SEMI-ANNUAL FINANCIAL REPORT OF THE DIASORIN GROUP AT JUNE 30, 2016

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

TABLE OF CONTENTS

Board of Directors, Board of Statutory Auditors and Independent Auditors

Board of Directors (elected on April 28, 2016)

Chairman	Gustavo Denegri
Deputy Chairman	Michele Denegri
Chief Executive Officer	Carlo Rosa (1)
Directors	Giancarlo Boschetti Stefano Altara Chen Menachem Even Franco Moscetti (2) Giuseppe Alessandria (2) (3) Roberta Somati (2) Maria Paola Landini (2) Francesca Pasinelli (2) Monica Tardivo (2) Enrico Mario Amo Tullia Todros (2) Vittorio Squarotti

Board of Statutory Auditors

Chairman	Monica Mannino
Statutory Auditors	Roberto Bracchetti Ottavia Alfano
Alternates	Maria Carla Bottini Salvatore Marco Fiorenza

Independent Auditors	PricewaterhouseCoopers S.p.A.

COMMITTEES

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

(1) General Manager
(2) Independent Director
(3) Lead Independent Director

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.**

IMMUNODIAGNOSTICS

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

Chemiluminescence / CLIA	Colorimetry / 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 time: 30-45 minutes	**Processing time**: 3-4 hours	**Processing time**: >4 hours

DiaSorin supplies its customers with instruments that make it possible to carry out the diagnostic investigation automatically through 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 **111 immunodiagnostic products** available on CLIA technology, out of which **32 specialty tests**, dedicated to the most clinical areas tested in laboratory.

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

MOLECULAR DIAGNOSTICS

DiaSorin considers **molecular diagnostics** to be a **strategic sector for the future growth** of its business.

The Group started its approach to molecular diagnostics in 2008 in order to understand and master the three phases (extraction, amplification and diagnosis) required to obtain a high-quality diagnostic result.

The experience gained over the past years through targeted investments in Research & Development enabled the Group to enter the market with a solution conceived for the Onco-Haematology clinical area to identify different types of Leukemia through the use of DiaSorin's reagents and instruments (LIAISON Ixt, BULLET Pro and LIASON Iam).

On May 13, 2016 the DiaSorin Group decided to invest even further on this technology, completing the acquisition of Focus Diagnostics (Focus) business operation from Quest Diagnostics Inc. and acquiring a state-of-the-art technological molecular instrument - the Integrated Cycler - designed to provide a fast, quick and reliable solution to hospitals and private laboratories for Infectious Diseases tests.

The **three phases** required to deliver the final diagnostic result and DiaSorin's proprietary instruments used in molecular diagnostics are provided in the following page.

THE 3 MOLECULAR DIAGNOSTICS PHASES AND THE RELATED DIASORIN'S PROPRIETARY INSTRUMENTS

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 **wide range of biological samples** (plasma, serum, CSF and swabs), after minimum pre-treatment of the sample.

Bullet Pro®

Phase 2: amplification

The **amplification process** "multiplies" the nucleic acid after its extraction.
PCR and **Q-LAMP amplification** technologies used by the **DiaSorin Group** allow laboratories to amplify RNA and DNA samples in the different clinical areas requiring diagnostic investigation.
DiaSorin uses the **PCR** technology mainly for diagnosis of **Infectious Diseases**, through the "**Integrated Cycler**" instrument, which became part of DiaSorin instruments following the recent strategic acquisition of Focus Diagnostics.
The "**LIAISON Iam**" is positioned right at the top of its class for diagnosis of different **types of leukemia** that can be found in blood using **Q-LAMP** amplification technology with the addition of real time, fluorescent and multiplexed amplification.

Q-LAMP Technology

PCR Technology

Integrated Cycler

Phase 3: diagnosis

It is a **diagnostic testing process** to qualify and quantify, through molecular kits, the viral load and genetic mutations in patient's blood sample.
Through DiaSorin's proprietary instruments, laboratories can perform fully automated tests to diagnose **viral infections** and **leukemia**.

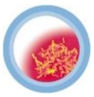
CLINICAL AREAS

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 clinical areas for the benefit of human health and prevention of an increasingly large 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 has 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 disease 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. Since 1968 DiaSorin began to develop 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 second most common cause of death in industrialized countries. Tumour markers are biological substances produced by the tumour cells, generally found in very low concentrations in normal individuals. Tumour 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 has recently 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 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 As for brain damages, 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 outstrips its competitors in both clinical areas, thanks to a full range of products available on CLIA technology.

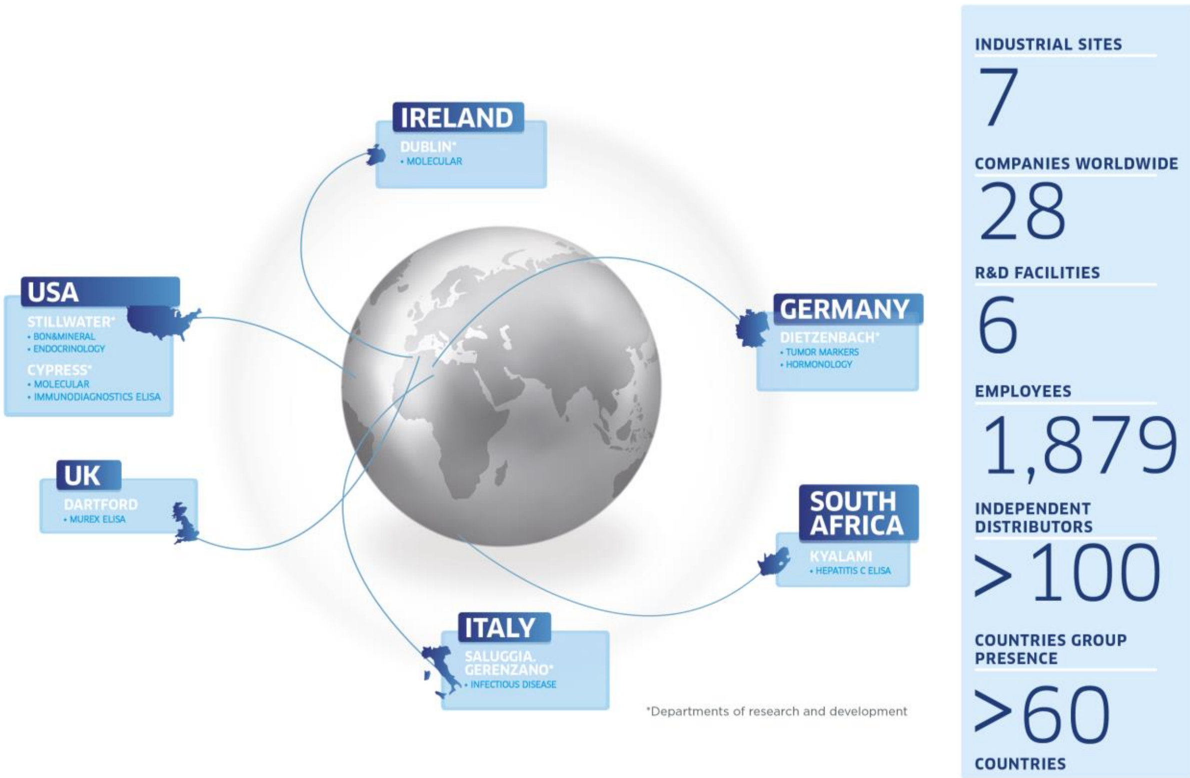
A GLOBAL PRESENCE

The Group headed by DiaSorin S.p.A. is comprised of **24 companies** and **4 branches** on **5 continents.**

The Group's manufacturing organization consists of several

facilities located in Europe, USA and Africa.

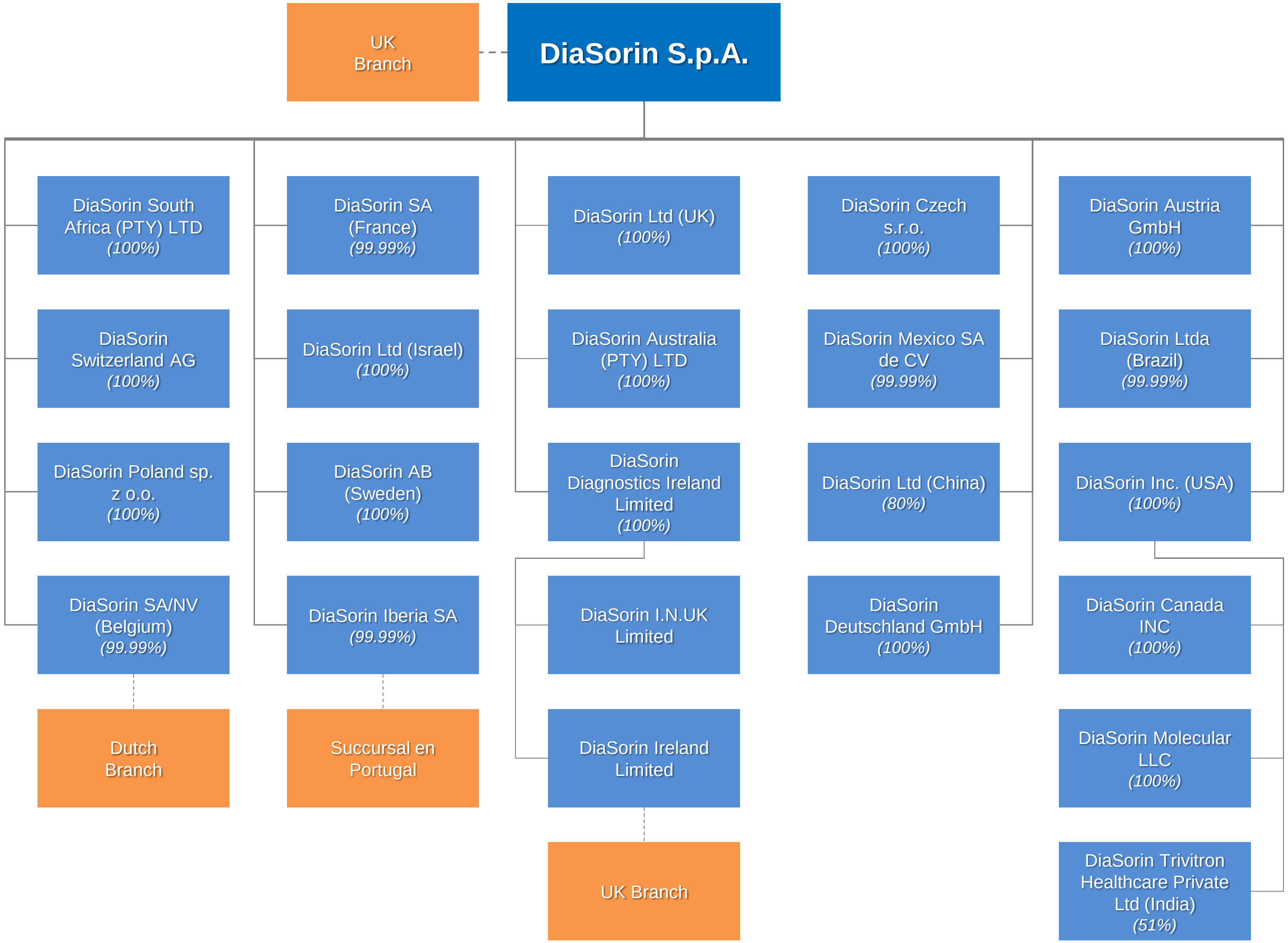
Head office location	**Companies**
Saluggia Italy	Group's Parent Company
Stillwater USA	DiaSorin Inc.
Dietzenbach Germany	DiaSorin Deutschland GmbH
Dublin Ireland	DiaSorin Ireland Ltd
Dartford United Kingdom	DiaSorin S.p.A-UK Branch
Kyalami South Africa	DiaSorin South Africa (Pty) Ltd
Cypress USA	DiaSorin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



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 100 independent distributors.

STRUCTURE OF THE DIASORIN GROUP AT JUNE 30, 2016



CONSOLIDATED FINANCIAL HIGHLIGHTS

Income statement *(in thousands of euros)*	**1st half 2016**	**1st half 2015**
Net revenues	266,228	245,144
Gross profit	183,324	166,334
EBITDA (1)	102,282	91,398
Operating result (EBIT)	82,208	75,077
Net profit for the period	54,033	48,821

Statement of financial position *(in thousands of euros)*	**6/30/2016**	**12/31/2015**
Capital invested in non-current assets	459,992	213,574
Net invested capital	583,023	319,245
Net financial position	5,923	267,913
Shareholders' equity	588,946	587,158

Statement of cash flows *(in thousands of euros)*	**1st half 2016**	**1st half 2015**
Net cash flow for the period*	(138,960)	(3,229)
Free cash flow (2)	53,919	39,314
Capital expenditures	15,055	16,880
Number of employees	1,879	1,648

* Including investments amounting to EUR 30 million and to USD 30 million in bank term deposit opened in 2015 and having reached their maturity date in the first half of 2016.
(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.

