required to pay to the bank a fee equal to 1% of any principal amount repaid ahead of schedule.
The loan agreement does not include operating or financial covenants.

In 2015, in order to mitigate the foreign exchange risk related to currency fluctuations the Group's Parent Company executed currency forward sales not classified as hedging instruments in accordance with the provisions of IAS 39. Forward contracts were outstanding at December 31, 2015, requiring the recognition of a negative fair value of 144 thousand euros (negative fair value of 259 thousand euros at December 31, 2014).

21. Provision for employee severance indemnities and other employee benefits

The balance in this account reflects all of the Company's pension plan obligations, other post-employment benefits and benefits payable to employees when certain requirements are met. The Company provides post-employment benefits to its employees through defined-contribution and/or defined-benefit plans.
As a rule, benefits are based on each employee's level of compensation and years of service. The Company's obligations refer to the employees currently on its payroll.

Defined-contribution plans

When defined-contribution plans are used, the Company pays contributions to public or private insurance institutions pursuant to a statutory or contractual obligation or on a voluntary basis. With the payment of these contributions, the Company absolves all of its obligations.
The liability for contributions payable on the date of the financial statements is included under "Other current liabilities." The cost attributable to each year, which accrues based on the services provided by employees, is recognized as a labor cost of the relevant organizational unit.
In 2015, this cost amounted to 1,806 thousand euros (1,719 thousand euros in 2014).

Defined-benefit plans

The Company's pension plan that qualifies as a defined-benefit plan is the plan covered by the provision for employee severance indemnities accrued until December 31, 2006. The liability is recognized at its actuarial value using the projected unit credit method. Any resulting actuarial gains or losses are credited or charged to equity in the statement of comprehensive income in the period in which they arise.

Other employee benefits

The Company also provides its employees with additional long-term benefits, which are paid when employees reach a predetermined length of service. In these cases, the value of the liability recognized in the financial statements reflects the probability that these benefits will be paid and the length of time for which they will be paid. The liability owed under this plan is recognized at its actuarial value using the projected unit credit method. Please note that any resulting actuarial gains or losses recorded on the basis of these employees' benefits are recognized in the income statement. The amount recognized in 2015 was 4 thousand euros (loss of 102 thousand euros in 2014).

The table that follows summarizes the Company's main employee benefit plans that are currently in effect:

(in thousands of euros)	**12/31/2015**	**12/31/2014**	**Change**
Employees severance indemnities	4,336	4,793	(457)
Other long-term benefits	1,324	1,351	(27)
Total employee benefits	**5,660**	**6,144**	**(484)**

The "Provision for employee severance indemnities" reflects the Company's liability under the relevant Italian law (recently amended with the enactment of Law No. 296/06) for employee severance benefits vested up to December 31, 2006, which will be paid to employees at the end of their employment. Under certain specific conditions, advances may be disbursed to employees while still employed. This system constitutes a non-financed defined-benefit plan, since virtually all of the benefits have vested, except for inflation adjustments.

The table below shows a breakdown of the main changes that occurred in the Group's employee benefit plans in 2015:

(in thousands of euros)	**Defined-benefit plans**	**Other benefits**	**Total employee benefits**
Balance at 12/31/2014	**4,793**	**1,351**	**6,144**
Financial(income)/expense	6	2	8
Actuarial Losses/(Gains) recognized in income statement	-	(4)	(4)
Actuarial Losses/(Gains) arising from financial assumptions	(224)	-	(224)
Actuarial Losses/(Gains) arising from demographic changes	(6)	-	(6)
Actuarial Losses/(Gains) arising from experience adjust	42	-	42
Current service cost	-	74	74
Benefits paid	(275)	(99)	(374)
Balance at 12/31/2015	**4,336**	**1,324**	**5,660**

The main changes in provisions for employee benefits encompass actuarial gains (188 thousand euros) charged to equity and contribution paid (374 thousand euros). The net amount recognized in the 2015 income statement for employee benefits was an expense of 78 thousand euros (210 thousand euros in 2014).

Actuarial losses/(gains) relating to other benefits and current service cost are recognized in the income statement as part of Labor costs, allocated to the area to which they correspond. Interest expense is recognized in the income statement as part of net financial income (expense) (see Note 7).
Actuarial losses/(gains) relating to defined-benefit plan that are credited or charged to equity in the statement of comprehensive income in the period in which they arise.

The table below lists the main assumptions used for actuarial computation purposes for the defined-benefit plans:

	Pension plans	
	12/31/2015	**12/31/2014**
Discount rate	0.92%	0.60%
Projected wage increases	3.50%	3.50%
Inflation rate	1.50%	1.50%
Average employee turnover rate	6.73%	7.77%

A sensitivity analysis on the change of main assumptions is set out below.

(in thousands of euros)		**Employee severance indemnities**
Discount rate		
	0.5% Increase	(155)
	0.5% Decrease	159
Projected wage increases		
	0.5% Increase	-
	0.5% Decrease	-
Inflation rate		
	0.5% Increase	101
	0.5% Decrease	(98)
Average employee turnover rate		
	10% Increase	7
	10% Decrease	(7)

22. Other non-current liabilities

Other non-current liabilities of 2,227 thousand euros (2,018 at December 31, 2014) include provisions for risks and charges established in connection with pending or contingent legal disputes, and a provision for supplemental severance benefits owed to sales agents.
The table below lists the provisions for risks and charges and shows the changes that occurred in 2015:

(in thousands of euros)	**12/31/2015**			**12/31/2014**		
	Provision for risks on legal disputes	**Provision for supplemental severance benefits to sales agents**	**Total**	**Provision for risks on legal disputes**	**Provision for supplemental severance benefits to sales agents**	**Total**
Balance at the beginning of the year	**1,640**	**378**	**2,018**	**2,035**	**305**	**2,340**
Additions for the year	1,250	191	**1,441**	505	130	**635**
Utilizations/Reversals for the year	(845)	(387)	**(1,232)**	(900)	(57)	**(957)**
Balance at the end of the year	**2,045**	**182**	**2,227**	**1,640**	**378**	**2,018**

The contingent liability funded by the provision for supplemental severance benefits owed to sales agents, which amounted to 182 thousand euros at December 31, 2015, was computed in accordance with the provisions of IAS 37, according to which the amount of the provision must be an estimate of the present value of the amounts that will be paid upon termination of the agency relationship to the sales agents entitled to receive these benefits.