INTERIM REPORT ON OPERATIONS

FOREWORD

These condensed Semiannual Financial Statements were prepared in accordance with international accounting principles (International Accounting Standards – IAS and International Financial Reporting Standards – IFRS) and the corresponding interpretations (Standing Interpretations Committee – SIC and International Financial Reporting Interpretations Committee – IFRIC) published by the International Accounting Standards Boards (IASB). More specifically, it is being presented in condensed form, in accordance with the international accounting principle that governs interim financial reporting (IAS 34), as adopted by the European Union, and complies with the requirements of Article 154-*ter,* Sections 2 and 3, of Legislative Decree No. 58 of February 24, 1998.

The accounting principles applied to prepare this consolidated semiannual report are consistent with those used for the annual consolidated financial statements at December 31, 2015 except as otherwise stated in the Notes to the Semiannual Consolidated Financial Statements – paragraph “New accounting principles”.

Acquisitions of companies and business operations

On May 13, 2016 the DiaSorin Group completed the acquisition of Focus Diagnostics’ immunodiagnostic and molecular diagnostic products business (“Focus”) from Quest Diagnostics Inc., initiated with a binding purchase agreement signed on March 29, 2016. DiaSorin carried out the acquisition also through a newly established US affiliate, DiaSorin Molecular LLC, owned at 100% by DiaSorin Inc.

DiaSorin paid $ 297.8 million to Quest Diagnostics for all the tangible and intangible assets of Focus used by to develop, manufacture and distribute its molecular diagnostic products and its traditional immunoassay ELISA products, including among other relevant intellectual property, contracts and customer list.

The transaction was carried out mainly through available cash and only partially through a 36-month loan of € 60 million the Group’s Parent Company received from a main national bank.

Focus Diagnostics, Inc. was a wholly owned company of Quest Diagnostics Incorporated and was founded in 1978. Focus’ product lines include the Simplexa™ molecular products, HerpeSelect® HSV serology and the line of IFA and ELISA DxSelect™ assays that will continue to be manufactured from the company’s base facility in Cypress, California, USA. Focus Diagnostics has grown its business from specialized laboratory testing to manufacturing its high-quality laboratory tests for hospitals and commercial laboratories worldwide. In the fiscal year ended December 31, 2015, the Focus products business had revenues of $ 80 million, of which approximately 80% were from sales to customers based in the US, with double-digit growth year on year. The Focus business EBITDA margin was estimated in the range of 30%.

As a result of this acquisition, DiaSorin has had access to a new set of molecular products cleared for distribution both in the US and Europe, significantly increasing its presence in the growing market of Infectious Disease molecular testing. From a geographical point of view, DiaSorin will leverage its global commercial infrastructure to help the Focus business expand outside the US. Furthermore, having access to the current Focus customer base in the US, consisting mostly of large hospitals, will allow DiaSorin to speed up the penetration of this market with its current Immunoassay LIAISON® platform.

The Group consolidated revenues from the newly acquired business from the date the transaction was completed. A breakdown of the acquired assets and provisional allocation of the purchase price is provided below:

	in thousands of USD	**Amount in EUR**
Tangible assets	18,378	16,195
Other non-current assets	129	114
Inventories	12,463	10,983
Trade receivables	6,139	5,410
Other current assets	668	589
Trade payables	(2,462)	(2,170)
(a) Total net assets acquired	**35,315**	**31,120**
Concessions, licenses, trademarks and similar rights	50,345	44,365
Development costs	51,797	45,644
Customer relationship	62,670	55,226
(b) Total intangible assets identified (provisionally)	**164,812**	**145,234**
(c) Goodwill (provisionally allocated)	**97,681**	**86,078**
Total amount paid (a + b + c)	**297,808**	**262,432**

Further details are provided in the notes to the condensed Semiannual Consolidated Financial Statements (paragraph “Business combinations”).

Key events in the first half of 2016

On March 29, 2016 DiaSorin S.p.A. and Quest Diagnostics announced that they have entered into a purchase agreement under which DiaSorin will buy Quest’s Focus Diagnostics, Inc. immunodiagnostic and molecular diagnostic products business (“Focus”). The acquisition was completed on May 13, 2016.

In the first six months of 2016, the Group launched the new LIAISON test for the qualitative determination of Helicobacter pylori in human serum, available only for the market outside the USA. The new assay enlarges the Group Infection Diseases panel on CLIA technology.

On April 28, 2016 the Shareholders’ Meeting authorized, pursuant to and for the purposes of Article 2357 of the Italian Civil Code, the purchase, in one or more instalments over a period of 18 months counting from the date of the Ordinary Shareholders’ Meeting, up to 250,000 Company common shares for a consideration per share that may never be lower by more than 15% or higher by more than 15% than the official price posted for the DiaSorin shares during the stock market trading session that preceded each buy transaction. The maximum number of treasury shares held at any time in implementation of this resolution shall never exceed the ceiling set forth in the current applicable regulations.

On May 12, 2016 the Company announced the start up of the treasury shares buy-back plan for the purposes, terms and provisions authorized by the Shareholders Meetings dated April 28, 2016, and namely for the implementation of the share incentive plan named “DiaSorin S.p.A. 2016 Stock Option Plan” approved by the same Shareholders’ Meeting. The buy-back plan of 250,000 Company common shares ended on June 9, 2016 (equal to 0.44% of the Company’s share capital) amounting to 13,571 thousand euros.

The foreign exchange market

In the first half of 2016, the average exchange rate of the euro gained value against almost all currencies used by the Group compared with the same period in 2015. Specifically:

- Brazilian real +24.8%
- South African rand +29.3%
- Mexican peso +19.4%
- Chinese yuan +5.1%

The trend versus the U.S. dollar was substantially in line with the first six months of 2015.

The exchange rate of the euro at June 30, 2016 appreciated by around 2 percentage points versus the U.S. dollar compared with December 31, 2015 (increasing from 1.0887 to 1.1102) and by 4.5% against the Chinese yuan. The euro lost value against the Brazilian real (around 16.7 percentage points) and the South African rand (3 percentage points).

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 di Italia).*

Currency	Average exchange rates		Exchange rates at		
	1st half 2016	1st half 2015	6/30/2016	6/30/2015	12/31/2015
U.S. dollar	1.1159	1.1158	1.1102	1.1189	1.0887
Brazilian real	4.1295	3.3101	3.5898	3.4699	4.3117
British pound	0.7788	0.7323	0.8265	0.7114	0.7340
Swedish kronor	9.3019	9.3401	9.4242	9.2150	9.1895
Swiss franc	1.0960	1.0567	1.0867	1.0413	1.0835
Czech koruna	27.0396	27.5021	27.1310	27.2530	27.0230
Canadian dollar	1.4844	1.3774	1.4384	1.3839	1.5116
Mexican peso	20.1731	16.8887	20.6347	17.5332	18.9145
Israeli shekel	4.3073	4.3635	4.2761	4.2211	4.2481
Chinese yuan	7.2965	6.9408	7.3755	6.9366	7.0608
Australian dollar	1.5220	1.4261	1.4929	1.4550	1.4897
South African rand	17.1983	13.3048	16.4461	13.6416	16.9530
Norwegian krone	9.4197	8.6483	9.3008	8.7910	9.6030
Polish Zloty	4.3688	4.1409	4.4362	4.1911	4.2639

REVIEW OF THE GROUP'S OPERATING PERFORMANCE AND FINANCIAL POSITION

OPERATING PERFORMANCE IN THE FIRST HALF OF 2016

In the first half of 2016, the DiaSorin Group's **revenues** totalled **266,228 thousand euros** (245,144 thousand euros in the first six months of 2015), up by 8.6% compared with the same period of 2015 (+6.9% at constant exchange rates and scope of consolidation). Revenues included sales of Focus products equal to 8,751 thousand euros. The foreign exchange rates had a negative impact on revenues, equal to 4.7 million euros, mainly due to the devaluation of the Brazilian real, Chinese yuan and Mexican peso.

The first half of 2016 was characterized by the outstanding performance of CLIA technology, net of Vitamin D, up by 13.4% (+15.7% at constant exchange rates). Vitamin D sales were substantially stable (-1.5% at current exchange rates, -0.6% at constant exchange rates); lastly, instrument sales grew by 3.3% (+5.8% at constant exchange rates).

The **gross profit** totalled **183,324 thousand euros**, up 10.2% compared with 166,334 thousand euros in the same period in 2015. The ratio of gross profit to revenues was equal to 68.9% (67.9% in 2015). The increase is the net result of higher sales and different geographic and product mix during the periods under comparison.

In the first half of 2016, **EBITDA** amounted to **102,282 thousand euros** (91,398 thousand euros in 2015) up 11.9% or 10,884 thousand euros compared with the same period of 2015. EBITDA incidence to revenues increased from 37.3% in 2015 to 38.4% in 2016. The change is the net result of the growth in gross profit that was only partially diluted by higher incidence of operating expenses. When excluding the impact of exchange rates and on a comparable scope of consolidation, EBITDA grew by 10.0% in absolute value compared with 2015, with an incidence to revenues equal to 38.4 percentage points.

EBIT amounted to **82,208 thousand euros** (75,077 thousand euros in the first six months of 2015), equal to 30.9% of revenues, up by 0.3 percentage points compared with 2015.

In the first half of 2016**, net financial expenses** totalled **1,609 thousand euros**, compared with net financial expenses of 1,240 thousand euros in the first half of 2015 due to lower interests on past-due positions and to foreign exchange differences.

Income taxes totalled **26,566 thousand euros** (25,016 thousand euros in 2015), the tax rate decreased to 33.0% from 33.9% in 2015, as a result of the computation of the Group's taxable profit across the different geographical areas.

The **net profit** amounted to **54,033 thousand euros,** up by 5,212 thousand euros or 10.7% compared with the first half of 2015. The net profit was equal to 20.3% of revenues (19.9% of revenues in the first six months of 2015).

The table that follows shows the consolidated income statement for the first six months ended June 30, 2016 and June 30, 2015:

(in thousands of euros)	**1st half 2016**	**as a% of revenues**	**1st half 2015**	**as a% of revenues**
Sales and service revenues	266,228	100.0%	245,144	100.0%
Cost of sales	(82,904)	31.1%	(78,810)	32.1%
Gross profit	**183,324**	**68.9%**	**166,334**	**67.9%**
Sales and marketing expenses	(51,423)	19.3%	(48,723)	19.9%
Research and development costs	(16,706)	6.3%	(12,670)	5.2%
General and administrative expenses	(28,200)	10.6%	(26,992)	11.0%
Total operating expenses	**(96,329)**	**36.2%**	**(88,385)**	**36.1%**
Other operating income (expense)	(4,787)	1.8%	(2,872)	1.2%
non- recurring amount	*(3,258)*	*1.2%*	-	-
EBIT	**82,208**	**30.9%**	**75,077**	**30.6%**
Net financial income (expense)	(1,609)	0.6%	(1,240)	0.5%
Profit before taxes	**80,599**	**30.3%**	**73,837**	**30.1%**
Income taxes	(26,566)	10.0%	(25,016)	10.2%
Net profit	**54,033**	**20.3%**	**48,821**	**19.9%**
EBITDA (1)	**102,282**	**38.4%**	**91,398**	**37.3%**

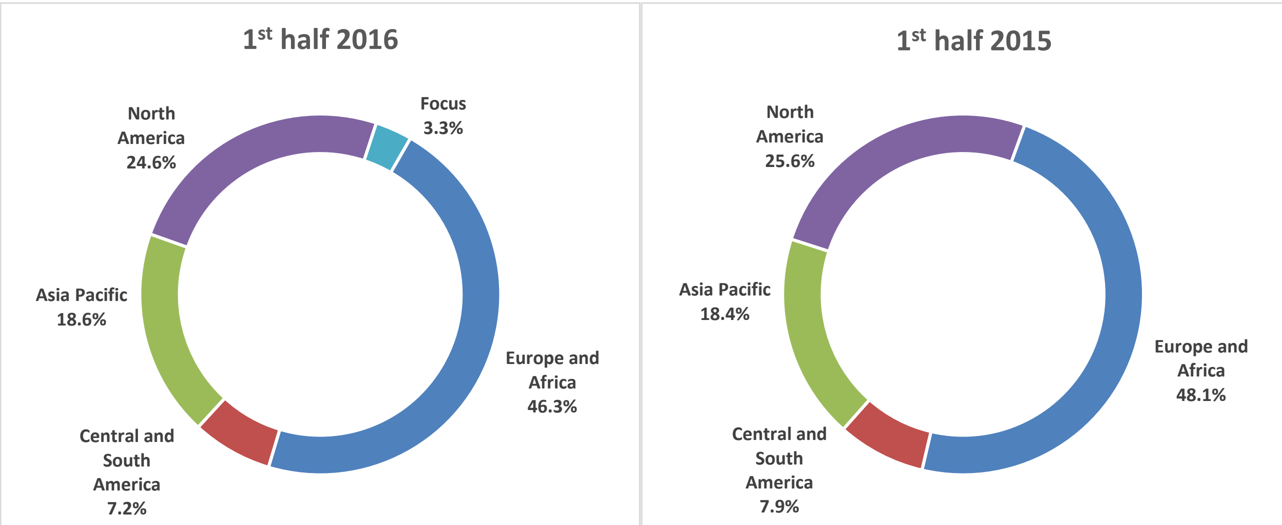
(1) The Company defines EBITDA as the “result from operations” before amortization of intangibles and depreciation of property, plant and equipment. EBITDA, which the Company uses to monitor and assess the Group’s operating performance, are not recognized as an accounting tool in the IFRSs and, consequently, should not be viewed as an alternative gauge to assess the Group’s operating performance. Because the composition of EBITDA is not governed by the reference accounting principles, the computation criterion used by the Group could be different from the criterion used by other operators and/or groups and, consequently, may not be comparable.