As to additions for the years, the Legislative Decree no. 125 of August 6, 2015 extended the pay-back mechanism to medical devices on the basis of which any amount exceeding the ceiling on public expenditure for the purchase of medical devices must be paid partly by the supplying company. In virtue of the lack of implementing decrees to specify how to compute the payback measure, the Company carried out the best possible estimate allocating 1,150 thousand euros in risk provision.

23. Trade payables

Trade payables, which totaled 37,100 thousand euros (39,780 thousand euros at December 31, 2014), include 9,801 thousand euros owed to related parties. There are no amounts due after five years.

24. Other current liabilities

Other current liabilities of 14,984 thousand euros at December 31, 2015 (13,882 thousand euros at December 31, 2014) consist mainly of amounts owed to employees for additional monthly payments to be paid, contributions payable to social security and health benefit institutions.

25. Taxes payable

The balance of 889 thousand euros at December 31, 2015 (5,459 thousand euros at December 31, 2014) represents the liability for the year for income taxes (net of estimated payments made in 2015 equal to 14,915 thousand euros) and other direct and indirect taxes (mainly the amount for deferred VAT payable, amounting to 803 thousand euros).

26. Commitments and contingent liabilities

Guarantees provided and received

The guarantees that the Parent Company provided to third parties totaled 8,430 thousand euros at December 31, 2015. These guarantees were established to secure lines of credit provided to Group companies (in the amount of 5,961 thousand euros), and in connection with defined-contribution pension plans of some subsidiaries (in the amount of 2,469 thousand euros).

At December 31, 2015, bank sureties provided to third parties totaled 16,757 thousand euros, mainly in connection with the submission of bids in response to public calls for tenders.

Other significant commitments and contractual obligations

DiaSorin S.p.A., the Group's Parent Company, and Stratec executed a series of agreements in connection with the development and production of the new, fully automated, chemiluminescence diagnostic system called LIAISON XL and the new LIAISON XS. The supply contract signed by DiaSorin and Stratec calls for the latter to manufacture and supply exclusively to DiaSorin the analyzers. The Group has agreed to purchase a minimum number of analyzers. The projected annual commitment is deemed to be significantly lower than the normal level of capital investment that would be required for current or future equipment production. As a result, net invested capital is not expected to undergo significant structural changes in the future as a result of this commitment.

Contingent liabilities

As a global company, the Group's Parent Company is exposed to the risks that arise from the complex laws and regulations that apply to its commercial and manufacturing activities. With regard to pending legal disputes, the Company believes that, overall, the amounts set aside in the corresponding provision for risks are adequate.
It should be noted that in 2011 and in 2015, the Company was subject to a tax audit and Directors supported by their fiscal advisors, believed the risk of negative outcome to be remote.

27. Stock option plans

2010 Plan

On April 27, 2010, the Ordinary Shareholders' Meeting approved the new 2010 Stock Option Plan for senior executives and key employees of DiaSorin S.p.A. and its subsidiaries.
The Board of Directors approved an initial tranche of beneficiaries with a grant of 515,000 options by a resolution dated February 14, 2011, a second tranche with a grant of 40,000 options by a resolution dated August 3, 2011, a third tranche with a grant of 50,000 options by a resolution dated November 11, 2011, a fourth tranche with a grant of 70,000 options by a resolution dated December 21, 2011, a fifth tranche with a grant of 60,000 options by a resolution dated March 9, 2012, a sixth tranche with a grant of 10,000 options by a resolution dated November 7, 2012, a seventh tranche with a grant of 5,000 options by a resolution dated March 8, 2013, an eighth tranche with a grant of 5,000 options by a resolution dated May 10, 2013 and a ninth tranche with a grant of 15,000 options by a resolution dated November 8, 2013. Please note that, due to some "bad leaver and "good leaver" events, n. 137,835 options from the abovementioned grants were automatically cancelled and, pursuant to the Plan Regulations, became null and void for the previous beneficiaries.
These free option grants convey to the beneficiaries the right to acquire up to 750,000 common shares at the exercised price, based on a ratio of 1 share (nominal value of € 1 each) for each option granted and exercised, in accordance with the terms and conditions of the 2010 Plan.

The implementation of the program to purchase treasury shares for use in connection with the Company's new stock option plan began on January 17, 2011, in accordance with the terms and conditions authorized by the Shareholders' Meeting of April 27, 2010.
The program was completed on February 15, 2011, resulting in the purchase of 750,000 common shares. The shares were purchased at unit prices that were never lower by more than 15% or higher by more than 15% compared with the closing price of the DiaSorin common shares for the stock market trading session preceding each purchase.

As of December 31, 2015 stock options amounted to 587,165, out of which 555,050 exercised between January 22 and December 9, 2015 at an exercise price of EUR 32.34 per share.
In 2015, the average price was EUR 40.89 per share.

A breakdown of the option grants is as follows:

2010 Plan	**Grant date**	**Number of options**	**Parent Company's options**	**Exercised in**
I Tranche	February 14, 2011	425,000	365,000	2015
II Tranche	August 3, 2011	40,000	10,000	2015
III Tranche	November 11, 2011	25,000	25,000	2015
IV Tranche	December 21, 2011	50,000	40,000	2015
IV Tranche	December 21, 2011	20,000	-	
V Tranche	March 9, 2012	5,050	-	2015
VI Tranche	November 7, 2012	10,000	-	2015
VIII Tranche	May 10, 2013	2,115	-	
IX Tranche	November 8, 2013	10,000	-	
Total		**587,165**	**440,000**	

2014 Plan

On April 23, 2014, the Ordinary Shareholders' Meeting approved the new 2014 Stock Option Plan for senior executives and key employees of DiaSorin S.p.A. and its subsidiaries, pursuant to Art. 2357-*ter* of the Italian Civil Code, authorizing the Board of Directors to dispose of DiaSorin treasury shares, reserving them, in the necessary or appropriate amount and under the terms established by the Plan, to serve the Plan itself.

The Board of Directors approved an initial tranche of beneficiaries with a grant of 710,000 options by a resolution dated August 1, 2014, a second tranche with a grant of 5,000 options by a resolution dated November 14, 2014, a third tranche with a grant of 20,000 options by a resolution dated December 18, 2014 and a fourth tranche with a grant of n. 10,000 options by a resolution dated July, 30 2015. Please note that, due some "bad leaver" and "good leaver" events n. 40,000 options from the abovementioned grants were automatically cancelled and, pursuant to the Plan Regulations, became null and void for the previous beneficiaries.
These free option grants convey to the beneficiaries the right to acquire up to 750,000 common shares at the exercised price, based on a ratio of 1 share (nominal value of € 1 each) for each option granted and exercised, in accordance with the terms and conditions of the 2014 Plan.

As of December 31, 2015 stock options amounted to 705,000.
A breakdown of the option grants is as follows:

2014 Plan	**Grant date**	**Number of options**	**Parent Company's options**
I Tranche	August 1, 2014	690,000	510,000
II Tranche	November 14, 2014	5,000	-
III Tranche	July 30, 2015	10,000	10,000
Total		**705,000**	**520,000**

Valuation of stock options

The stock options granted to Directors and employees are measured at their fair value on the grant date in accordance with the method provided in IFRS 2 and the total cost of the plan thus determined is allocated over the vesting period.
The fair value computation method uses a binomial model and is based on the following assumptions:

A – Exercise price

The exercise price was determined in accordance with Article 6.2 of the Plan's Regulations.

B – Stock price

The value assigned to the underlying instrument for stock option valuation purposes is the daily closing price for DiaSorin shares on the grant date.

C – Expected volatility

The expected volatility of the underlying instrument measures the expected fluctuations in price/value over a given period of time. The measure of volatility used in the option pricing model used is the annualized standard deviation of the continuously compounded rates of return on an equity security over a period of time.

D – Employee exit rate

This rate, which reflects the probability that Directors or employees who are the recipients of stock option grants will leave the Company before the vesting date, was deemed to be 0%.

E – Risk-free interest rate

IFRS 2 requires the use of a risk-free interest rate that will be valid over the expected life of the options, with the term expected life meaning the length of time between the grant date and the expected option exercise date.

F – Dividend yield

The value of stock options is also affected by assumptions about the dividend yield, which is the annual dividend paid per share stated as a percentage of the share price.

The table below lists the input data used for stock option valuation purposes:

2010 Plan	Vesting period (in years)	Exercise Price	Stock Price	Par value per share	Volatility	Employee Exit Rate	Risk Free Rate	Dividend Yield	Stock price reference date	Vesting date
I Tranche	1.164383562	€ 34.28	€ 32.30	€ 1.00	30.00%	0.00%	0.4190%	1.700%	12/19/2013	2/17/2014
II Tranche	1.720547945	€ 33.49	€ 32.30	€ 1.00	30.00%	0.00%	0.6540%	1.700%	12/19/2013	9/8/2014
III Tranche	1.912328767	€ 25.04	€ 32.30	€ 1.00	30.00%	0.00%	0.6540%	1.700%	12/19/2013	11/17/2014
IV Tranche	2.065753425	€ 20.59	€ 32.30	€ 1.00	30.00%	0.00%	0.6540%	1.700%	12/19/2013	1/12/2015
V Tranche	2.528767123	€ 22.68	€ 32.30	€ 1.00	30.00%	0.00%	0.9150%	1.700%	12/19/2013	6/29/2015
VI Tranche	2.912328767	€ 27.23	€ 32.30	€ 1.00	30.00%	0.00%	0.9150%	1.700%	12/19/2013	11/16/2015
VIII Tranche	3.490410959	€ 28.12	€ 32.30	€ 1.00	30.00%	0.00%	0.9150%	1.700%	12/19/2013	6/15/2016
IX Tranche	3.906849315	€ 33.50	€ 32.30	€ 1.00	30.00%	0.00%	1.2310%	1.700%	12/19/2013	11/14/2016

2014 Plan	Vesting period (in years)	Exercise Price	Stock Price	Par value per share	Volatility	Employee Exit Rate	Risk Free Rate	Dividend Yield	Stock price reference date	Vesting date
I Tranche	3.005479452	€ 30.74	€ 29.50	€ 1.00	30.00%	0.00%	0.6408%	1.700%	8/1/2014	8/2/2017
II Tranche	3.002739726	€ 29.67	€ 31.20	€ 1.00	30.00%	0.00%	0.4198%	1.700%	11/14/2014	11/14/2017
IV Tranche	3.008219178	€ 41.43	€ 41.56	€ 1.00	30.00%	0.00%	0.5142%	1.700%	7/30/2015	8/1/2018

On December 19, 2013, The Board of Directors voted to extend the exercise terms of all the options that have been granted pursuant to the 2010 Plan to a period not exceeding 365 days. All the other conditions remain unchanged. Pursuant to these changes and as required by IFRS 2, the incremental fair value deriving from the change in the 2010 Plan amounted to 24 thousand euros. The incremental fair value is recognized in the income statement over the Plan’s vesting period together with the fair value on the grant date. The fair value of the 2010 Plan measured on the basis of the abovementioned assumptions was equal to 347 thousand euros with a vesting period that goes from February 14, 2011 to November 14, 2016 and a fair value per stock option as follows (amounts in euros):

2010 PLAN	No. of options at the vesting date	Parent Company’s options	Fair Value per option
IV Tranche	20,000	-	13,462145
VIII Tranche	2,115	-	5,642632
IX Tranche	10,000	-	6,543593

The fair value of the 2014 Plan measured on the basis of the abovementioned assumptions was equal to 3,539 thousand euros, with a vesting period that goes from August 1, 2014 to August 1, 2018 and a fair value per stock option as follows (amounts in euros):

2014 PLAN	No. of options at the vesting date	Parent Company’s options	Fair Value per option
I Tranche	690,000	510,000	4,972722
II Tranche	5,000	-	6,237949
IV Tranche	10,000	10,000	7,631389

The cost attributable to 2015, which amounted to Euro 856 thousand euros, was recognized in the income statement as part of labor costs and general and administrative expenses, with the offsetting entries posted to shareholder’s equity.