Net revenues

In the first half of 2016, the DiaSorin Group generated **revenues** equal to **266,228 thousand euros** (245,144 thousand euros in the first half of 2015). A breakdown of revenues by geographic region of destination is as follows:

Breakdown of revenues by geographic region

(in thousands of euros)	**1st half 2016**	**1st half 2015**	**% Change at current exchange rates**	**% Change at constant exchange rates**
Europe and Africa	123,281	117,832	+4.6%	+5.0%
North America	65,610	62,844	+4.4%	+4.6%
Asia Pacific	49,558	45,002	+10.1%	+13.6%
Central and South America	19,027	19,466	-2.3%	+10.6%
Total at constant scope	**257,476**	**245,144**	**+5.0%**	**+6.9%**
Focus	8,751	-	-	
Grand total	**266,228**	**245,144**	**+8.6%**	



Comments below about net revenues do not include revenues generated from Focus business, equal to 8,751 thousand euros.

Europe and Africa

Europe and Africa sales region generated sales equal to 123,281 thousand euros, up 4.6 percentage points (+5.0% at constant exchange rates) compared with the first half of 2015. All the main countries concerned recorded a growth in the period, with the sole exception of Italy. In detail:

i) Revenues decreased by 4.8 percentage points in Italy compared with the same period last year (local market decreased by 4.6%)[1], with a decline in sales of Tumour Markers, Thyroid tests, Bone Metabolism and Vitamin D. Upward trend in sales of Stool Testing, Hepatitis, Infectious Diseases, Prenatal Diseases, PCT and 1,25 Vitamin D;

ii) growth of 6.8% in the German market compared with the first half of 2015, mainly as a result of the good performance of 1,25 Vitamin D, Stool Testing, Infectious Diseases panel and Prenatal Diseases. Thanks to the upward trend recorded in these product lines, CLIA tests, net of Vitamin D, grew by 10.4 percentage points compared with the first half of 2015;

[1] Source EDMA latest data available

iii) good performance recorded in the French market, up 5.6% compared with the first half of 2015, due to CLIA products, net of Vitamin D, up 14.4%. This trend is even more relevant when compared to a declining local market (-3.7%)[1]. Vitamin D reported a slowdown in sales (-8.9% compared with the first half of 2015), even though it remained stable compared with the first half of 2015.

North America

In the first half of 2016, the North America sales region reported revenues of 65,610 thousand euros, up 4.4% (+4.6% at constant exchange rates) compared with 2015 (62,844 thousand euros). This upward trend, fully driven by the US market, is attributable both to Vitamin D sales (up 2.2% following the agreement signed with Quest) and to the good performance of CLIA products (particularly 1,25 Vitamin D and Infectious Diseases, Endocrinology and Prenatal Screening products).

Asia Pacific

In the first half of 2016, revenues of the Asia Pacific sales region amounted to 49,558 thousand euros, up 10.1% (+13.6% at constant exchange rates) compared with the first half of 2015.

The change (at constant exchange rates) is the net result of:

i) upward trend in sales generated from the Chinese market, with a growth of 45.5% compared with the first half of 2015, due to the good performance of CLIA products (Hepatitis, Prenatal Diseases, Tumour Markers and Infectious Diseases panels) and Murex products;

ii) decline in sales generated from markets where the Group does not have a direct presence (-16.1% compared with the first half of 2015): downward trend in Murex products, instruments and Vitamin D partially offset by the good performance of some CLIA products.

Central and South America

The Latin American sales region recorded revenues of 19,027 thousand euros in the first half of 2016, down 2.3 percentage points (+10.6% at constant exchange rates) compared with 19,466 thousand euros in the same period of 2015. The decrease is entirely due to the devaluation of the Brazilian and Mexican currencies.

The increase at constant exchange rates is the net result of:

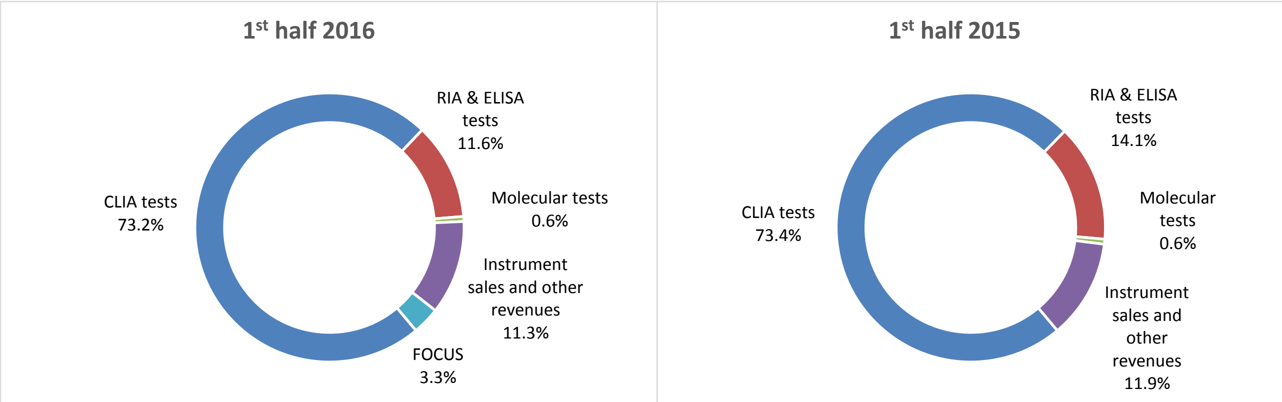
i) increased sales in the Brazilian market, up by 1.3 percentage points compared with the same period of 2015. Noteworthy is the positive performance of CLIA products up 33.7%, net of Vitamin D, due to the Hepatitis, Infectious Diseases, Endocrinology and 1,25 Vitamin D test panels;

ii) sales generated from the Mexican subsidiary, up 9.6% compared with the same period of 2015, driven by revenues generated from instruments and Hepatitis, Infectious Diseases and Prenatal Screening panels;

iii) increase in sales from distributors as a result of the positive trend both in reagent and instruments sales.

Breakdown of revenues by technology and installed base

	1st half 2016	1st half 2016 at constant scope of consolidation	1st half 2015
CLIA TESTS	73.2%	75.7%	73.4%
RIA & ELISA TESTS	11.6%	12.0%	14.1%
MOLECULAR TESTS	0.6%	0.6%	0.6%
INSTRUMENT SALES AND OTHER REVENUES	11.3%	11.7%	11.9%
FOCUS	3.3%	-	-
Total	**100.0%**	**100.0%**	**100.0%**



Comments below about net revenues do not include revenues generated from Focus business.

In the first six months of 2016, CLIA sales account for 75.7% of the Group's total revenues, as a result of the strong performance of CLIA products, ex Vitamin D.

Steady decline of the contribution provided by RIA and ELISA sales, accounting for around 12% of the Group's total revenues, as well as Instruments Sales and Other revenues.

Starting from the first half of 2016 sales generated by Focus and consolidated since May 13, 2016, account for about 3% of the Group's total revenues.

With regard to the installed base trend, in the first six months of 2016 net placements amounted to 268 instruments, for a total of 6,604 installed units. LIAISON XL new installations were equal to 275.

Operating performance

The gross profit totalled 183,324 thousand euros, up by 10.2% compared with 166,334 thousand euros in the first half of 2015; the ratio of gross profit to revenues increased to 68.9%, from 67.9% in the same period of 2015, mainly as a result of higher sales and a different geographic and product mix of the periods under comparison.

Operating expenses totalled 96,329 thousand euros, up 9 percentage points compared with the first half of 2015: their ratio to total revenues increased from 36.1% in 2015 to 36.2% in 2016. The first half of 2016 includes 1,630 thousand euros in amortizations relating to intangible assets deriving from the recent acquisition.

Specifically, sales and marketing expenses, amounting to 51,423 thousand euros, increased by 2,700 thousand euros or 5.5% as against 48,723 thousand euros in the first six months of 2015. This item consists mainly of costs incurred to launch new products, costs of the technical support offered together with the Group-owned equipment provided to customers under gratuitous loan contracts, in addition to costs relating to the sale force. The growth in these expenses, in addition to the exchange rate effect, is due to the increase in sales volume. The ratio to total revenues decreased to 19.3% from 19.9% in 2015.

Research and development costs, equal to 16,706 thousand euros, increased in the first half of 2016. Their ratio to total revenues was equal to 6.3 percentage points as against 5.2 percentage points in the first half of 2015.

General and administrative expenses amounted to 28,200 thousand euros: their ratio to total revenues is equal to 10.6 percentage points (down compared with 11.0% in the first half of 2015).

Other operating expenses, equal to 4,787 thousand euros (2,872 thousand euros in the first half of 2015), include 3,258 thousand euros relating to the acquisition carried out in the first half of 2016, in addition to extraordinary consulting expenses in order to make the Group's supply chain processes more efficient.

In the first six months of 2016, EBITDA amounted to 102,282 thousand euros (91,398 thousand euros in 2015) up by 11.9% or 10,884 thousand euros compared with the first half of 2015, and equal to 38.4% of revenues in 2016 (37.3% of revenues in 2015). When excluding the exchange rates impact and on a comparable scope of consolidation, EBITDA grew by 10.0% in absolute value compared with 2015, with an incidence to revenues equal to 38.4 percentage points.

In the first six months of 2016, EBIT totalled 82,208 thousand euros (75,077 thousand euros in the first half of 2015), equal to 30.9% of revenues and up 0.3 percentage points compared with the same period of 2015.

Financial income and expense

In the first half of 2016, net financial expense totalled 1,609 thousand euros compared with net financial expense of 1,240 thousand euros in the first half of 2015.

The currency translation effect on other financial balances, which was negative by 762 thousand euros (negative by 925 thousand euros in 2015), mainly referred to expense from changes in subsidiaries' financial balances that use currencies different from the Group's Parent Company currency (income equal to 363 thousand euros in the first half of 2015).

Lastly, factoring transaction fees amounted to 434 thousand euros (in line with the first half of 2015), the collection of interests accrued on past-due positions totalled 524 thousand euros (819 thousand euros in 2015) and interests accrued on financial balances were equal to 236 thousand euros (361 thousand euros in the first half of 2015).

Profit before taxes and net profit

The first half of 2016 ended with a result before taxes of 80,599 thousand euros, up 9.2% compared with 73,837 thousand euros in the first six months of 2015, equal to 30.3% of revenues (30.1% of revenues in 2015).

Income taxes amounted to 26,566 thousand euros, compared with 25,016 thousand euros in 2015. The tax rate decreased to 33.0%, from 33.9% in the first six months of 2015, mainly due to the computation of the Group's taxable profits across the different geographical areas in the periods under comparison.

Lastly, the net profit for the first six months of 2016 totalled 54,033 thousand euros, up 10.7% compared with 48,821 thousand euros in 2015 and equal to 20.3% of revenues compared with 19.9% of revenues in 2015, as a result of the combined factors commented above.

STATEMENT OF FINANCIAL POSITION OF THE GROUP AT JUNE 30, 2016

In relation to the Group's statement of financial position, the scope of consolidation changed compared with December 31, 2015, as a result of the acquisition of Focus Diagnostics immunodiagnostic and molecular diagnostic products business.