The 2015 expense for stock options awarded to subsidiaries employees, equal to 353 thousand euros, is recognized as in increase in equity investments value with the offsetting entries posted to shareholder's equity.

The exercise of some tranches under the 2010 Plan during 2015 caused the stock option reserve to decrease by 4,217 thousand euros.

28. Related-party transactions

In the normal course of business, DiaSorin S.p.A. engages on a regular basis in commercial and financial transactions with its subsidiaries, which are also Group companies. These transactions, which are executed on standard market terms, consist of the supply of goods and services, including administrative, information technology, personnel management, technical support and consulting services, which produce receivables and payables at the end of the year, and financing and cash management transactions, which produce income and expenses.

The impact of these transactions on the individual components of financial statements, which was already disclosed in separate income statement and statement of financial position schedules provided for this purpose, is summarized in the tables that follow.

(in thousands of euros)	Net revenues		Cost of sales		General & Administrative		Sales and Marketing		Research & Development		Other operating income/(expense)		Financial income/(expense)	
Counterparty	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
DiaSorin S.A. - France	12,732	13,457	271	(142)	1	-	(168)	22	-	-	249	296	-	800
Diasorin Iberia S.A.	7,473	6,278	255	(14)	(178)	(160)	1	2	-	-	209	199	1,842	115
DiaSorin S.A./N.V - Benelux	10,031	9,088	225	(8)	-	-	15	2	-	-	255	296	2,750	1,900
DiaSorin Ltd - UK	-	-	-	-	-	-	44	36	-	-	-	2	-	-
DiaSorin Diagnostics Ireland Limited	2,467	1,911	(402)	(375)	16	-	129	242	26	41	469	454	95	175
DiaSorin IN.UK Ltd	7,588	6,289	369	(29)	-	11	1	2	-	-	296	315	96	78
DiaSorin GmbH - Germany	27,353	23,231	(13,946)	(13,796)	(6)	26	25	21	-	-	(3,343)	(3,117)	3,783	4,173
DiaSorin GmbH - Austria	3,351	2,824	113	(11)	-	-	1	-	-	-	71	65	182	-
DiaSorin AG - Switzerland	1,552	1,376	67	6	-	-	-	-	-	-	26	24	-	-
DiaSorin Poland sp. Z .o.o.	1,158	-	11	-	-	-	-	-	-	-	9	-	-	-
DiaSorin AB - Sweden	-	-	-	-	-	-	-	-	-	-	-	6	-	-
DiaSorin Czech s.r.o.	2,480	2,234	109	(28)	-	-	-	1	-	-	77	87	33	5
DiaSorin Inc. - USA	30,978	24,482	(29,607)	(20,418)	21	(124)	1	11	52	-	2,510	2,260	2	10,985
DiaSorin Ltda - Brazil	6,252	10,409	(340)	(182)	-	33	-	-	-	-	40	44	(7,603)	78
DiaSorin SA de CV - Mexico	4,341	3,658	-	(60)	-	-	(893)	(937)	-	-	75	90	20	-
DiaSorin Ltd - Israel	2,435	2,364	(14)	(3)	-	-	-	1	-	-	98	111	1,800	800
DiaSorin Ltd - China	29,959	20,636	(96)	-	-	-	(1,515)	(1,328)	-	5	(6)	(7)	2,022	1,468
DiaSorin Trivitron Healthcare Private Limited	887	1,167	(3)	-	(7)	(234)	(87)	(73)	-	-	(9)	(31)	-	-
DiaSorin Ltd - South Africa	393	295	640	407	35	13	51	(59)	-	-	789	709	1,679	1,274
DiaSorin Ltd - Australia	3,116	2,714	(12)	(94)	-	-	(19)	-	-	3	128	167	151	182
Total Group companies	**154,546**	**132,413**	**(42,360)**	**(34,747)**	**(118)**	**(435)**	**(2,414)**	**(2,057)**	**78**	**49**	**1,943**	**1,970**	**6,852**	**22,033**
Executives with strategic responsibilities	-	-	-	-	(3,318)	(2,150)	-	-	-	-	-	-	-	-
Directors	-	-	-	-	(886)	(886)	-	-	-	-	-	-	-	-
Other related parties	-	-	-	-	(4,204)	(3,036)	-	-	-	-	-	-	-	-
Total Group companies and other related parties	**154,546**	**132,413**	**(42,360)**	**(34,747)**	**(4,322)**	**(3,471)**	**(2,414)**	**(2,057)**	**78**	**49**	**1,943**	**1,970**	**6,852**	**22,033**