The process of assessing the acquired assets has not yet been completed. Further details are provided in the notes to the condensed Semiannual Financial Statements (paragraph "Business combinations").

A condensed statement of financial position of the Group at June 30, 2016 is provided below:

(in thousands of euros)	**6/30/2016**	**12/31/2015**
Intangible assets	348,878	117,906
Property, plant and equipment	89,573	74,493
Other non-current assets	21,541	21,175
Net working capital	163,084	143,979
Other non-current liabilities	(40,053)	(38,308)
Net invested capital	**583,023**	**319,245**
Net financial position	**5,923**	**267,913**
Shareholders' equity	**588,946**	**587,158**

Non-current assets increased to 459,992 thousand euros at June 30, 2016 from 213,574 thousand euros at December 31, 2015 as a result of tangible assets acquired and intangible assets provisionally attributed to the Focus acquisition.

Non-current liabilities amounting to 40,053 thousand euros, up by 1,745 thousand euros compared with December 31, 2015, include employees benefits and provisions for risks and charges.

A breakdown of net working capital is provided below:

(in thousands of euros)	**6/30/2016**	**12/31/2015**
Trade receivables	113,510	105,609
Inventories	121,150	106,193
Trade payables	(44,269)	(40,775)
Other current assets/liabilities (1)	(27,307)	(27,048)
Net working capital	**163,084**	**143,979**

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

Net working capital increased by 19,105 thousand euros in the first half of 2016, substantially as a result of a change in the scope of consolidation.

Net of the Focus acquisition impact, the net working capital increased by 3 million euros, mainly as a result of higher ending inventories. Trade payables, other current assets/liabilities and trade receivables were in line with December 31, 2015. Furthermore, with reference to trade receivables this item profited from the collection of past-due positions the Spanish and Italian subsidiaries owed by public entities.

At June 30, 2016, the **net consolidated financial position** was **positive by 5,923 thousand euros,** following the financial outlay for the Focus acquisition. Further details are provided in the section on consolidated statement of cash flow.

A condensed net financial position schedule is shown below:

(in thousands of euros)	**6/30/2016**	**12/31/2015**
Cash and cash equivalents	73,218	212,178
Liquid assets (a)	**73,218**	**212,178**
Other current financial assets (b)	**-**	**58,179**
Current bank debt	(14,572)	(2,300)
Derivatives financial instruments	(2,142)	(144)
Current financial liabilities (c)	**(16,714)**	**(2,444)**
Net current financial assets (d)=(a)+(b)+(c)	**56,504**	**267,913**
Non-current bank debt	(47,760)	-
Derivatives financial instruments	(2,821)	-
Non-current financial liabilities (e)	**(50,581)**	**-**
Net financial position (f)=(d)+(e)	**5,923**	**267,913**

At June 30, 2016 **shareholders' equity** amounting to **588,946 thousand euros** (587,158 thousand at December 31, 2015) include n. 1,199,950 treasury shares, equal to 2.14% of the share capital, valued at 38,360 thousand euros, following:

- the purchase of 250,000 Company common shares for the 2016 Stock Option Plan at an average price of 54,2843 euros, totalling 13,571 thousand euros;
- exercise of 20,000 options relating to the 2010 Stock Option Plan at an average price of 20,588 euros, leading to a consequent reduction in treasury shares equal to 670 thousand euros.

Analysis of consolidated cash flows

A complete statement of cash flows is provided in the financial statement schedules. A review of the main statement items and of the changes that occurred compared with the corresponding period in 2015, is provided below:

(in thousands of euros)	**1st half 2016**	**1st half 2015**
Cash and cash equivalents at beginning of period	**212,178**	**144,855**
Net cash from operating activities	68,148	55,751
Cash used for investing activities	(14,470)	(16,234)
Cash used from/(for) financing activities	12,766	(11,303)
Acquisitions of subsidiaries and business operations	(262,432)	(1,443)
Change in net cash before investments in financial assets	***(195,988)***	***26,771***
Investments in financial assets	57,028	(30,000)
Change in net cash	***(138,960)***	***(3,229)***
Cash and cash equivalents at end of period	**73,218**	**141,626**

At June 30, 2016 available **liquid assets** held by the Group totalled **73,218 thousand euros**, down 138,960 thousand euros compared with December 31, 2015, mainly as a result of the acquisition of the Focus business carried out on May 13, 2016. The acquisition entailed the payment of 262,432 thousand euros, fully paid.

The cash flow from operating activities amounted to 68,148 thousand euros in the first half of 2016, compared with 55,751 thousand euros in the first half of 2015, as a result of the growth in operating result and the changes in working capital, the latter being more favourable compared with 2015 as regards trade payables and other current liabilities.

Tax payments totalled 21,200 thousand euros in the first half of 2016 (23,749 thousand euros in 2015), consisting mainly of the Group's Parent company's and US and German subsidiaries' income taxes.

Investing activities absorbed cash totalling 14,470 thousand euros compared with 16,234 thousand euros in the first half of 2015. Capital expenditures for medical equipment amounted to 8,265 thousand euros (10,861 thousand euros in the first half of 2015).

In addition, development costs of 934 thousand euros were capitalized in the first half of 2016, as against development costs of 840 in the same period in 2015.

The **free cash flow** amounted to **53,919 thousand euros**, with an increase of 14,605 thousand euros compared with 39,314 thousand euros in the first six months of 2015.

The net cash generated from financing activities totalled 12,766 thousand euros as against a cash absorption of 11,303 thousand euros in the first half of 2015. In the first half of 2016 the Group's Parent Company was granted a loan from a main national bank to finance a portion of the acquisition of Focus business operation (equal to 60 million euros), the purchase of treasury shares for the 2016 Stock Option Plan (equal to 13,571 thousand euros) and the distribution of a dividend amounting to 35,719 thousand euros (32,936 thousand euros in the first half of 2015).

In the first six months of 2016, term deposits exceeding three months opened in 2015 by the Group's Parent Company (amounting to EUR 30 million) and by the US subsidiary (USD 30 million) reached their maturity date, while investments of the first six months of 2015 include a EUR 30 million deposit opened by the Group's Parent Company.

OTHER INFORMATION

The Group had 1,879 employees at June 30, 2016 (1,655 at December 31, 2015).

TRANSACTIONS WITH RELATED PARTIES

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 part of the Group's regular operations and 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 this Report.

The Group awards additional benefits to several eligible employees of DiaSorin S.p.A. and other Group companies through a stock option plan. The costs incurred in connection with this plan totalled 629 thousand euros in the first six months of 2016 (620 thousand euros in 2015).

The compensation payable to the key management and strategic management is consistent with standard market terms for compensation offered to employees with a similar status.

SIGNIFICANT EVENTS OCCURRING AFTER JUNE 30, 2016 AND BUSINESS OUTLOOK

On July 28, 2016 DiaSorin announced it started selling its CLIA 25 OH Vitamin D in Japan, following the approval of the reimbursement code from the Japanese authorities.

In view of the Group's operating performance after June 30, 2016 and taking into account possible evolutions of the global macroeconomic scenario and the diagnostic sector in particular, management revised upwards the previous guidance on Revenues and EBITDA for 2016, excluding the additional contribution resulting from the recent acquisition of the Focus Diagnostics' business.
The new 2016 full-year guidance at constant scope of consolidation is as follows:

- Revenues: growth between +6% and +7% at CER compared with 2015 (previous guidance: growth between +5% and +6% at CER).
- EBITDA: growth equal to around +9% at CER compared with 2015 (previous guidance: growth equal to around +8% at CER)

CONDENSED SEMIANNUAL CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2016

CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	Notes	1st half 2016	*Amount with related parties*	1st half 2015	*Amount with related parties*
Sales and service revenues	(1)	266,228	951	245,144	527
Cost of sales	(2)	(82,904)		(78,810)	
Gross profit		**183,324**		**166,334**	
Sales and marketing expenses	(3)	(51,423)	(31)	(48,723)	(45)
Research and development costs	(4)	(16,706)		(12,670)	
General and administrative expenses	(5)	(28,200)	(2,658)	(26,992)	(1,899)
Other operating income (expenses)	(6)	(4,787)	(3)	(2,872)	(5)
non-recurring amount		*(3,258)*		-	
EBIT		**82,208**		**75,077**	
Net financial income/ (expense)	(7)	(1,609)		(1,240)	
Profit before taxes		**80,599**		**73,837**	
Income taxes	(8)	(26,566)		(25,016)	
Net profit for the period		**54,033**		**48,821**	
Broken down as follows:					
- amount attributable to Parent Company's shareholders		53,901		48,821	
- amount attributable to minority interests		132		-	
Earnings per share (basic)	(9)	**0.98**		**0.89**	
Earnings per share (diluted)	(9)	**0.98**		**0.89**	

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

(in thousands of euros)	**1st half 2016**	**1st half 2015**
Net profit for the period (A)	**54,033**	**48,821**
Other comprehensive gains/(losses) that will not be reclassified subsequently to gain/(loss) of the period:		
Gains/(losses) on remeasurement of defined benefit plans	(215)	187
Total other comprehensive gains/(losses) that will not be reclassified subsequently to gain/(loss) of the period (B1)	**(215)**	**187**
Other comprehensive gains/(losses) that will be reclassified subsequently to gain/loss of the period:		
Gains/(losses) on exchange differences on translating foreign operations	(3,781)	14,581
Total other comprehensive gains/(losses) that will be reclassified subsequently to gain/(loss) of the period (B2)	**(3,781)**	**14,581**
TOTAL OTHER COMPREHENSIVE GAINS/(LOSSES), NET OF TAX (B1) +(B2) =(B)	**(3,996)**	**14,768**
TOTAL COMPREHENSIVE GAINS/(LOSSES) (A)+(B)	**50,037**	**63,589**
Including:		
-amount attributable to Parent Company's shareholders	49,921	63,571
-amount attributable to minority interests	116	18

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of euros)	**notes**	**6/30/2016**	***Amount with related parties***	**12/31/2015**	***Amount with related parties***
ASSETS					
Non-current assets					
Property, plant and equipment	(10)	89,573		74,493	
Goodwill	(11)	156,714		68,502	
Other intangibles	(11)	192,164		49,404	
Equity investments	(12)	27		219	
Deferred-tax assets	(13)	20,696		20,198	
Other non-current assets	(14)	818		758	
Total non-current assets		*459,992*		*213,574*	
Current assets					
Inventories	(15)	121,150		106,193	
Trade receivables	(16)	113,510	1,008	105,609	436
Other current assets	(17)	12,387		12,173	16
Other current financial assets	(18)	-		58,179	
Cash and cash equivalents	(18)	73,218		212,178	
Total current assets		*320,265*		*494,332*	
TOTAL ASSETS		**780,257**		**707,906**	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(continued)

(in thousands of euros)	**notes**	**6/30/2016**	***Amount with related parties***	**12/31/2015**	***Amount with related parties***
LIABILITIES AND SHAREHOLDERS' EQUITY					
Shareholders' equity					
Share capital	(19)	55,948		55,948	
Treasury shares	(19)	(38,360)		(25,459)	
Additional paid-in capital	(19)	18,155		18,155	
Statutory reserve	(19)	11,190		11,190	
Other reserves and retained earnings	(19)	487,652		426,560	
Net profit for the period attributable to shareholders of the Parent Company		53,901		100,420	
Shareholders' equity attributable to shareholders of the Parent Company		*588,486*		*586,814*	
Other reserves and retained earnings attributable to minority interests		328		216	
Net profit for the period attributable to minority interests		132		128	
Shareholders' equity attributable to minority interests		*460*		*344*	
Total Shareholders' equity		**588,946**		**587,158**	
Non-current liabilities					
Long-term borrowings	(20)	47,760		-	
Other non-current financial liabilities	(20)	2,821		-	
Provisions for employee severance indemnities and other employee benefits	(21)	31,872		31,334	
Deferred-tax liabilities	(13)	2,226		2,049	
Other non-current liabilities	(22)	5,955		4,925	
Total non-current liabilities		*90,634*		*38,308*	
Current liabilities					
Trade payables	(23)	44,269		40,775	
Other payables	(24)	31,750	506	32,837	139
Income taxes payable	(25)	7,944		6,384	
Current portion of long-term debt	(20)	14,572		2,300	
Other current financial liabilities	(20)	2,142		144	
Total current liabilities		*100,677*		*82,440*	
Total liabilities		**191,311**		**120,748**	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**780,257**		**707,906**	

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of euros)	1st half 2016	*Amount with related parties*	1st half 2015	*Amount with related parties*
Cash flow from operating activities				
Net profit for the period	54,033		48,821	
Adjustment for:				
- Income taxes	26,566		25,016	
- Depreciation and amortization	20,074		16,321	
- Financial expense/ (income)	1,609		1,240	
- Additions to/ (Utilizations of) provisions for risk	602		698	
- (Gains)/Losses on sales of non-current assets	165		61	
- Additions to/ (Reversals of) provisions for employee severance ndemnities	541		396	
- Changes in shareholders' equity reserves:				
- Stock option reserve	629		620	
- Cumulative translation adjustment from operating activities	(4,204)		38	
- Change in other non current-assets/liabilities	(538)		(512)	
Cash flow from operating activities before changes in working capital	**99,477**		**92,699**	
(Increase)/Decrease in receivables included in working capital	(2,713)	(572)	(1,893)	114
(Increase)/Decrease in inventories	(4,857)		(3,298)	
Increase/(Decrease) in trade payables	2,360		(76)	
Increase)/Decrease in other current items	(4,678)	383	(8,135)	1
Cash from operating activities	**89,589**		**79,297**	
Income taxes paid	(21,200)		(23,749)	
Interest received (paid)	(241)		203	
Net cash from operating activities	**68,148**		**55,751**	
Investments in intangibles	(1,786)		(1,690)	
Investments in property, plant and equipment	(13,269)		(15,190)	
Investments in subsidiaries	-		(112)	
Divestments of property, plant and equipment	585		758	
Cash used in regular investing activities	**(14,470)**		**(16,234)**	
Acquisitions of subsidiaries and business operations	(262,432)		(1,443)	
Cash used in investing activities	**(276,902)**		**(17,677)**	
(Redemptions)/Collections of loans and other liabilities	59,743		(107)	
(Issuance)/Repayments of term deposit	57,028		(30,000)	
(Purchase)/Sale of treasury shares	(13,159)		16,922	
Dividends distribution	(35,719)		(32,936)	
Cash used in financing activities	**67,893**		**(46,121)**	
Foreign exchange translation differences	1,901		4,818	
Change in net cash and cash equivalents	**(138,960)**		**(3,229)**	
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**212,178**		**144,855**	
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**73,218**		**141,626**	

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	Profit/ (loss) of the period	Group interest in share-holders' equity	Minority interest in shareholders' equity	Total interest in shareholders 'equity
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	-	-	-	-	-	(3,405)	-	3,671	-	**266**	-	**266**
Translation adjustment	-	-	-	-	14,563	-	-	-	-	**14,563**	**18**	**14,581**
Sale/(Purchase) treasury shares	-	17,077	-	-	-	-	(17,077)	16,922	-	**16,922**	-	**16,922**
Gains/(losses) on remeasurement of defined benefit plans, net of tax	-	-	-	-	-	-	-	187	-	**187**	-	**187**
Net profit for the period	-	-	-	-	-	-	-	-	48,821	**48,821**	**-**	**48,821**
Shareholders' equity at 6/30/2015	**55,948**	**(26,968)**	**18,155**	**11,190**	**26,867**	**1,376**	**26,968**	**368,835**	**48,821**	**531,192**	**222**	**531,414**
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**
Appropriation of previous year's profit	-	-	-	-	-	-	-	100,420	(100,420)	**-**	**-**	**-**
Dividend distribution	-	-	-	-	-	-	-	(35,719)	-	**(35,719)**		**(35,719)**
Stock options and other changes	-	-	-	-	-	552	-	77	-	**629**	**-**	**629**
Translation adjustment	-	-	-	-	(3,765)	-	-	-	-	**(3,765)**	**(16)**	**(3,781)**
Sale/(Purchase) treasury shares	-	(12,901)	-	-	-	-	12,901	(13,159)	-	**(13,159)**	**-**	**(13,159)**
Gains/(losses) on remeasurement of defined benefit plans, net of tax	-	-	-	-	-	-	-	(215)	-	**(215)**	**-**	**(215)**
Net profit for the period	-	-	-	-	-	-	-	-	53,901	**53,901**	**132**	**54,033**
Shareholders' equity at 6/30/2016	**55,948**	**(38,360)**	**18,155**	**11,190**	**24,749**	**2,325**	**38,360**	**422,218**	**53,901**	**588,486**	**460**	**588,946**

NOTES TO THE CONDENSED SEMIANNUAL CONSOLIDATED FINANCIAL STATEMENTS

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 condensed semiannual consolidated financial statements

These condensed semiannual consolidated financial statements were prepared in compliance with the International Financial Reporting Standards ("IFRSs"), as issued by the International Accounting Standards Board ("IASB") and adopted by the European Union. The designation IFRSs also includes the International Accounting Standards ("IASs") that are still in effect and all of the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

This semiannual report was prepared in accordance with the requirements of the relevant international accounting standard (IAS 34 - Interim Financial Reporting).

These notes provide information in summary form, in order to avoid duplicating information published previously, as required by IAS 34. Specifically, these notes discuss only those components of the income statement and balance sheet the composition or change in amount of which require comment (due to the amount involved or the type of transaction or because an unusual transaction is involved) in order to understand the Group's operating performance, financial performance and financial position.

Consequently, these condensed semiannual consolidated financial statements do not provide all of the disclosure required in the annual financial statements and should be read in conjunction with the annual financial statements prepared for the year ended December 31, 2015.

When preparing interim financial statements, management is required to develop estimates and assumptions that affect the amounts shown for revenues, expenses, assets and liabilities in the financial statements and the disclosures provided with regard to contingent assets and liabilities on the date of the interim financial statements. If such estimates and assumptions, which were based on management's best projections, should differ from actual events, they will be modified appropriately when the relevant events produce the abovementioned differences.

As a rule, certain valuation processes, particularly the more complex processes such as determining whether the value of non-current assets has been impaired, are carried out fully only in connection with the preparation of the annual financial statements, when all the necessary information is available, except when there are impairment indicators that require an immediate evaluation of any impairment losses that may have occurred.

The process of preparing the condensed semiannual consolidated financial statements included developing the actuarial valuation required to compute the provisions for employees benefits and value the stock option plan.

The income tax liability is recognized using the best estimate of the weighted average tax rate projected for the entire year.

In this Consolidated Semiannual Report, all amounts are in thousands of euros unless otherwise stated.

In the semiannual consolidated financial statements, the same consolidation principles and accounting principles have been used as those used to prepare the annual report, except for IFRSs which have entered into force since 2016, as described below.

Financial statement presentation formats

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 with international practice in the diagnostic industry;
- in the statement of financial position, current and non-current assets liabilities are shown separately;
- the statement of cash flows is presented in accordance with the indirect method.

Scope of consolidation

These condensed semiannual consolidated financial statements include the financial statements of DiaSorin S.p.A., the Group’s Parent Company, and those of its subsidiaries.

Subsidiaries are those companies over which the Group exercises control pursuant to IFRS 10, that is when the Group is exposed, or has right, to variable returns from its involvement with the subsidiary and, meanwhile, has the ability to affect those returns through its power over the subsidiary.

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 significant minority interest, nor unconsolidated structured entities and it is not subject to significant restrictions concerning interest in subsidiaries.

Changes occurred in the scope of consolidation compared with December 31, 2015 as a result of the establishment of DiaSorin Molecular LLC involved in the acquisition of Focus business operation.

The Company is owned at 100% by DiaSorin Inc.

More detailed information is provided in the paragraph “Business Combinations” below.

The following table lists the direct and indirect interest of DiaSorin S.p.A. as of June 30, 2016 and December 31, 2015:

Company	Head office location	At June 30, 2016		At December 31, 2015	
		% interest held by the Group	% minority interest	% interest held by the Group	% minority interest
Direct interest					
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%	-	100%	-
Indirect interest		100%	-	100%	-
DiaSorin Canada Inc	Canada	100%	-	100%	-
DiaSorin Ireland Limited	Ireland	100%	-	100%	-
DiaSorin I.N.UK Limited	Ireland	100%	-	100%	-
DiaSorin Molecular LLC	USA	100%	-	-	-

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

Business Combinations

On May 13, 2016 the DiaSorin Group completed the acquisition of Focus Diagnostics' immunodiagnostic and molecular diagnostic products business from Quest Diagnostics, initiated with a binding purchase agreement signed on March 29, 2016. DiaSorin carried out the acquisition also through a newly established US affiliate, DiaSorin Molecular LLC, owned at 100% by DiaSorin Inc.

DiaSorin paid $297.8 million to Quest Diagnostics for all the tangible and intangible assets of Focus used to develop, manufacture and distribute molecular diagnostic products and immunoassay ELISA products including, among other, relevant intellectual property, contracts and customer list.

The Group consolidated revenues from the newly acquired business from the date the transaction was completed, that is May 13, 2016.

As of the date of this Report the process of assessing the fair value of the acquired assets had not yet been completed. Any excess arising from the amount paid for the acquisition and the carrying amounts of the acquired assets and intangibles being provisionally identified was added to Goodwill. IFRS 3 establishes a one-year period for accounting transactions involving Business Combination (Open Window).

A breakdown of acquired assets and provisional allocation of the purchase price due is provided in the following table:

	in thousands of USD	**Amount in EUR**
Tangible assets	18,378	16,195
Other non-current assets	129	114
Inventories	12,463	10,983
Trade receivables	6,139	5,410
Other current assets	668	589
Trade payables	(2,462)	(2,170)
(a) Total net assets acquired	**35,315**	**31,120**
Concessions, licenses, trademarks and similar rights	50,345	44,365
Development costs	51,797	45,644
Customer relationship	62,670	55,226
(b) Total intangibles assets (provisionally)	**164,812**	**145,234**
(c) Goodwill (provisionally allocated)	**97,681**	**86,078**
Total amount paid (a + b + c)	**297,808**	**262,432**

A portion of the purchase price amounting to USD 25 million was paid to Quest and transferred into an escrow account for 270 days.

The total gross amount of trade receivables acquired amounted to 5,538 thousand euros, properly adjusted through a provision for write-down equal to 129 thousand euros.

Transaction costs to complete the acquisition and classified in the income statement amounted to 2,535 thousand euros.

Between May 13, 2016 and June 30, 2016 the acquired business operation contributed to the Group financial results with revenues amounting to 8,751 thousand euros.

As a result of this acquisition, DiaSorin has had access to a new set of molecular products cleared for distribution both in the US and Europe, significantly increasing its presence in the growing market of Infectious Disease molecular testing. Furthermore, the access to the current Focus customer base in the US, consisting mostly of large hospitals, will allow DiaSorin to speed up the penetration of this market with its current Immunoassay LIAISON® platform.

Lastly, goodwill and intangibles assets deriving from Focus acquisition are fully deductible for tax purposes.

<u>New accounting principles</u>

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.

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, as for intangible assets, can be rebutted in certain limited circumstances.

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").

On December 18, 2014 the IASB issued amendments to IAS 1 - Disclosure Initiative to clarify perceived impediments to preparers exercising their judgment in presenting their financial reports. Specifically:

- it is clarified that the concept of materiality applies to the all parts of the financial statements and that the inclusion of immaterial information can affect the usefulness of the financial reporting;
- it is clarified that the specific items of the separate income statements, the statements of comprehensive income and the statements of financial position can be disaggregated. New requirements for the use of subtotals have also been introduced;
- it is clarified that the companies have a certain degree of flexibility regarding the order of presentation of the notes. In establishing this order, the companies must take into account the requirements of understandability and comparability of the financial statements;
- share of items of Other Comprehensive Income arising from investments in associates and joint ventures accounted for by using the equity method shall be separated into the share that will be reclassified to the separate income statement or into the share that will not be reclassified to the separate income statement.

The adoption of these amendments had no impact on the condensed consolidated financial statements at June 30, 2016.

Other information

The Group had 1,879 employees at June 30, 2016 (1,655 employees at December 31, 2015).