(in thousands of euros)	**Trade receivables**		**Current financial receivables**		**Non-current financial receivables**		**Trade payables**		**Current financial payables**		**Other current liabilities**	
Counterparty	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
DiaSorin S.A. - France	2,299	2,256	-	-	-	-	(226)	(22)	(5,111)	(3,310)	-	-
Diasorin Iberia S,A,	1,376	1,127	2,291	1,769	2,000	3,500	(178)	(167)	-	-	-	-
DiaSorin S.A./N.V - Benelux	2,153	1,549	-	-	-	-	-	(1)	(4,318)	(4,281)	-	-
DiaSorin Ltd - UK	12	12	-	-	-	-	-	-	(962)	(112)	-	-
DiaSorin Diagnostics Ireland Limited	586	685	1,624	3,027	2,280	3,800	(201)	(225)	(1,461)	-	-	-
DiaSorin IN,UK Ltd	1,764	1,110	949	6,375	-	-	-	(1)	(383)	(3,462)	-	-
DiaSorin GmbH - Germany	4,075	3,397	-	-	-	-	(2,467)	(3,719)	(7,068)	(3,652)	-	-
DiaSorin GmbH - Austria	655	565	-	-	-	-	(3)	-	(1,164)	(479)	-	-
DiaSorin AG - Switzerland	245	380	-	-	-	-	(1)	-	(432)	(112)	-	-
DiaSorin Poland sp. Z .o.o.	668	-	122	-	-	-	-	-	-	-	-	-
DiaSorin AB - Sweden	(3)	1	-	-	-	-	-	-	(2,390)	(2,390)	-	-
DiaSorin Czech s.r.o.	448	528	151	288	888	1,154	(3)	-	(173)	-	-	-
DiaSorin Inc. - USA	5,731	6,034	-	-		-	(5,891)	(4,443)	-	-	-	-
DiaSorin Ltda - Brazil	1,307	8,838	-	-	-	3,000	(148)	(359)	-	-	-	-
DiaSorin SA de CV - Mexico	1,773	1,951	203	-	306	-	(91)	(417)	-	-	-	-
DiaSorin Ltd - Israel	46	1	-	-	-	-		-	-	-	-	-
DiaSorin Ltd - China	8,303	7,352	-	-	-	-	(538)	(406)	-	-	-	-
DiaSorin Trivitron Healthcare Private Limited	229	347	-	-	-	-	(14)	(126)	-	-	-	-
DiaSorin Ltd - South Africa	559	345	-	-	-	-	(28)	(41)	-	-	-	-
DiaSorin Ltd - Australia	975	1,281	1,031	617	2,215	2,861	(12)	(98)	-	-	-	-
Total Group companies	**33,201**	**37,759**	**6,371**	**12,076**	**7,689**	**14,315**	**(9,801)**	**(10,025)**	**(23,462)**	**(17,798)**	**-**	**-**
Executives with strategic responsibilities	-	-	-	-	-	-	-	-	-	-	-	-
Directors	-	-	-	-	-	-	-	-	-	-	(124)	(124)
Other related parties	-	-	-	-	-	-	-	-	-	-	**(124)**	**(124)**
Total Group companies and other related parties	**33,201**	**37,759**	**6,371**	**12,076**	**7,689**	**14,315**	**(9,801)**	**(10,025)**	**(23,462)**	**(17,798)**	**(124)**	**(124)**

29. Transactions resulting from atypical and/or unusual activities

In 2015, there were no transactions resulting from atypical and/or unusual activities, as defined in the Consob Communication dated July 28, 2006 (see the definition provided in the Financial Statement Presentation Format section of this Report).

ANNEX III: DISCLOSURE REQUIRED PURSUANT TO ARTICLE 149-DUODECIES OF THE CONSOB'S ISSUERS' REGULATIONS

(in thousands of euros)	**Party providing the service**	**Fee attributable to 2015**
Independent Auditing	Deloitte & Touche S.p.A.	121
	Deloitte Network	30
Certification services	Deloitte & Touche S.p.A.	4
Total		**155**

CERTIFICATION OF THE STATUTORY FINANCIAL STATEMENTS PURSUANT TO ARTICLE 81-*TER* OF CONSOB REGULATION NO. 11971 OF MAY 14, 1999, AS AMENDED

1. We, the undersigned, Carlo Rosa, in my capacity as Chief Executive Officer, and Luigi De Angelis, in my capacity as Corporate Accounting Documents Officer, of the issuer DiaSorin S.p.A.,

attest that,

insofar as the provisions of Article 154-*bis,* Sections 3 and 4, of Legislative Decree No. 58 of February 24, 1998 are concerned, the administrative and accounting procedures applied to prepare the 2014 statutory financial statements are:

a) adequate in light of the Company's characteristics; and

b) were applied effectively.

2. Moreover, we attest that:

2.1 the statutory financial statements at December 31, 2015:

a) were prepared in accordance with the applicable international accounting principles recognized by the European Union, pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and Council dated July 19, 2002;

b) are consistent with the data in the supporting documents and accounting records;

c) are suitable for the purpose of providing a truthful and fair representation of the balance sheet, operating performance and financial position of the issuer;

2.2 the Report on Operations provides a reliable analysis of the Group's performance and result from operations and of the status of the issuer, together with a description of the main risks and uncertainties to which they are exposed.

Saluggia, April 1, 2016

Signed:

Carlo Rosa	Luigi De Angelis
Chief Executive Officer	Corporate Accounting Documents Officer

REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE SHAREHOLDERS' MEETING OF DIASORIN S.p.A

(pursuant to Article 153 of Legislative Decree No. 58/98 and Article 2429, Section 3, of the Italian Civil Code)

Dear Shareholders:

In the financial year ended December 31, 2015, the Board of Statutory Auditors performed its oversight activities within the deadlines required by current laws, the Consob regulations and the principles of conduct recommended by the National Board of Certified Public Accountants and Accounting Experts.

Overview of the activities of the Board of Statutory Auditors and results achieved

Consistent with the requirements of Article 149 of the Uniform Financial Code and pursuant to Article 2403 of the Italian Civil Code, the activities of the Board of Statutory Auditors were organized so as to monitor the following:

- Compliance with the law and the Company's Articles of Incorporation;
- Compliance with the principles of sound management;
- Effectiveness of the Company's organization;
- Effectiveness of the Company's internal control system;
- Reliability of the accounting system in presenting fairly the results from operations;
- Manner in which the Corporate Governance Code that the Company has agreed to abide by is being concretely implemented;
- The comprehensiveness of the instructions provided to Group companies to comply with the notification obligations envisaged by law (pursuant to Art. 114, Section 2 of the Uniform Financial Code).

The Board of Statutory Auditors also verified that the Company was in compliance with the requirements of the regulations concerning "Market Abuse", the handling of insider information and the procedure adopted by the company.

In the financial year ended December 31, 2015, the Board of Statutory Auditors held seven meetings on an ongoing basis. Minutes of the meetings recording the oversight and control activities performed were drawn up on each occasion. In addition, the Board of Statutory Auditors attended the meetings held by the Board of Directors, the Control and Risks Committee, the Compensation Committee, through its Chairman and/or other member of the Board of Statutory Auditors, and the Shareholders' Meeting to approve the financial statements in 2015.

Compliance with the law and the Company’s Articles of Incorporation

Its attendance at meetings held by the Board of Directors and by relevant committees, the information it received and the controls it performed enabled the Board of Statutory Auditors to determine that the Company is operating in compliance with the relevant laws and regulations and in accordance with its Bylaws. Specifically, the provisions that govern the activities of the corporate governance bodies, the Company’s operations and the recommendations of regulatory authorities are constantly monitored by Company officials, with adequate professional skills in each area, providing guidance for the correct implementation of these provisions, using as necessary the support of expert professionals in the various fields.

Compliance with the principles of sound management

The conduct of the Company’s operations, which is monitored on an ongoing basis, is designed to protect and safeguard the Company’s assets and create value. At its meetings, the Board of Directors analyses in- depth and discusses in detail the following issues:

- Operating performance
- Operating and financial results for each reporting period and forecast data;
- Material transactions and any investment, acquisition and divestiture proposals, assessing the risks involved and carrying out in-depth reviews of competitive scenarios, target markets, cost fairness, impact of the transactions on the Group and consistency and compatibility of the transactions with the Company’s available resources;
- Any transactions with related parties, consistent with the procedure adopted by the Company;
- Significant transactions with subsidiaries including their performance and financial structures, taking into account particular market context in which the subsidiaries operate.

The Board of Statutory Auditors is not aware of transactions that are egregiously imprudent, reckless or in conflict with the resolutions of the Shareholders’ Meeting or detrimental to the interest of the Company and its Shareholders.

The Company’s senior management and the administrative bodies, commercial and production structures implement the resolutions of the Board of Directors in a consistent manner.

At the operating level, the Board of Statutory Auditors obtained information, requested relevant documents and met with the Accounting Documents Officer, the executives responsible for management control, the Independent Auditors, the Internal Auditing Department, the Corporate Legal Affairs Department and the Oversight Board established pursuant to Legislative Decree No. 231/2011. As a result, it was able to assess the effectiveness and efficiency of the Company’s operating activities and of the reliability and continuity of the controls implemented to ensure that any corrective action is taken promptly.

Effectiveness of the Company's organization

The Board of Statutory Auditors reviewed organization charts, levels of responsibility, the proxy system and the flow of management instructions in order to assess the overall ability of the organization to provide effective strategic and management guidance and exercise the required technical, technological, commercial and accounting control over the Group's operations. The Board of Statutory Auditors reviewed the powers of attorney granted by the Company and found them to be clear and appropriate.

The Board of Statutory Auditors was able to ascertain that the offices responsible for this function obtain useful information promptly and reliably, both from the Parent Company and the subsidiaries, and respond with adequate and effective actions. The procedures used for this purpose and the instructions provided for management control purposes are sufficient to carry out this activity effectively.

Effectiveness of the Company's system of internal control

The oversight activities performed to assess the effectiveness of the Company's organization and its compliance with the principles of sound management enabled the Board of Statutory Auditors to form an opinion about the system of internal control adopted by the Company and the Group.

Without prejudice to the central control role assigned to the Board of Statutory Auditors by the Uniform Code on Statutory Independent Auditing, it is worth noting that the Board of Statutory Auditors and the Control and Risks Committee concluded that the coordination with the control entity is being achieved through the attendance of Risks and Control Committee meeting by all members of the Board of Statutory Auditors. With regard to the above, the Board of Statutory Auditors and the Control and Risks Committee in the financial year 2015 addressed jointly the following issues: the financial disclosure process, the effectiveness of the internal control system, the internal auditing process and risks management, the independent statutory auditing of the financial statements and the independence of the Independent Auditors.

The Internal Audit Officer presented regularly scheduled activities and carried out the required audits. The Audit Reports are made known, on a regular basis, to the Control and Risks Committee, the Board of Statutory Auditors, the Board of Directors and the Oversight Board pursuant to the Legislative Decree 231/2001.

In view of the activities carried out and the company's structure, the Board of Statutory Auditors found the Company's internal control system to be effective.

Your Company adopted the Organization and Management Model required by Legislative Decree No. 231/2001 with regard to the administrative liability of legal entities and appointed the Oversight Board with the task to monitor and supervise the correct functioning and compliance with the Model

following its updating.
More specifically, in the financial year 2015, the Model was updated on the basis of recently introduced offences and a training and updating plan for employees was implemented pursuant to Legislative Decree No. 231/2001, concerning characteristics and functioning of the Organization Model adopted.
The information flow from the Board of Statutory Auditors to the Oversight Board and vice-versa is an ongoing basis under the presence of Mr Roberto Bracchetti as Chairman of both control organs. The Oversight Board prepared its reports on activities carried out in the financial year 2015 and reported no questionable issues and/or specific problems.

Reliability of the accounting system in presenting fairly the results from operations

Relying in part on the support of outside specialists, the Accounting Documents Officer prepared a manual of the accounting and financial procedures necessary to ensure a fair presentation of the results of the Company's operations.
the Independent Auditors raised no issues either in special-purpose reports or at regular meetings with the Board of Statutory Auditors as far as the accounting system is concerned, which was reviewed to assess its ability to present fairly the results of the Company's operations, ensure that the accounting records are updated in a timely fashion and are accurately maintained and produce official supporting documents showing compliance with tax and social security requirements.

Compensation of Directors performing special functions and incentive plan for the Chief Executive Officer, General Manager and executives with strategic responsibilities

In the financial year ended on December 31,2015, the Board of Statutory Auditors, taking into account the attendance of the Chairman of the Board of Statutory Auditors or of any other member appointed by the said Chairman, and insofar as issues under its jurisdiction are concerned, reviewed the proposals made, based on the input of the Compensation Committee, with regard to the structure of the compensation of Directors who perform special functions.
In reference to Strategic Executives, the Board of Statutory Auditors, set in accordance with recommendations by the Compensation Committee, noted that the current compensation system is based on the award of compensation that includes a fixed component and a variable component tied to the economic results achieved at the Group level in connection with the attainment of specific targets, in addition to the Company's stock options plans granted to employees.

Manner in which the Corporate Governance Code that the Company has agreed to abide by is being concretely implemented

On March 3, 2015, the Company's Board of Directors agreed to adopt the updated version (July 2014) of the Corporate Governance Code, ordering that the necessary steps be taken to incorporate the new elements of the Code.

In this regard, with the shareholders' resolutions of December 19, 2012, the company amended its Bylaws to make them consistent with the provisions introduced by Law No. 120 of July 12, 2011 regarding gender balance in composition of the corporate bodies of listed companies and that were promptly adopted both by the Board of Directors and by the Statutory Auditors.

The Board of Statutory Auditors verified that the independent Directors properly applied the criteria for the annual assessment of compliance with the independence requirements.

The Board of Statutory Auditors also verified all its members met the applicable independence requirements.

The Board of Statutory Auditors refers to the company annual Corporate Governance Report as at 2015 financial year approved by the Board of Directors on March 9, 2016, which describes the following:

- The Company's Control and Risks Committee which is comprised of three non-executive Directors (two of whom are independent), met three times in 2015 financial year;
- The Company's Compensation Committee, which is comprised of three non-executive Directors (two of whom are independent), met three times in 2015 2015 financial year;
- The Nominating Committee, which is comprised of three non-executive Directors (two of whom are independent) did not meet in 2015 financial year;
- The Related-party Committee, which is comprised of three non-executive Directors (all independent) met three times 2015 financial year;
- In 2015 financial year, the Board of Directors completed a self-assessment process regarding the size, composition and activities of the Board and its Committees. The self-assessment process which was evaluated as effective was coordinated by the Lead Independent Director;
- Pursuant to Art. 2409-bis of the Italian Civil Code, the independent audit assignment for the years from 2007 to 2015 was awarded to Deloitte & Touche S.p.A., during the Shareholder' Meeting of February 12, 2007. The assignment will expire with the approval of the financial statements as of December 31, 2015, at the end of nine-year period.

Instructions provided to Group companies

The Statutory Auditors ascertained that the Parent Company's departments provide appropriate instructions to Group companies with regard to the public disclosures that must be provided pursuant to Article 114 of Legislative Decree No. 58/98, in compliance with the requirements of Article 36 of Consob Resolution No. 16191/2007 ("Market Regulations").

Statutory financial statements and Report on Operations

The financial statements of DiaSorin S.p.A. for the year ended December 31, 2015 that are being submitted for your approval were prepared in accordance with the IAS/IFRS accounting principles.

They show a net profit of 46,004 thousand euros.

The Board of Directors provided us on a timely basis with the financial statements for the year ended December 31, 2015, consisting of the statement of financial position, an income statement, a statement of cash flows, additional statements, reconciliation and notes to the financial statements. The financial statements include the Report on operations, the Report on Corporate Governance and the Company's Ownership Structure. The Report on Operations, examined and approved by the Board of Directors during the meeting held on March 9, 2016, together with the Company's draft statutory financial statements for the year ended December 31, 2015, was integrated in the section "Significant events occurring after December 31, 2015 and business outlook" following the agreement your company signed on March 29, 2016 to acquire Focus Diagnostics' Inc. molecular and immunoassay product business. Focus Diagnostics is a US company wholly controlled by Quest Diagnostics. The integration was examined and approved by the Board of Directors during the meeting held on April 1, 2016

The Chief Executive Officer and the Accounting Documents Officer issued the certifications required by Art. 154-bis of the Uniform Financial Code.

The Board of Statutory Auditors met with the Independent Auditors for the specific purpose of obtaining information about the preparation of the statutory financial statements for the year ended December 31, 2015 and examining the "Report on the fundamental issues emerging during the statutory audit", pursuant to Art. 19, Section 3, of Legislative Decree n. 39/2010, it verified:

- Significant issues discussed with Management, both with regard to DiaSorin S.p.A and to DiaSorin Group companies;
- No significant deficiencies have been found in the Internal Control System over financial reporting;
- The positive outcome of the procedure and analyses the Company carried out for the impairment test, in compliance with IAS 36 recommendations and accounting principles and Deloitte practice used in its audit tasks;
- No facts requiring disclosure were uncovered.

The Independent Auditors provided the Board of Statutory Auditors with their report, which contains no qualifications or requests for additional disclosures and includes an assessment of the consistency of the Report on Operations for the year ended December 31, 2015 with the statutory financial statements, as required by Article 14, Section 2, Letter e), of Legislative Decree No. 39/2010.

The Board of Statutory Auditors verified the reasonableness of the valuation processes applied and their consistency with the approach of the international accounting principles, specifically with regard to Goodwill, other Intangible Assets and Equity Investments. In this area, it is worth mentioning that, as required by the Banca d'Italia/Consob/Isvap Joint Document No. 4 of March 3, 2010, the compliance of the impairment test procedure with the requirements of IAS 36 was formally and autonomously approved by the Board of Directors, following a review of the principles used (using the same method as the previous year), by the Control and Risks Committee. The Board of Statutory Auditors specifies that the process to calculate the recoverability of the amounts relating to goodwill and its assumptions are described in detail in the notes to the financial statements, as required by the accounting principles.

Consolidated financial statements

The consolidated financial statements of DiaSorin Group were prepared in accordance with the IAS/IFRS international accounting principles, as published by the International Accounting Standards Board (IASB) and officially approved by the European Union, in effect at December 31, 2015, and are consistent with the regulations enacted to implement Article 9 of Legislative Decree No. 38/2005.

Following the abovementioned acquisition of Focus Diagnostics' Inc. molecular and immunoassay product business the Board of Directors, during the meeting held on March 9, 2015 completed the information provided in the note no.29 "Significant events occurring after December 31, 2015 and business outlook" in the consolidated financial statements.

The Independent Auditors provided the Board of Statutory Auditors with their report, which contains no qualifications or requests for additional disclosures and includes an assessment of the consistency of the Report on Operations with the statutory financial statements, as required by Article 14, Section 2, Letter e), of Legislative Decree No. 39/2010.

OTHER INFORMATION

Statutory Board acknowledged:

1. Any major operating, financial or asset transactions, carried out by the company are described in detail in the Report on Operations. During the year ended December 31, 2015, no atypical and/or unusual transactions were executed with outsiders, Group companies or related parties (as defined in the Consob Communication of July 28, 2006).
2. During the year ended December 31, 2015, transactions with related parties consist of commercial and financial transactions with Company's subsidiaries. These transactions are part of the Company's regular operations.
3. During the year ended December 31, 2015, the Board of Statutory Auditors was not informed of any complaints or statements by third parties, pursuant to Article 2408 of the Italian Civil Code.
4. The Notes annexed to the Company's financial statements and the consolidated financial statements drawn up in accordance with Article 149-duodecies of the Consob Issuers' Regulations, show the fees payable for the 2015 accounting period for auditing services and for entities belonging to the same network.

5. The Board of Statutory Auditors took note that other services provided by Deloitte network to the Group subsidiaries, for a total of 25,000 thousand euros, refers to tax services and audit services for royalties' computation. Taking into account the independence declaration issued by Deloitte, as required by Article 17, Section 9, of the Legislative Decree No. 39/2010 and the assignments DiaSorin and the Group's companies entrusted to the Independent Auditors, the Board of Statutory Auditors reckons that no critical elements emerged regarding the independence of the Independent Auditors.
6. During the year ended December 31, 2015, the Board of Statutory Auditors provided, when necessary, the opinions and observations required pursuant to law. Specifically, on March 1, 2016 at the end of a structured process to evaluate proposals received by auditing companies through a tender procedure, the Board of Statutory Auditors filed its reasoned proposal pursuant to Article 13, paragraph 1 of the Legislative Decree 39/2010 concerning the independent audit assignment for the period 2016-2024
7. In the course of the oversight activity it carried out during the year, the Board of Statutory Auditors did not uncover any omissions, objectionable actions or serious irregularities. Consequently, no report and proposal to the Shareholders' Meeting pursuant to Article 153 of Legislative Decree No.58/98 is required.
8. The Board of Statutory Auditors points out that with the approval of the financial statements ended December 31, 2015 the term of the Board of the Board of Directors and the term of the Statutory Auditors will expire; thanking you for the trust the Board of Statutory Auditors invites the Shareholders' Meeting to proceed with new appointments.

The Board of Statutory Auditors, based on the considerations set forth above and limited to the issues under its jurisdiction, has no objection to the approval of the financial statements for the year December 31, 2015 and concurs with the motion to appropriate the year's net profit formulated by the Board of Directors.

Saluggia, April 6, 2016

THE BOARD OF STATUTORY AUDITORS

Roberto Bracchetti

Ottavia Alfano

Andrea Caretti

Deloitte.

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INDEPENDENT AUDITORS' REPORT
PURSUANT TO ART. 14 AND 16 OF LEGISLATIVE DECREE N. 39
OF JANUARY 27, 2010

To the Shareholders of
DIASORIN S.p.A.

Report on the Financial Statements

We have audited the accompanying financial statements of DiaSorin S.p.A., which comprise the statement of financial position as at December 31, 2015, and the income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Directors are responsible for the preparation of these financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/05.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA Italia) issued pursuant to art. 11, n° 3, of Italian Legislative Decree 39/10. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation that give a true and fair view of financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of DiaSorin S.p.A. as at December 31, 2015, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/05.

Report on Other Legal and Regulatory Requirements

Opinion on the consistency of the report on operations and of certain information included in the report on corporate governance with the financial statements

We have performed the procedures indicated in the Auditing Standard (SA Italia) n° 720B in order to express, as required by law, an opinion on the consistency of the report on operations and of certain information included in the report on corporate governance required by art. 123-bis, n° 4, of Italian Legislative Decree n° 58/98, which are the responsibility of the Directors of DiaSorin S.p.A., with the financial statements of DiaSorin S.p.A as at December 31, 2015. In our opinion, the report on operations and the information included in the report on corporate governance referred to above are consistent with the financial statements of DiaSorin S.p.A as at December 31, 2015.

DELOITTE & TOUCHE S.p.A.

Signed by
Giorgio Barbieri
Partner

Turin, Italy
April 4, 2016

This report has been translated into the English language solely for the convenience of international readers.

Deloitte.

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INDEPENDENT AUDITORS' REPORT
PURSUANT TO ART. 14 AND 16 OF LEGISLATIVE DECREE N. 39
OF JANUARY 27, 2010

To the Shareholders of
DIASORIN S.p.A.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of DiaSorin S.p.A. and its subsidiaries (the "DiaSorin Group"), which comprise the statement of financial position as at December 31, 2015, and the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Directors are responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/05.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA Italia) issued pursuant to art. 11, n° 3, of Italian Legislative Decree 39/10. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation that give a true and fair view of consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the DiaSorin Group as at December 31, 2015, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/05.

Report on Other Legal and Regulatory Requirements

Opinion on the consistency of the report on operations and of certain information included in the report on corporate governance with the consolidated financial statements

We have performed the procedures indicated in the Auditing Standard (SA Italia) n° 720B in order to express, as required by law, an opinion on the consistency of the report on operations and of certain information included in the report on corporate governance required by art. 123-bis, n° 4, of Italian Legislative Decree n° 58/98, which are the responsibility of the Directors of DiaSorin S.p.A., with the consolidated financial statements of the DiaSorin Group as at December 31, 2015. In our opinion, the report on operations and the information included in the report on corporate governance referred to above are consistent with the consolidated financial statements of the DiaSorin Group as at December 31, 2015.

DELOITTE & TOUCHE S.p.A.

Signed by
Giorgio Barbieri
Partner

Turin, Italy
April 4, 2016

This report has been translated into the English language solely for the convenience of international readers.