The table below shows the exchange rates used to translate amounts reported by companies that operate outside the euro zone:

Currency	Average exchange rates		Exchange rates at		
	1st half 2016	**1st half 2015**	**6/30/2016**	**6/30/2015**	**12/31/2015**
U.S. dollar	1.1159	1.1158	1.1102	1.1189	1.0887
Brazilian real	4.1295	3.3101	3.5898	3.4699	4.3117
British pound	0.7788	0.7323	0.8265	0.7114	0.7340
Swedish kronor	9.3019	9.3401	9.4242	9.2150	9.1895
Swiss franc	1.0960	1.0567	1.0867	1.0413	1.0835
Czech koruna	27.0396	27.5021	27.1310	27.2530	27.0230
Canadian dollar	1.4844	1.3774	1.4384	1.3839	1.5116
Mexican peso	20.1731	16.8887	20.6347	17.5332	18.9145
Israeli shekel	4.3073	4.3635	4.2761	4.2211	4.2481
Chinese yuan	7.2965	6.9408	7.3755	6.9366	7.0608
Australian dollar	1.5220	1.4261	1.4929	1.4550	1.4897
South African rand	17.1983	13.3048	16.4461	13.6416	16.9530
Norwegian krone	9.4197	8.6483	9.3008	8.7910	9.6030
Polish Zloty	4.3688	4.1409	4.4362	4.1911	4.2639

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:

		6/30/2016			12/31/2015		
(in thousands of euros)	**Notes**	**Carry-ing value**	**Assets at amortized cost**	**Assets at fair value**	**Carry-ing value**	**Assets at amortized cost**	**Assets at fair value**
Trade receivables	(16)	113,510	113,510	-	105,609	105,609	-
Other current financial assets	(18)	-	-	-	58,179	58,179	-
Cash and cash equivalents	(18)	73,218	73,218	-	212,178	212,178	-
Total current financial assets		***186,728***	***186,728***	***-***	***375,966***	***375,966***	***-***
Total financial assets		**186,728**	**186,728**	**-**	**375,966**	**375,966**	**-**

		6/30/2016			12/31/2015		
(in thousands of euros)	**Notes**	**Carry-ing value**	**Liabilities at amortized cost**	**Liabilities at fair value**	**Carry-ing value**	**Liabilities at amortized cost**	**Liabilities at fair value**
Long-term borrowings	(20)	47,760	47,760	-	-	-	-
Other non-current financial liabilities	(20)	2,821	-	2,821			
Total non-current financial liabilities		***50,581***	***47,760***	***2,821***	***-***	***-***	***-***
Trade payables	(23)	44,269	44,269	-	40,775	40,775	-
Current portion of long-term debt	(20)	14,572	14,572	-	2,300	2,300	-
Other current financial liabilities	(20)	2,142	-	2,142	144	-	144
Total current financial liabilities		***60,983***	***58,841***	***2,142***	***43,219***	***43,075***	***144***
Total financial liabilities		**111,564**	**106,601**	**4,963**	**43,219**	**43,075**	**144**

With regard to the above, the classification of financial assets and liabilities measured at fair value in the statement of financial position, according to the fair value hierarchy, concerned derivative financial instruments at 30 June 2016 classified at level 2 and registered in other current/non-current financial liabilities amounting to 4,963 thousand euros.

Risks related to fluctuations in foreign exchange and interest rates

The Group is exposed to market risk deriving from currency and interest rate fluctuations 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 June 30, 2016, borrowings totalled 62,332 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, since borrowing from Intesa Sanpaolo accrued two months' interests.

The same analysis was performed for the receivables assigned without recourse to the factoring company, which totalled 16,967 thousand euros in the first six months of 2016. 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 0.3 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 0.2 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 1.8 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 12.5 million euros on the currency translation reserve.

In 2016, in order to mitigate the foreign exchange risk related to the currency fluctuations, the Group’s Parent Company executed currency forward sales requiring the recognition of a negative fair value of 4,963 thousand euros at June 30, 2016 (144 thousand euros at December 31, 2015).

With regard to the above, the classification of financial assets and liabilities measured at fair value in the statement of financial position, according to the fair value hierarchy, concerned derivative financial instruments at 30 June 2016 classified at level 2 and registered in other current/non-current financial liabilities.

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 June 30, 2016, past-due trade receivables were equal to about 12% of revenues. These receivables were held mainly by the Group’s Parent Company and by the Brazilian, Spanish and Chinese subsidiaries. About 49% of these receivables was more than 120 days past due. These past-due receivables were covered by an allowance for doubtful accounts amounting to 10,586 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.

OPERATING SEGMENTS

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 favour 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 thousand euros di Euro)	ITALY		EUROPE		NORTH AMERICA		REST OF THE WORLD		ELIMINATIONS		CONSOLIDATED	
	1st Half 2016	**1st Half 2015**	**1st Half 2016**	**1st Half 2015**	**1st Half 2016**	**1st Half 2015**	**1st Half 2016**	**1st Half 2015**	**1st Half 2016**	**1st Half 2015**	**1st Half 2016**	**1st Half 2015**
INCOME STATEMENT												
Revenues from customers	62,597	66,134	76,485	69,369	77,092	65,548	50,054	44,093	-	-	266,228	245,144
Inter-segment revenues	82,487	73,962	13,412	13,457	20,256	19,438	1,351	1,178	(117,506)	(108,035)	-	-
Total revenues	**145,084**	**140,096**	**89,897**	**82,826**	**97,348**	**84,986**	**51,405**	**45,271**	**(117,506)**	**(108,035)**	**266,228**	**245,144**
Segment EBIT	**30,685**	**27,928**	**9,013**	**9,635**	**38,831**	**40,052**	**4,333**	**(157)**	**(654)**	**(2,381)**	**82,208**	**75,077**
Unallocated common costs	-	-	-	-	-	-	-	-	-	-	-	-
Operating margin	-	-	-	-	-	-	-	-	-	-	**82,208**	**75,077**
Financial income/ (expense)	-	-	-	-	-	-	-	-	-	-	(1,609)	(1,240)
Result before taxes	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**80,599**	**73,837**
Income taxes	-	-	-	-	-	-	-	-	-	-	(26,566)	(25,016)
Net result	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**54,033**	**48,821**
OTHER INFORMATION												
Investments in intangibles	984	939	347	241	122	343	333	167	-	-	1,786	1,690
Invest. in prop. plant and equip.	5,185	5,583	2,967	3,729	2,973	5,071	3,425	3,364	(1,281)	(2,557)	13,269	15,190
Total investments	**6,169**	**6,522**	**3,314**	**3,970**	**3,095**	**5,414**	**3,758**	**3,531**	**(1,281)**	**(2,557)**	**15,055**	**16,880**
Amortization of intangibles	(2,170)	(1,919)	(2,841)	(1,522)	(1,743)	(288)	(311)	(338)	87	-	(6,978)	(4,067)
Depreciation of prop. plant and equip.	(4,346)	(4,109)	(3,983)	(3,889)	(3,888)	(3,318)	(2,578)	(2,666)	1,699	1,716	(13,096)	(12,266)
Total amortization and depreciation	**(6,516)**	**(6,028)**	**(6,824)**	**(5,411)**	**(5,631)**	**(3,606)**	**(2,889)**	**(3,004)**	**1,786**	**1,716**	**(20,074)**	**(16,333)**

(in thousands of euros)	ITALY		EUROPE		NORTH AMERICA		REST OF THE WORLD		ELIMINATIONS		CONSOLIDATED	
	6/30/2016	**12/31/2015**	**6/30/2016**	**12/31/2015**	**6/30/2016**	**12/31/2015**	**6/30/2016**	**12/31/2015**	**6/30/2016**	**12/31/2015**	**6/30/2016**	**12/31/2015**
STATEMENT OF FINANCIAL POSITION												
Segment assets	262,850	233,485	144,985	141,606	260,310	98,238	56,339	50,523	(38,168)	(106,720)	686,316	417,132
Unallocated assets	-	-	-	-	-	-	-	-	-	-	93,941	290,774
Total assets	**262,850**	**233,485**	**144,985**	**141,606**	**260,310**	**98,238**	**56,339**	**50,523**	**(38,168)**	**(106,720)**	**780,257**	**707,906**
Segment liabilities	61,822	59,971	65,090	63,419	21,090	16,717	36,298	23,906	(70,454)	(54,142)	113,846	109,871
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	77,465	10,877
Shareholders’ equity	-	-	-	-	-	-	-	-	-	-	588,946	587,158
Total liabilities and shareholders’ equity	**61,822**	**59,971**	**65,090**	**63,419**	**21,090**	**16,717**	**36,298**	**23,906**	**(70,454)**	**(54,142)**	**780,257**	**707,906**

DESCRIPTION AND MAIN CHANGES

Consolidated income statement

1. Net revenues

In the first six months of 2016, net revenues, which are generated mainly through the sale of diagnostic kits, totalled 266,228 thousand euros (245,144 thousand euros in the first six months of 2015), up 8.6% in the first six months of 2015 (+6.9% at constant exchange rates and scope of consolidation). This item includes sales generated from Focus products, amounting to 8,751 thousand euros and 5,689 thousand euros for equipment rentals and technical support (4,429 thousand euros in the same period of 2015).

2. Cost of sales

Cost of sales totalled 82,904 thousand euros in the first half of 2016 compared with 78,810 thousand euros in the first half of 2015. The cost of sales includes 4,934 thousand euros in royalty expense (3,827 thousand euros in the same period of 2015), and costs incurred to distribute products to end customers equal to 4,256 thousand euros (4,271 thousand euros in the first half of 2015). The cost of sales also includes the depreciation of medical equipment held by customers, which amounted to 9,225 thousand euros (8,750 thousand euros in the same period of 2015).

3. Sales and marketing expenses

Sales and marketing expenses totalled 51,423 thousand euros in the first six months of 2016 as against 48,723 thousand euros in the first six months of 2015. 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

The research and development costs incurred during the first half of 2016, which totalled 16,706 thousand euros (12,670 thousand euros in the same period of 2015), include all of the research and development outlays that were not capitalized amounting to 8,284 thousand euros (7,327 thousand euros in the same period of 2015), the costs incurred to register the products offered for sale and meet quality requirements totalling 5,796 thousand euros (4,278 thousand euros in the first six months of 2015) and the amortization of capitalized development costs equal to 2,626 thousand euros (1,065 thousand euros in the first months of 2015). In the first six months of 2016, the Group capitalized new development costs amounting to 934 thousand euros as against 840 thousand euros in the first half of 2015.

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 increased to 28,200 thousand euros in the first half of 2016 from 26,992 thousand euros in the same period of 2015.

6. Other operating income (expense)

The table that follows provides a breakdown of other operating income (expense):

(in thousands of euros)	**1st half 2016**	**1st half 2015**
Trade-related foreign exchange losses and gains	(94)	50
Tax charges	(337)	(927)
Provisions for bad debts and provisions for risks and charges	(1,010)	(1,547)
Out-of-period items and other operating income (expense)	(88)	(448)
Non-recurring expenses	(3,258)	-
Other operating income (expense)	**(4,787)**	**(2,872)**

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 by the supplying companies. 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 600 thousand euros in risk provision in the first half of 2016.

In 2016, non-recurring expenses related to activities for the acquisition carried out in the first half of 2016 amounted to 2,535 thousand euros, in addition to extraordinary consulting expenses in order to make the Group's supply chain processes more efficient.

7. Financial expense/ (income)

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

(in thousands of euros)	**1st half 2016**	**1st half 2015**
Fees on factoring transactions	(434)	(459)
Interest and other financial expenses	(710)	(440)
Interest on pension funds	(304)	(280)
Share of the profit/(loss) of equity method investee	(159)	(316)
Interest and other financial income	760	1.180
Translation adjustment and financial instruments	(762)	(925)
Net financial income (expense)	**(1,609)**	**(1,240)**

Financial income includes 524 thousand euros in interests accrued on the collection of past-due positions owed by public institutes during the first half of 2016 (819 thousand euros in 2015).

The currency translation effect includes 684 thousand euros in expense from changes in subsidiaries' financial balances that use currencies different from the Group's Parent Company currency (363 thousand euros income in the first half of 2015).

Interest expense and other financial expense include interests and fees on bank loans equal to 323 thousand euros in the first six months of 2016 (187 thousand euros in the same period of 2015) and interest expense on derivate financial instruments amounting to 177 thousand euros (5 thousand euros in the first half of 2015).

8. Income taxes

The income tax expense recognized in the income statement for the first six months of 2016 amounted to 26,566 thousand euros (25,016 thousand euros in the same period of 2015). The tax burden decreased to 33.0% from 33.9% in the first half of 2015, mainly due to the computation of the Group's taxable profits across the different geographical areas in the periods under comparison.

9 Earnings per share

Basic earnings per share, amounted to 0.98 in the first half of 2016 (0.89 euros in the same period of 2015); diluted earnings per share totalled 0.98 in the first half of 2016, compared with 0.89 in the first half of 2015. 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 (54,952,359 at June 30, 2016 and 54,816,655 at June 30, 2015).

The dilutive effect of stock option plans granted by DiaSorin S.p.A and determined by excluding tranches assigned to a price higher than the average price of the ordinary shares in 2016 is not relevant.

Consolidated statement of financial position

10. Property, plant and equipment

The table below shows the changes that occurred in this account as of June 30, 2016:

(in thousands of euros)	At December 31, 2015	Additions	Change in the scope of consolidation	Depreciations	Divestments	Translation differences	Reclassifications and other changes	At June 30, 2016
Land	2,375	-	-	-	-	(6)	-	2,369
Buildings	4,537	94	-	285	15	(40)	-	4,291
Plant and machinery	12,003	510	188	1,066	3	(96)	238	11,774
Manufacturing and distribution equipment	44,622	8,987	9,694	10,841	727	(204)	334	51,865
Other assets	7,038	1,346	4,948	904	5	(209)	543	12,757
Construction in progress and advances	3,918	2,332	1,365	-	-	17	(1,115)	6,517
Total property, plant and equipment	**74,493**	**13,269**	**16,195**	**13,096**	**750**	**(538)**	**-**	**89,573**

The change in the scope of consolidation refers to the acquisition of Focus business. More detailed information is provided in the paragraph "Business Combinations".

Additions to manufacturing and distribution equipment include purchases of medical equipment amounting to 8,265 thousand euros as against 10,861 thousand euros at June 30, 2015. Depreciation for the period totalled 9,225 thousand euros in the first six months of 2016 as against 8,750 in the same period of 2015.

11. Goodwill and other intangible assets

A breakdown of intangible assets as of June 30, 2016 is as follows:

(in thousands of euros)	At December 31, 2015	Additions	Change in the scope of consolidation	Amortizations	Translation differences	Divestments and other changes	At June 30, 2016
Goodwill	68,502	-	86,078	-	2,134	-	156,714
Development costs	13,649	934	45,644	2,626	939	1,275	59,815
Concessions, licenses and trademarks	27,199	334	44,364	3,061	490	-	69,326
Customer relationship	-	-	55,226	-	1,223	-	56,449
Industrial patents and intellectual property rights	7,004	65	-	1,231	41	-	5,879
Advances and other intangibles	1,552	453	-	60	25	(1,275)	695
Total intangible assets	**117,906**	**1,786**	**231,312**	**6,978**	**4,852**	**-**	**348,878**

Goodwill amounted to 156,714 thousand euros at June 30, 2016. The change compared with December 31, 2015 reflects the difference between the purchase price paid and the value of the net assets acquired and intangibles provisionally attributed to Focus acquisition, for an amount equal to 86,078 thousand euros, in addition to the translation effect on the goodwill allocated to the DiaSorin Brazil, DiaSorin U.S.A and DiaSorin South Africa CGUs, for an amount equal to 2,134 thousand euros.

As of the date of this Report the process of assessing the fair value of the acquired assets had not yet been completed. Any excess arising from the amount paid for the acquisition and the carrying amounts of the acquired assets and intangibles being provisionally identified was added to Goodwill. IFRS 3 establishes a one-year period for accounting transactions involving Business Combination (Open Window). More detailed information is provided in the paragraph “Business Combinations”.

Amortization of the period include 1,630 thousand euros in intangibles related to the recent acquisition.

Please note that intangible assets with an indefinite useful life were not tested for impairment at June 30, 2016, since there were no indications of impairment. A full impairment test will be carried out in connection with the preparations of the annual financial statements.

12. Equity investments

Equity investments totalled 27 thousand euros at June 30, 2016 (219 thousand euros at December 31, 2015). A breakdown of equity investments is provided below:

(in thousands of euros)	At December 31, 2015	Share of the profit/(loss) of investees accounted for using the equity method	Translation differences	At June 30, 2016
Equity investment valued using the equity method				
DiaSorin Trivitron Healthcare Private Limited	192	(159)	(33)	-
Equity investment valued at cost				
DiaSorin Deutschland Unterstuetzungskasse GmbH	26	-	-	26
Consorzio Sobedia	1	-	-	1
Total equity investments	**219**	**(159)**	**(33)**	**27**

Equity investments are valued at cost and they are not consolidated because they are not operational. Their impact on the Group’s total assets and liabilities, financial position and bottom-line result 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 20,696 thousand euros (20,198 thousand euros at December 31, 2015). They relate to consolidated companies that have deferred-tax assets in excess of deferred-tax liabilities and to consolidation adjustments. Deferred-tax liabilities, which totalled 2,226 thousand euros (2,049 thousand euros at December 31, 2015) 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 semiannual report 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 carry forwards, 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)	**6/30/2016**	**12/31/2015**
Deferred-tax assets	20,696	20,198
Deferred-tax liabilities	(2,226)	(2,049)
Total net deferred-tax assets	**18,470**	**18,149**

14. Other non-current assets

Other non-current assets amounted to 818 thousand euros at June 30, 2016 (758 thousand euros at December 31, 2015). They consist mainly of receivables from the Brazilian and Chinese subsidiaries due beyond 12 months.

15. Inventories

A breakdown of inventories, which totalled 121,150 thousand euros is provided below:

(in thousands of euros)	**6/30/2016**			**12/31/2015**		
	Gross amount	**Provisions for write-downs**	**Net amount**	**Gross amount**	**Provisions for write-downs**	**Net amount**
Raw materials and supplies	36,661	(2,340)	34,321	34,715	(2,174)	32,541
Semi-finished goods	41,437	(2,710)	38,727	40,798	(3,134)	37,664
Finished goods	50,265	(2,163)	48,102	37,250	(1,262)	35,988
Total	**128,363**	**(7,213)**	**121,150**	**112,763**	**(6,570)**	**106,193**

The increase in ending inventories compared with December 31, 2015 is due to the change in the scope of consolidation.

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

(in thousands of euros)	**6/30/2016**	**12/31/2015**
Opening balance	**6,570**	**6,142**
Additions for the period	926	1,726
Utilizations/Reversals for the period	(1,058)	(1,500)
Translation differences and other changes	775	202
Ending balance	**7,213**	**6,570**

16. Trade receivables

Trade receivables totalled 113,510 thousand euros at June 30, 2016 (105,609 thousand euros at December 31, 2015). The increase in trade receivables compared with December 31, 2015 is due to the change in the scope of consolidation.

The table that follows shows the changes that occurred in the allowance for doubtful accounts, which amounted to 10,586 thousand euros compared with December 31, 2015:

(in thousands of euros)	**6/30/2016**	**12/31/2015**
Opening balance	**9,821**	**8,882**
Additions for the period	252	2,826
Utilizations/Reversals for the period	(312)	(986)
Translation differences and other changes	825	(901)
Ending balance	**10,586**	**9,821**

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 the first six months of 2016, the receivables assigned by the Group's Parent Company amounted to 16,967 thousand euros (17,812 thousand euros in the same period of the previous year).

17. Other current assets

Other current assets amounted to 12,387 thousand euros (12,173 thousand euros at December 31, 2015). They consist of accrued income and prepaid expenses for insurance, interest, rentals and government grants equal to 3,815 thousand euros (2,379 thousand euros at December 31, 2015) and tax credits for tax prepayments and for foreign taxes withheld amounting to 4,147 thousand euros (6,241 thousand euros at December 31, 2015).

18. Cash and current financial assets

Cash and cash equivalents amounted to 73,218 thousand euros at June 30, 2016 (212,178 thousand euros at December 31, 2015). They consist of balances in banks accounts and short-term bank deposits. 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 and included term deposits exceeding three months opened by the Group Parent Company (EUR 30 million) in 2015 and by the U.S. subsidiary (USD 30 million) in 2014 and renewed in 2015.These term deposits reached maturity in the first half of 2016.

19. Shareholders' equity

Share capital

At June 30, 2016, the fully paid-in share capital consisted of a 55,948,257 million common shares, par value of 1 euro each. No changes occurred compared with December 31, 2015.

Treasury shares

At June 30, 2016 the amount of treasury shares was 1,199,950 (2.14% of the share capital) totalling 38,360 thousand euros (25,459 thousand euros at December 31, 2015).

The change equal to 12,901 thousand euros compared with December 31, 2015 is due to:

- the purchase of 250,000 Company common shares for the 2016 Stock Option Plan at an average price of 54,2843 euros, totalling 13,571 thousand euros;
- the exercise of 20,000 options relating to the 2010 Stock Option Plan at an average price of 20,588 euros, leading to a consequent reduction in treasury shares equal to 670 thousand euros.

Additional paid-in capital

This reserve amounted to 18,155 thousand euros at June 30, 2016 and no changes occurred compared with December 31, 2015.

Statutory reserve

This reserve amounted to 11,190 thousand euros and no changes occurred compared with December 31, 2015.

Other reserves and retained earnings

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

(in thousands of euros)	**6/30/2016**	**12/31/2015**	**Change**
Currency translation reserve	24,763	28,544	(3,781)
Reserve for treasury shares	38,360	25,459	12,901
Stock option reserve	2,325	1,773	552
Gains/(losses) on remeasurement of defined benefit plans	(6,776)	(6,561)	(215)
Retained earnings	431,939	380,192	51,747
IFRS transition reserve	(2,973)	(2,973)	-
Other reserves	342	342	-
Total Other reserves and retained earnings	**487,980**	**426,776**	**61,204**
of which minority interest	***328***	***216***	***112***

Currency translation reserve

The currency translation reserve amounting to 24,763 thousand euros (28,544 thousand euros at December 31, 2015) includes the exchange differences arising from the translation of equity of consolidated subsidiaries, whose financial statements are denominated in foreign currencies, at the exchange rate in effect at the end of the year. This reserve decreased by 3,781 thousand euros, due mainly to fluctuations in the exchange rates of the US dollar and the Brazilian real vis-à-vis the euro.

Reserve for treasury shares

At June 30, 2016, the reserve for treasury shares amounted to 38,360 thousand euros (25,459 thousand euros at December 31, 2015). This reserve was established pursuant to law (Article 2357 ter of the Italian Civil Code). The change of 12,901 thousand euros compared with December 31, 2015 is due to the purchase of 250,000 common shares and to the exercise of some tranches of the 2010 Stock Option Plan, as commented above.

Stock option reserve

The balance in the stock option reserve, which amounted to 2,325 thousand euros (1,773 thousand euros at December 31, 2015), refers to the stock option plans in effect at June 30, 2016. The changes in the reserve that occurred at June 30, 2016 included both an increase due to the recognition of the overall cost of the stock option Plans (629 thousand euros) that was posted and recognized in the income statement as a labour costs included in general and administrative expenses, and a decrease of 77 thousand euros as a result of the options exercised.

Gains/(losses) on remeasurement of defined benefit plans

At June 30, 2016 this item, negative by 6,776 thousand euros (6,561 thousand euros at December 31, 2015) includes net losses of the period related to the actuarial assessment of the Group’s defined-benefit plans amounting to 215 thousand euros, net of tax effect (68 thousand euros).

Retained earnings

Retained earnings amounted to 431,939 thousand euros (380,192 thousand euros at December 31, 2015). The change equal to 51,747 thousand euros compared with December 31, 2015 is due to:

- the appropriation of the consolidated net profit earned by the Group in 2015 (100,548 thousand euros);
- the dividend distribution to the shareholders, amounting to 35,719 thousand euros, and approved in the ordinary Shareholders' Meeting held on April 28, 2016 (equal to 0.65 euros per share);
- the exercise of some tranches of the 2010 Stock Option Plan, which resulted in a positive change of 747 thousand euros and in the sale of treasure shares;
- the establishment of a treasury share reserve (13,571 thousand euros) following the purchases of the period.

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, 2015.

20. Borrowings and other financial liabilities

Borrowings and other financial liabilities amounted to 62,332 thousand euros at June 30, 2016. A breakdown is as follows (amounts in thousands):

Lender	Currency	Current portion	Non-current portion	Total
Intesa Sanpaolo	€	11,960	47,760	59,720
Santander	BRL	9,000	-	9,000
	Amount in €	2,506	-	2,506
IMI MIUR	€	106	-	106
Total owed to financial institutions		**14,572**	**47,760**	**62,332**

The table below lists the changes that occurred in the facilities outstanding as of June 30, 2016 compared with December 31, 2015 (amounts in thousands of euros):

Lender	At December 31, 2015	Disbursements	Repayments	Currency translation differences	Amortized cost effect	At June 30, 2016
Intesa Sanpaolo	-	60,000	-	-	(280)	59,720
Santander	2,087	-		419		2,506
IMI MIUR	213	-	(107)			106
Total owed to financial institutions	**2.300**	**60.000**	**(107)**	**419**	**(280)**	**62.332**

The following amount of 107 thousand euros was repaid to IMI-MIUR in the first half of 2016 as provided in the repayment plan. The Group's Parent Company was granted a financial loan with Intesa Sanpaolo to finance a portion of the acquisition of Focus Diagnostics, Inc.'s immunodiagnostic and molecular diagnostic products business.

The loan agreement with Intesa Sanpaolo provides for:

- capital repayment in 5 constant half-yearly instalments, from 12/31/2016 until 12/31/2018;
- option of partial or total early repayment without penalties;
- deferred half-yearly interests calculated at the Euribor 6 month floating rate plus a 0.45% spread.

The loan agreement envisages certain disclosures, rescission cases and compulsory early repayment, in line with the market policy in force on the day the loan was contracted.

Terms concerning the rescission of the agreement include the failure to comply, over the period of the loan, with the following financial parameter:

- Net financial indebtedness / EBITDA ≤ 2

As of the date of this Report this ratio computed on consolidated data was met.

As for loan agreements with Santander and IMI MIUR there are no operating and financial covenants and no changes occurred in contract terms compared with December 31, 2015

In 2016, in order to mitigate the foreign exchange risk related to the currency fluctuations, the Group's Parent Company executed currency forward sales requiring the recognition of a negative fair value of 4,963 thousand euros at June 30, 2016 (144 thousand euros at December 31, 2015). The amount mainly relates to forward contracts in USD currency ($120 milllion) signed in order to mitigate the exchange risk on intercompany financial loan issued by DiaSorin S.p.A. to DiaSorin Inc for the same amount to cover Focus acquisition. The derivates have the same duration and deadlines of the loan (from 12/31/2016 to 12/31/2018 each six months) and interest rate of 1,1595.

21. Provisions 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 labour cost of the relevant organizational unit.

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 period in which they arise.

Other 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.

The table that follows lists the Group's main employee benefit plans that are currently in effect:

(in thousands of euros)	**6/30/2016**	**12/31/2015**	**Change**
Employee benefits *provided in:*			
- Italy	5,983	5,660	323
- Germany	22,931	22,622	309
- Sweden	2,394	2,469	(75)
- other countries	564	583	(19)
Total employee benefits	**31,872**	**31,334**	**538**
Broken down as follows:			
- Defined-benefit plans			
provision for employee severance indemnities	*4,498*	*4,336*	*162*
other defined-benefit plans	*25,325*	*25,091*	*234*
	29,823	29,427	396
- Other long-term benefits	2,049	1,907	142
Total employee benefits	**31,872**	**31,334**	**538**

The table below shows the main changes that occurred in the Group's employee benefit plans compared with December 31, 2015 (amounts in thousands of euros):

(in thousands of euros)	**Defined-benefit plans**	**Other benefits**	**Total employee benefits**
Balance at 12/31/2015	**29.427**	**1,907**	**31,334**
Interest cost	304	-	304
Actuarial losses/(gains) recognized in income statement	-	138	138
Actuarial losses/(gains) recognized directly in equity	283	-	283
Current service cost	377	26	403
Benefits paid	(506)	(17)	(523)
Translation differences and other changes	(62)	(5)	(67)
Balance at 6/30/2016	**29,823**	**2,049**	**31,872**

22. Other non-current liabilities

Other non-current liabilities of 5,955 thousand euros at June 30, 2016 (4,925 thousand euros at December 31, 2015) 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 below lists the various provisions for risks and charges:

(in thousands of euros)	**6/30/2016**	**12/31/2015**
Opening balance	**3,687**	**3,679**
Additions for the period	900	1,497
Utilizations/Reversals for the period	(106)	(1,234)
Translation differences and other changes	253	(255)
Ending balance	**4,734**	**3,687**

23. Trade payables

Trade payables totalled 44,269 thousand euros at June 30, 2016 (40,775 thousand euros at December 31, 2015) and include 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 31,750 thousand euros at June 30, 2016 (32,837 thousand euros at December 31, 2015) consist mainly of amounts owed to employees for additional monthly payments to be paid (20,148 thousand euros as against 22,544 thousand euros at December 31, 2015), contributions payable to social security and health benefit institutions (1,991 thousand euros as against 2,914 thousand euros at December 31, 2015) and accruals and deferred charges (1,839 thousand euros as against 1,386 thousand euros at December 31, 2015).

25. Income taxes payable

The balance of 7,944 thousand euros at June 30, 2016 (6,384 thousand euros at December 31, 2015) represents the amounts owed to the revenue administration for the income tax liability for the period and for other taxes and fees.

26. Commitments and contingent liabilities

Significant commitments and contractual obligations

Significant contractual obligations include the agreements executed by DiaSorin S.p.A., the Group's Parent Company, and Stratec in connection with the development and production of new chemiluminescent diagnostic system LIAISON XL and LIAISON XL. The supply contract signed by DiaSorin and Stratec calls for the latter to manufacture and supply exclusively to DiaSorin the analysers. The Group has agreed to purchase a minimum number of systems. However, 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. 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 to 629 thousand euros (620 thousand euros in 2015).

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.

28. Significant events occurring after June 30, 2016 and business outlook

Information about significant events occurring after June 30, 2016, the Group's business outlook and its transactions with related parties is provided in separate sections of this semiannual report.

29. Non-recurring material extraordinary events and transactions

Non-recurring material extraordinary events and transactions occurred in the first half of 2016 include the acquisition of Focus Diagnostics' immunodiagnostic and molecular diagnostic products business ("Focus") from Quest Diagnostics, fully described in this semiannual report.

30. Entries resulting from atypical and/or unusual transactions

As required by Consob Communication No. DEM/6064296 of July 28, 2006, the Company declares that, in the first six months of 2016, 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 their significance/material amount, type of counterpart, subject of the transaction, method of determining the transfer price and timing of the event (proximity to the end of a reporting period), could create doubts with regard to: the fairness/completeness of the financial statement disclosures, the existence of a conflict of interest, the safety of the corporate assets and the protection of minority shareholders.

ANNEX I: THE COMPANIES OF THE DIASORIN GROUP AT JUNE 30, 2016

	Head office location	Currency	Share capital (*)	Par value per share or partnership interest	% interest held directly	Number of shares or partnership interests held
Equity investments consolidated line by line						
DiaSorin S.A/N.V.	Bruxelles (Belgium)	**EUR**	1,674,000	6,696	99.99%	249
DiaSorin Ltda	San Paolo (Brazil)	**BRL**	65,547,409	1	99.99%	65,547,408
DiaSorin S.A.	Antony (France)	**EUR**	960,000	15	99.99%	62,493
DiaSorin Iberia S.A.	Madrid (Spain)	**EUR**	1,453,687	6	99.99%	241,877
DiaSorin Ltd	Blewbury (UK)	**GBP**	500	1	100.00%	500
DiaSorin Inc.	Stillwater (USA)	**USD**	1	0,01	100.00%	100
DiaSorin Canada Inc	Mississauga (Canada)	**CAD**	200,000	N/A	-	100 Class A common shares
DiaSorin Mexico S.A de C.V.	Mexico City (Mexico)	**MXP**	63,768,473	1	99.99%	49,999
DiaSorin Deutschland GmbH	Dietzenbach (Germany)	**EUR**	275,000	275,000	100.00%	1
DiaSorin AB	Solna (Sweden)	**SEK**	5,000,000	100	100.00%	50,000
DiaSorin Ltd	Rosh Haayin (Israel)	**ILS**	100	1	100.00%	100
DiaSorin Austria GmbH	Wien (Austria)	**EUR**	35,000	35,000	100.00%	1
DiaSorin Czech s.r.o.	Prague (Czech Republic)	**CZK**	200,000	200,000	100.00%	1
DiaSorin Diagnostics Ireland Limited	Dublin (Ireland)	**EUR**	3,923	0,01	100.00%	392,282
DiaSorin Ireland Limited	Dublin (Ireland)	**EUR**	163,202	1,20	-	136,002
DiaSorin I.N.UK Limited	Dublin (Ireland)	**EUR**	7,826,072	0,01	-	782,607,110
DiaSorin South Africa (PTY) Ltd	Johannesburg (South Africa)	**ZAR**	101	1	100.00%	101
DiaSorin Australia (Pty) Ltd	Sydney (Australia)	**AUD**	3,300,000	33,000	100.00%	100
DiaSorin Ltd	Shanghai (China)	**RMB**	1,211,417	1	80.00%	96,000
DiaSorin Switzerland AG	Risch (Switzerland)	**CHF**	100,000	100	100.00%	1,000
DiaSorin Poland sp. z o.o.	Warsaw (Poland)	**PLN**	500,000	50	100.00%	100

(*) Amounts stated in the local currency

Company	Head office location	Currency	Share capital (*)	Par value per share or partnership interest	% interest held directly	Number of shares or partnership interests held
Equity investment valued using the equity method						
DiaSorin Trivitron Healthcare Private Limited	Chennai (India)	**INR**	212,295,610	10	-	10,827,076
Equity investment valued at cost						
DiaSorin Molecular LLC	Cypress (USA)	**USD**	100,000	1	-	1
DiaSorin Deutschland Unterstuetzungskasse GmbH	Dietzenbach (Germany)	**EUR**	25,565	1	-	1
Consorzio Sobedia	Saluggia (Italy)	**EUR**	5,000	N/A	20.00%	1

(*) Amounts stated in the local currency

CERTIFICATION OF THE CONDENSED SEMIANNUAL CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ARTICLE 81-TER OF CONSOB REGULATION NO. 11971 OF MAY 14, 1999, AS AMENDED

We, the undersigned, Carlo Rosa, in my capacity as Chief Executive Officer, and Piergiorgio Pedron, in my capacity as Corporate Accounting Document Officer of 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 during the first half of 2016 to prepare the condensed semiannual consolidated financial statement were:

a) adequate in light of the Company's characteristics; and
b) were applied effectively.

Moreover, we attest that the condensed semiannual consolidated financial statements:

a) were prepared in accordance with the applicable international accounting principles, as adopted by the European Union pursuant to Regulation (CE) No. 1606/2002 of the European Parliament and Council dated July 19, 2002;
b) correspond to the Company's books of accounts and bookkeeping entries;
c) are suitable for the purpose of providing a truthful and fair representation of the statement of financial position, operating performance and cash flow of the issuer and of the companies included in the scope of consolidation.

To the best of our knowledge, the interim Report on Operations provides a reliable analysis of significant events that occurred during the first half of the year and of their impact on the condensed semiannual financial statements, together with a description of the main risks and uncertainties for the remaining six months of the year.

The interim Report on Operations also provides a reliable analysis of information concerning transactions with related parties.

Saluggia, August 4, 2016

Signed:

Carlo Rosa	Piergiorgio Pedron
Chief Executive Officer	Corporate Accounting Document Officer

REVIEW REPORT ON CONDENSED HALF YEAR CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
DiaSorin SpA

Foreword

We have reviewed the accompanying condensed half year consolidated financial statements of DiaSorin SpA and its subsidiaries (the DiaSorin Group) as of 30 June 2016, comprising the consolidated income statement, consolidated comprehensive income statement, consolidated statement of financial position, statement of changes in consolidated shareholders' equity, consolidated statement of cash flow and related notes. The directors of DiaSorin SpA are responsible for the preparation of the condensed half year consolidated financial statements in accordance with International Accounting Standard 34 applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these condensed half year consolidated financial statements based on our review.

Scope of review

We conducted our work in accordance with the criteria for a review recommended by Consob in Resolution No.10867 of 31 July 1997. A review of condensed half year consolidated financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than a full-scope audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed half year consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half year consolidated financial statements of the DiaSorin Group as of 30 June 2016 are not prepared, in all material respects, in accordance with International Accounting Standard 34 applicable to interim financial reporting (IAS 34) as adopted by the European Union.

PricewaterhouseCoopers SpA

Sede legale e amministrativa: Milano 20149 Via Monte Rosa 91 Tel. 0277851 Fax 027785240 Cap. Soc. Euro 6.890.000,00 i.v., C.F. e P.IVA e Reg. Imp. Milano 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 0712132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 0805640211 - **Bologna** 40126 Via Angelo Finelli 8 Tel. 0516186211 - **Brescia** 25123 Via Borgo Pietro Wuhrer 23 Tel. 0303697501 - **Catania** 95129 Corso Italia 302 Tel. 0957532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 0552482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 01029041 - **Napoli** 80121 Via dei Mille 16 Tel. 08136181 - **Padova** 35138 Via Vicenza 4 Tel. 049873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 0854545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06570251 - **Torino** 10122 Corso Palestro 10 Tel. 011556771 - **Trento** 38122 Via Grazioli 73 Tel. 0461237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 0403480781 - **Udine** 33100 Via Poscolle 43 Tel. 043225789 - **Verona** 37135 Via Francia 21/C Tel. 0458263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444393311

www.pwc.com/it

Other aspects
The consolidated financial statements as of and for the year ended 31 December 2015 and the condensed half year consolidated financial statements for the period ended 30 June 2015 were audited and reviewed, respectively, by other auditors, who on 4 April 2016 expressed an unqualified opinion on the consolidated financial statements, and on 3 August 2015 expressed an unqualified conclusion on the condensed half year consolidated financial statements.

Milan, 5 August 2016

PricewaterhouseCoopers SpA

Signed by

Stefano Pavesi
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers