ANNUAL FINANCIAL REPORT AT DECEMBER 31, 2014

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

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BOARD OF DIRECTORS, BOARD OF STATUTORY AUDITORS AND INDEPENDENT AUDITORS

Board of Directors (elected on April 22, 2013)

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

Board of Statutory Auditors

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

Independent Auditors	Deloitte & Touche S.p.A.

COMMITTEES

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

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

LETTER FROM THE CHAIRMAN

Dear Shareholders,

2014 was another year of important challenges we overcame successfully: our Group achieved important financial results, closing the year with increasing revenues and profit, enhancing our ability to generate cash flow and confirming our capability to implement a robust growth in the future. This has been achieved in a difficult and competitive market context characterized by global economy dynamics hard to foresee.

We achieved the goals our Company set and we took many important decisions; however let me stress some particularly relevant aspects to our business.

*The first aspect is our **capability of innovation** that, again this year, DiaSorin proved to have.*

The excellence of the Group's Research and Development team enabled us to launch new tests in the field of the clinical areas where we are already known as one of the leading diagnostic company, achieving the target of 112 products available on CLIA technology, including 31 specialty tests, and consolidating our position as the Company with the broadest and most competitive immunodiagnostic menu on the market.
At the same time we have been able to offer a unique, fast and fully automated Onco-Haematology test for the detection of some forms of Leukemia to molecular diagnostics laboratories.
Moreover, in 2014, we started to develop the LIAISON XS, our new immunodiagnostics analyzer that will be launched in 2018 and will target small and medium-sized laboratories, a strategic sector mainly in key countries where we want to further expand our activity, such as United States and China.

In other words, DiaSorin confirmed to be, again in 2014, a company capable of innovating, anticipating the market's needs and seizing the strategic business opportunities as prerequisite for future growth.

*Another aspect relates to our **successful placements of LIAISON analyzers**, with a special focus on **LIAISON XL**.*
At December 31, 2014, DiaSorin's overall installed base rose to nearly 6,000 analyzers with an increase of 600 units compared with the previous year. Our Group has grown into one of the leading companies worldwide capable of meeting the different needs of laboratories of all sizes.

*Our Company continued its effort to **consolidate its distribution network in strategic markets.***
In 2014, the DiaSorin Group opened its commercial branch in Switzerland and started a new process of direct business expansion in Poland ending in 2015 to complete, in doing so, its direct business presence in all the main European countries.

*Last but not least aspect relates to the **Sustainability** issue and **Corporate Social Responsibility** projects.*
Thanks to the joint efforts of DiaSorin people all over the world, the Group drafted its first Sustainability Report that will be published and available next April. Among the several social responsibility activities upon which we focused I would like to draw your attention on two projects that involve people, from two different points of view: supporting talent in the field of sports and health.
For this reason I am delighted to mention our support, for the next three years, to initiatives such as "Progetto Talenti" aimed at searching talented athletes that can represent the Italian national team during the next Winter Paralympic Games in South Korea in 2018, as well as "Progetto Pinocchio" to support education activities for more than 3,000 children in hospitals.
In the framework of Health Care, DiaSorin undertook to provide hospitals in Haiti and Sudan, in partnership with two famous non-governmental organizations, with some of its tests in the Infectious Diseases clinical areas.

I would like to thank the management and all people working in DiaSorin; I am sure their talent and professional competence will bring tangible results for the benefit of our stakeholders. The important goals we achieved in these last years, and in particular in 2014, are the preconditions for future success and for an ever-greater recognition as an Italian and a global excellence in the immunodiagnostic sector, and to be identified as a model of pragmatism, innovation, and constant attention to the customers' needs.

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

Gustavo Denegri

Chairman

THE GROUP

DiaSorin is an Italian multinational Group and a global leader in the market for in vitro diagnostics. DiaSorin is listed on the MTA (Mercato Telematico Azionario - the leading Italian Equity Market dedicated to mid and large size companies) in the FTSE Italia Mid Cap Index, organized and managed by Borsa Italiana S.p.A.

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

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

A GLOBAL REFERENCE

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

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

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

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

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

MISSION

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

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

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

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

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

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

FIVE SHARED POINTS

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

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

TECHNOLOGIES

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

Both technologies are composed of:

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

IMMUNODIAGNOSTICS

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

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

MOLECULAR DIAGNOSTICS

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

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

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

OUR TECHNOLOGICAL OFFER IN IMMUNODIAGNOSTICS

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

Chemiluminescence / CLIA	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 TIMES: 30-45 minutes	**PROCESSING TIMES**: 3-4 hours	**PROCESSING TIMES**: >4 hours

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

CLIA **ELISA**

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

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

Through its constant commitment aimed at enriching its offering, DiaSorin exceeded the target of **112 immunodiagnostic products** available on CLIA technology, out of which **31 specialty tests**, dedicated to the most clinical areas tested in laboratory.

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

THE TECHNOLOGICAL OFFER FOR MOLECULAR DIAGNOSTICS

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

PHASE 1

EXTRACTION

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

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

PHASE 2

AMPLIFICATION

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

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

PHASE 3

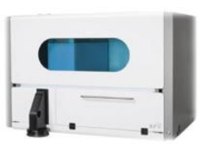
DIAGNOSIS

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

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

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

EXTRACTION



Bullet Pro®

AMPLIFICATION AND DIAGNOSTIC PROCESS

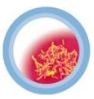
CLINICAL AREAS

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

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

The company works in the following clinical areas:

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

	Hypertension	According to WHO and to the American Heart Association, Hypertension is one of the major risk factors for cardiovascular diseases. Today 1 billion people worldwide have high blood pressure and this number is expected to increase to 1.56 billion people by the year 2025, equal to 25% of the adult population. Hypertension is prevalent in developing as well as in developed countries. DiaSorin offers a unique fully automated panel for the diagnosis of a form of hypertension (Primary Aldosteronism), through two key tests (Aldosterone and Renin) on CLIA technology.
	Oncology	Every year about 10 million people are diagnosed with cancer resulting in over 6 million deaths. Cancer is considered the 2nd most common cause of death in industrialized countries. Tumor markers are biological substances produced by the tumor cells, generally found in very low concentrations in normal individuals. Tumor cells can be measured in blood and other body fluids. DiaSorin offers important products to be used in diagnostic monitoring of these markers for screening, diagnosis and monitoring the disease's progression.
	Gastrointestinal Infections	Gastrointestinal infections affect mainly newborns/children, or elderly populations and immunocompromised patients and can be potentially serious. Diagnosis of gastrointestinal infections is largely performed through laboratory tests used for culture or antigen detection from stool specimens. Today DiaSorin offers the most complete and fully automated menu for the diagnosis of the most recurrent infections (*Clostridium Difficile Toxins A & B*, *Clostridium Difficile GDH, Helicobacter Pylori, EHEC E. Coli, Adenovirus and Rotavirus*). Lastly, DiaSorin 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 and morbidity in the western world. Modern biochemical markers play a consolidated role in the diagnosis and even in the risk stratification of patients suffering from ischemic myocardial disease. During the last decade the analysis of Neurobiochemical markers for brain damage has attracted increasing attention in a variety of Central Nervous System disorders. These markers are expected to be useful tools for diagnosis, monitoring or prognosis of brain damaged patients. DiaSorin is outstanding from its competitors in both clinical areas, thanks to a full range of products available on CLIA technology.

TOWARDS THE FUTURE

THE STEPS OF A SUCCESS STORY

2014

Consolidation and new prospects
The expansion of CLIA offer continued at the rate of 6-8 new products each year, as did the success and growth of the LIAISON XL analysers consolidated .
The Company opened a new front on the Molecular Diagnostics market, introducing the first products for the diagnosis of leukaemia.
The agreement with Laboratory Corporation was extended until 2018.

2013

The expansion doesn't stop
The strategic agreement with Roche inaugurated the connectivity of LIAISON XL to the *cobas 8100* platform for large volume laboratories that required full automation of their diagnostic processes.
New and unique specialty tests were launched in the world of CLIA: Aldosterone, Chagas and Chlamydia trachomatis.
The commercial expansion continued through the opening of a new branch in Switzerland and the expansion of the product portfolio on three strategic markets: the US, China and Brazil.

2012

Focus on Molecular Diagnostics
The Company completed its positioning in Molecular Diagnostics by acquiring NorDiag, specialised in the extraction of nucleic acids from human samples, and launching on the market the first products on LIAISON IXT and LIAISON IAM systems.
The Company opened a new subsidiary in India, JV-DiaSorin Trivitron.

2010-2011

Growth continues
The Company expanded thanks to the launch of LIAISON XL, the acquisition of the Murex product line ELISA Abbott, the opening of new branches in Portugal, Austria, the Czech Republic, Canada, Australia, Ireland, the Netherlands and South Africa. In Molecular Diagnostics an agreement was signed with PSS for developing LIAISON IAM

2007-2009

Another acquisition, a new patent
2008: *Biotrin*, world leader in the testing of Parvovirus, joined the group.
DiaSorin bought the license from Eiken Chemical for the use of LAMP technology, dedicated to Molecular Diagnostics.

2007

Listing: on July 19 DiaSorin was listed on the Stock Exchange.

2005-2006

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

2000-2004

New platforms, new technologies: In 2002 DiaSorin acquired BYC Sangtec and the rights for the LIAISON platform. In the same period it converted ELISA technology into CLIA.

2000

From industry to finance: a major management buyout operation was backed by the Finde Group and other financial and industrial investors

1986-1999

The first international acquisitions: *Sorin Biomedica* acquired control of the American *Incstar Inc.*, which was active in the in vitro diagnostics (IVD). All the activities related to IVD were spun off into a company called *DiaSorin Srl*, which was then sold to American Standard Inc.

1970-1985

The years of expansion: the Company grew and consolidated its technological know-how, developing a portfolio of products on RIA and ELISA technology.

1968

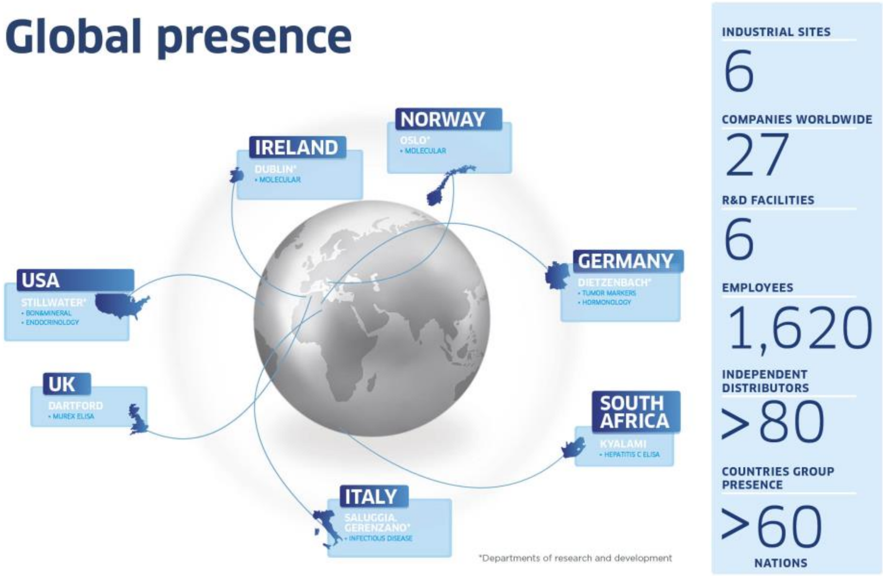
The beginning of the story: DiaSorin was set up as a division of *Sorin Biomedica S.p.A.*

A GLOBAL PRESENCE

DIASORIN IN THE WORLD

The Group headed by DiaSorin S.p.A. is comprised of **22 companies** and **5 branches** on **5 continents**.

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



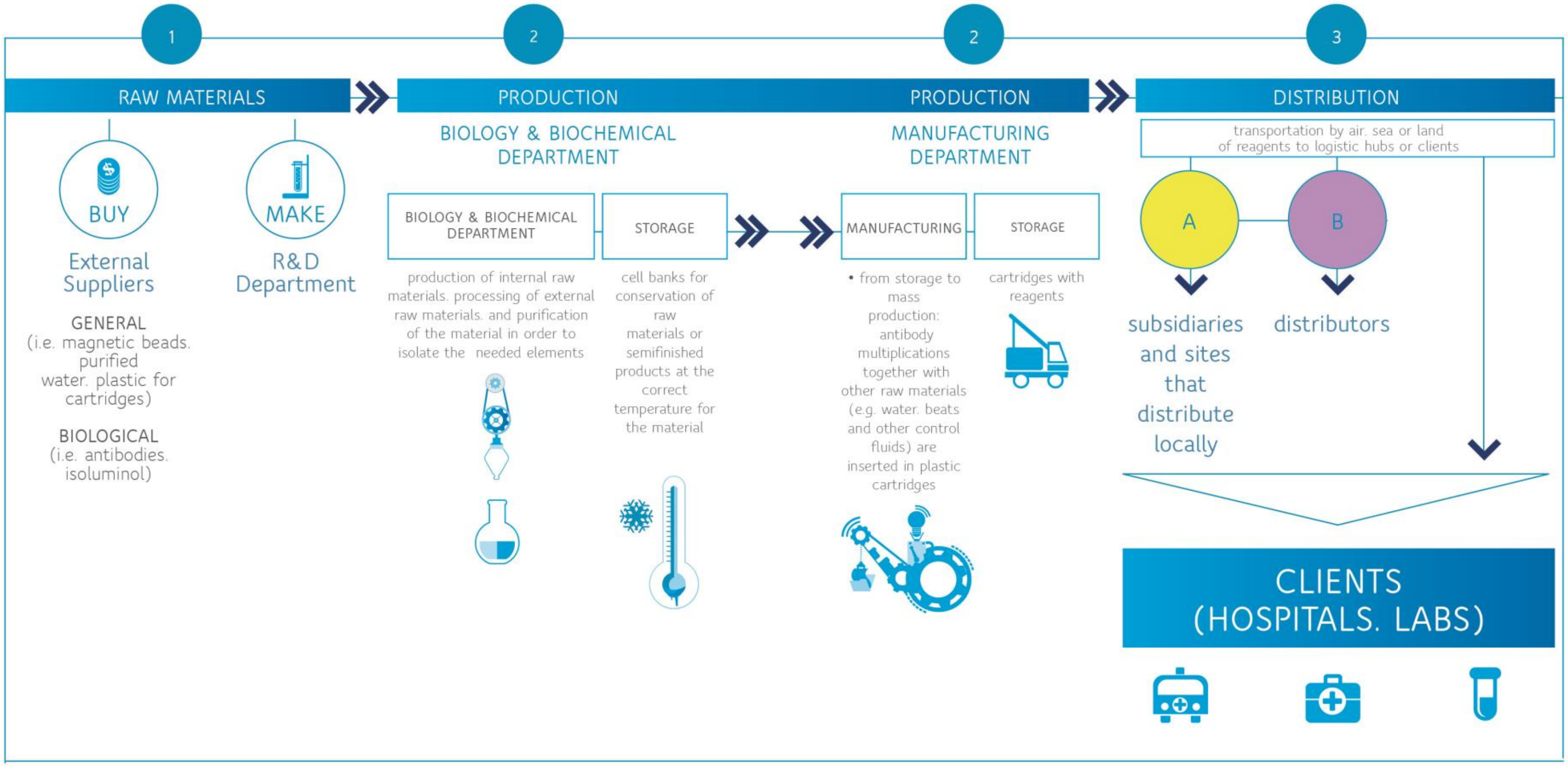
Head office location	Companies
Saluggia Italy	Group's Parent Company
Stillwater USA	DiaSorin Inc.
Dietzenbach Germany	DiaSorin Deutschland GmbH
Dublin Ireland	DiaSorin Ireland Ltd
Dartford UK	DiaSorin S.p.A-UK Branch
Kyalami South Africa	DiaSorin South Africa (Pty) Ltd

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

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

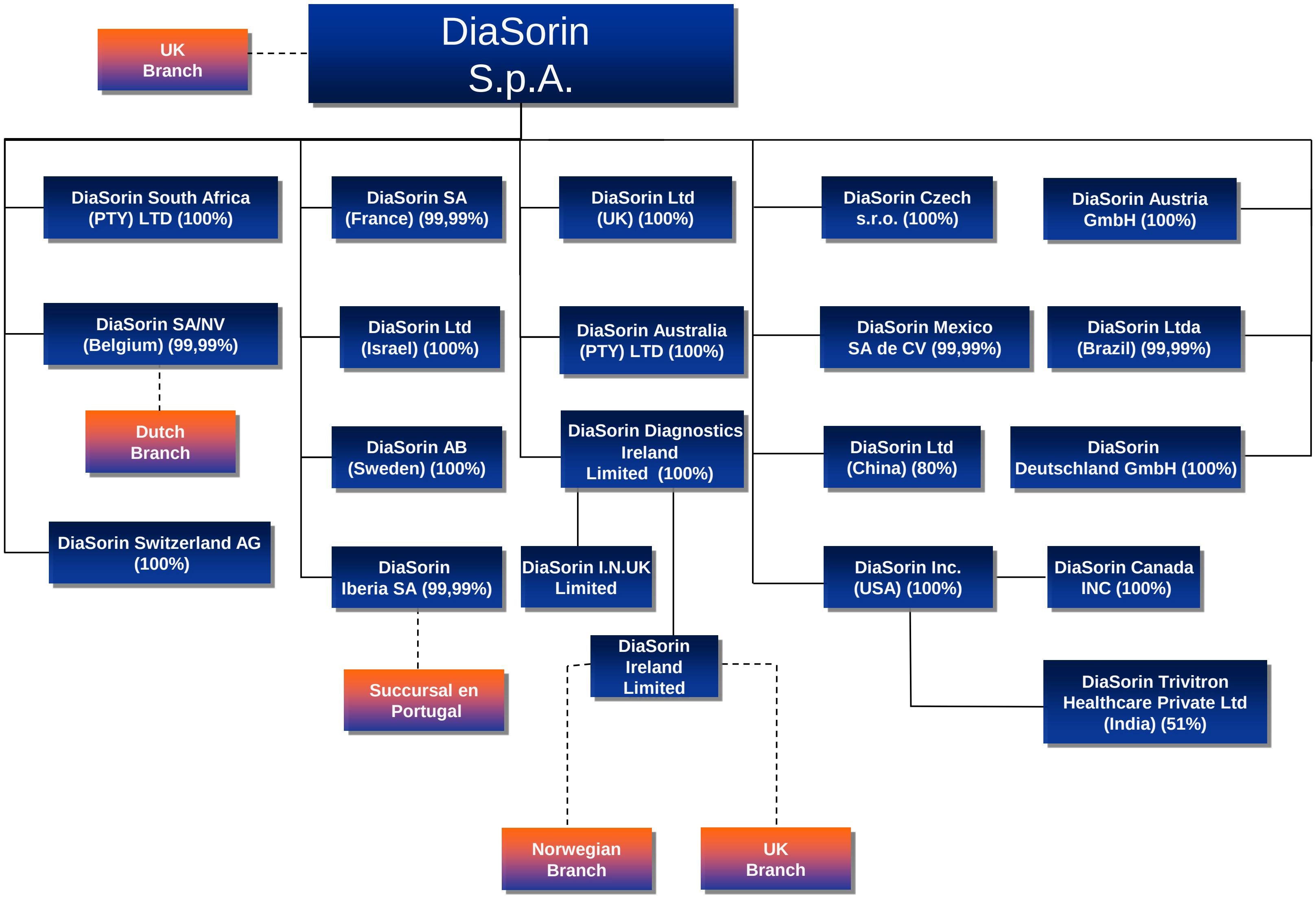
THE COMPANY DISTRIBUTION CHAIN

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



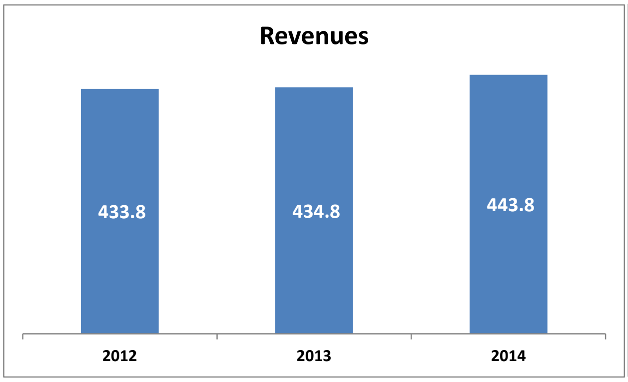
A SOLID AND WELL-ORGANIZED STRUCTURE

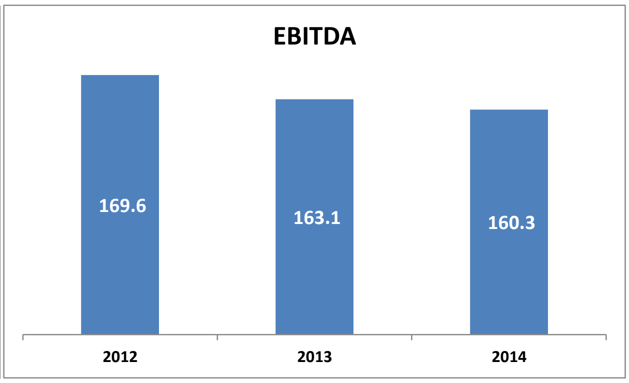
THE DIASORIN GROUP AT DECEMBER 31, 2014

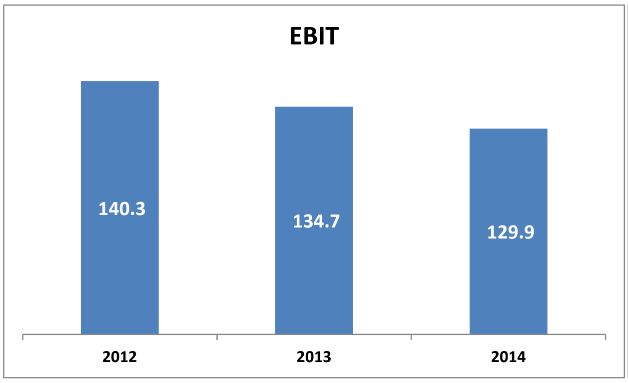


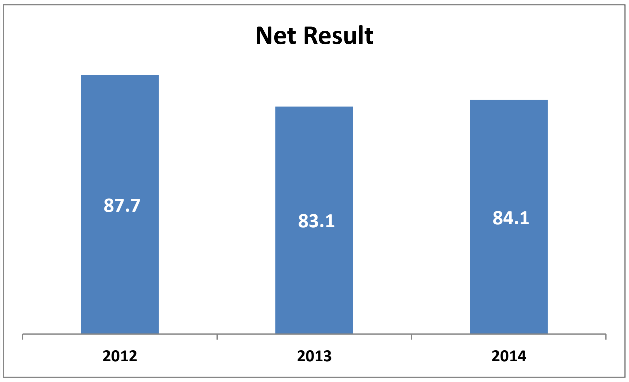
REPORT ON OPERATIONS

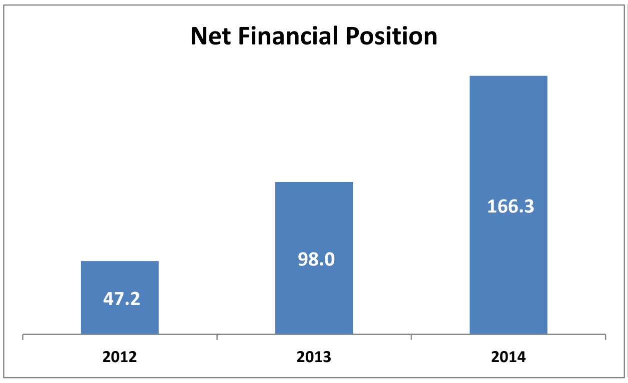
Data in millions of euros

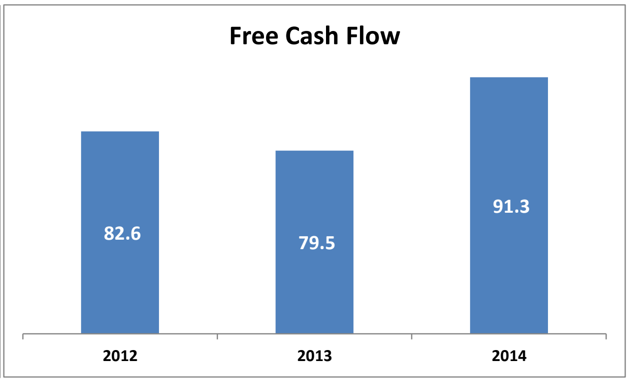












CONSOLIDATED FINANCIAL HIGHLIGHTS

Income statement *(in thousands of euros)*	**2014**	**2013**
Net revenues	443,770	434,849
Gross profit	298,738	299,662
EBITDA [(1)]	160,290	163,098
Operating result (EBIT)	129,891	134,693
Net profit for the period	84,074	83,111

Statement of financial position *(in thousands of euros)*	**12/31/2014**	**12/31/2013**
Capital invested in non-current assets	214,741	208,902
Net invested capital	317,231	316,166
Net financial position	166,342	97,969
Shareholders' equity	483,573	414,135

Cash flow statement *(in thousands of euros)*	**2014**	**2013**
Net cash flow for the period	39,745	511
Free cash flow [(2)]	91,313	79,462
Capital expenditures	30,716	32,097
Number of employees	1,620	1,606

FINANCIAL HIGHLIGHTS OF THE GROUP'S PARENT COMPANY

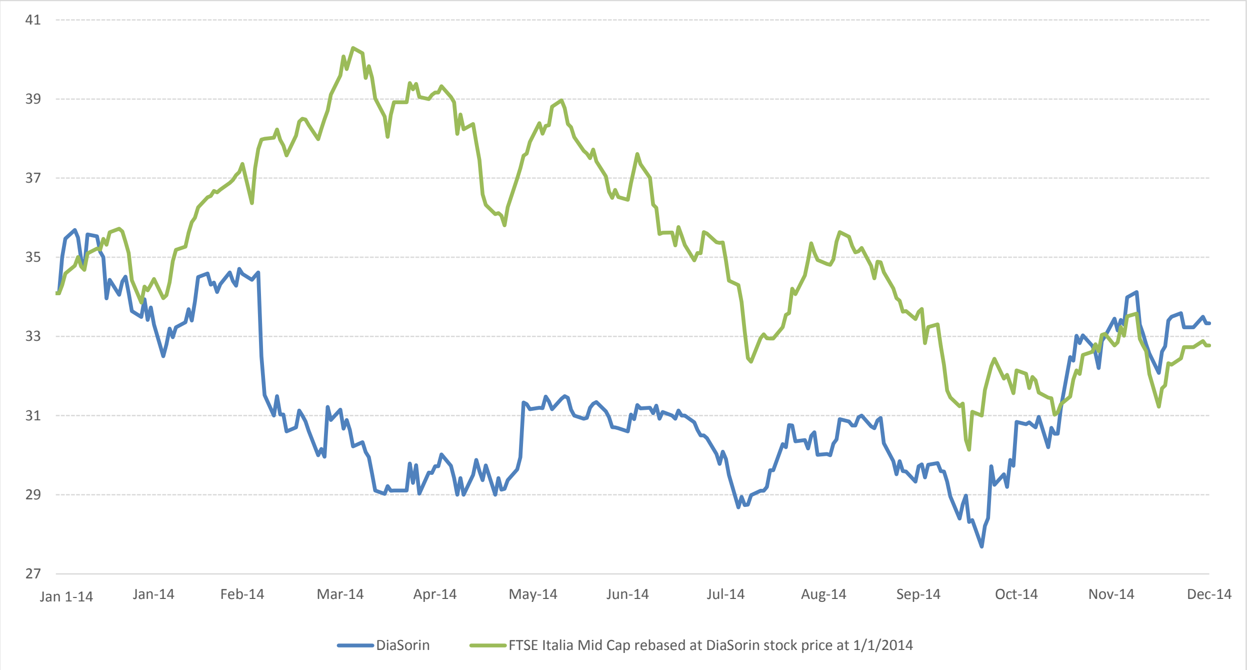
Income statement *(in thousands of euros)*	**2014**	**2013**
Net revenues	253,007	229,776
Gross profit	115,734	108,801
EBITDA [(1)]	64,392	57,512
Operating result (EBIT)	52,794	46,521
Net profit for the period	56,622	81,836
Statement of financial position *(in thousands of euros)*	**12/31/2014**	**12/31/2013**
Capital invested in non-current assets	205,123	207,844
Net invested capital	281,654	272,997
Net financial position	75,996	56,553
Shareholders' equity	357,650	329,550
Cash flow statement *(in thousands of euros)*	**2014**	**2013**
Net cash flow for the period	34,370	(9,216)
Free cash flow [(2)]	27,766	23,166
Capital expenditures	12,337	12,245
Number of employees	633	628

[(1)] Looking at the data on the Table, the Board of Directors defines EBITDA as the operating result before amortization of intangibles and depreciation of property, plant and equipment.
[(2)] Free cash flow is the cash flow from operating activities, counting utilizations for capital expenditures but before interest payments and acquisitions of companies and business operations.

SHAREHOLDERS

Performance of the DiaSorin stock in 2014

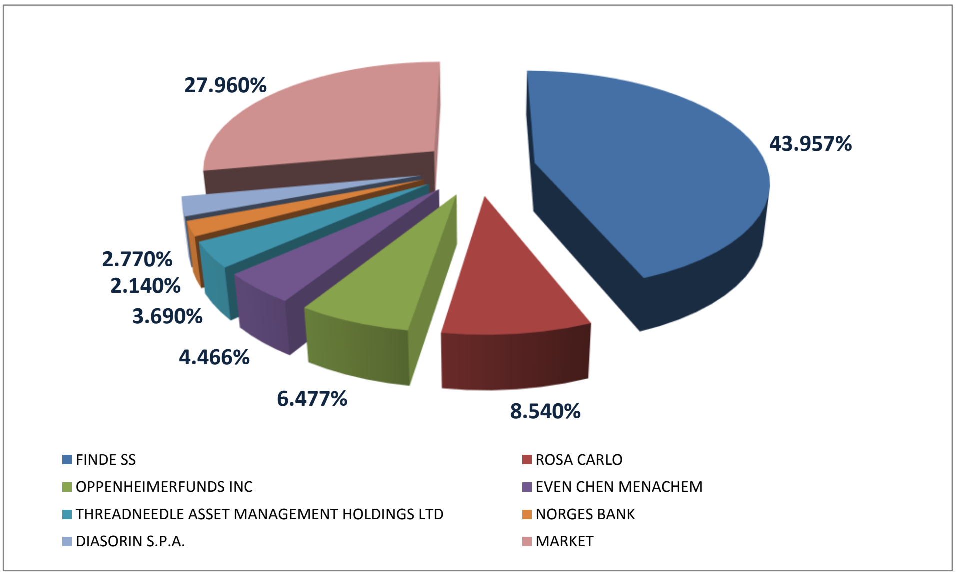
The DiaSorin stock showed a downward trend until October 2014 and recovered significantly in the last two months of 2014. The performance was slightly negative, equal to -2.2%, even though its trend was better when compared with its reference stock market Index, the FTSE Italia Mid Cap (-3.9%).



Stock ownership

The chart below shows a breakdown of the shareholders of DiaSorin S.p.A., based on information in the Shareholder Register, disclosures received pursuant to law and other available information processed up to December 31, 2014.

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



Financial Communications and Investor Relations

In 2014, in order to provide complete and updated information about its objective and the development of its businesses, DiaSorin continued to implement activities to interact and communicate with shareholders, institutional investors, financial analysts and the Italian and International press.

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

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

With this in mind, the **Investor Relations** team is constantly in contact with shareholders, investors and financial analysts, both on the occasion of corporate events and through an on-going relationship in the course of the year, by spontaneously creating opportunities for communications and interaction. DiaSorin also participates in industry conferences and organizes roadshows that visit all of the main financial centers, continuously providing opportunities to obtain a more in-depth understanding of the Group's operating performance and strategic choices.

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

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IPad app for the financial community and the media available on iTunes App store.

OVERVIEW OF THE GROUP'S PERFORMANCE IN 2014 AND COMPARISON WITH 2013

Macroeconomic scenario and the foreign exchange market

In 2014 the dynamics of the global economy saw the United States and UK regain their growth momentum, while Japan and emerging markets weakened; Europe recorded a modest growth in few countries of the area. The risks of a further slowdown have increased, in part as a result of geopolitical tensions and the possible aggravation of structural imbalances in some emerging economies. Cyclical misalignment has led to a growing divergence of monetary policies in the advanced countries, with the stance becoming even more expansionary in the Euro zone while being gradually normalized in the United States.

In the foreign exchange market, the average exchange rate of the Euro versus the U.S. Dollar in 2014 was in line with the average exchange rate of 2013, while the Euro appreciated in value also vis-à-vis the other currencies used by the Group, with the exchange rate up versus the South African Rand (+12 percentage points) and the Brazilian Real (+8.8 percentage points). The exchange rate at December 31, 2014 depreciated by 12 percentage points versus the U.S. Dollar, decreasing from 1.3791 at the end of 2013 to 1.2141 at the end of 2014.

It should be noted that in the first half of 2014 the Euro strengthened versus the main currencies used by the Group while the second half of the year recorded a sharp trend reversal: the Euro lost in value vis-à-vis the U.S. Dollar decreasing from the average exchange rate of 1.3703 in the first half of 2014 to 1.2882 in the second half of the year 2014.

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: the Bank of Italy).

Currency	Average exchange rates		Exchange rates at	
	2014	2013	12/31/2014	12/31/2013
U.S. Dollar	1.3285	1.3281	1.2141	1.3791
Brazilian Real	3.1211	2.8687	3.2207	3.2576
British Pound	0.8061	0.8493	0.7789	0.8337
Swedish Kronor	9.0985	8.6515	9.3930	8.8591
Swiss Franc	1.2146	1.2311	1.2024	1.2276
Czech Koruna	27.5359	25.9797	27.7350	27.4270
Canadian Dollar	1.4661	1.3684	1.4063	1.4671
Mexican Peso	17.6550	16.9641	17.8679	18.0731
Israeli Shekel	4.7449	4.7948	4.7200	4.7880
Chinese Yuan	8.1857	8.1646	7.5358	8.3491
Australian Dollar	1.4719	1.3777	1.4829	1.5423
South African Rand	14.4037	12.8330	14.0353	14.5660
Norwegian Krone	8.3544	7.8067	9.0420	8.3630

Overview of 2014 for the DiaSorin Group

In 2014 the DiaSorin Group's **revenues** totaled **443,770 thousand euros** (434,849 thousand euros in 2013). Revenues were up 2.8% at constant exchange rates (+2.1% at current exchange rates) compared with 2013: the foreign exchange market led to a negative net effect of 3.1 million euros on the Group's revenues

The 2014 reporting year was characterized by the outstanding performance of CLIA products, net of Vitamin D, with a +17% at constant exchange rates (+16.2% at current exchange rates), that offset the downward trend in Vitamin D sales equal to -8.6% at constant exchange rates (-9.2% at current exchange rates) as well as in reagents of RIA and ELISA, more dated technologies, equal to -7.2% at constant exchange rates (-8% at current exchange rates). Instruments and consumables sales were stable.
Specifically, the year highlights the good performance recorded in the clinical areas of the Infectious Diseases, Endocrinology and Hepatitis, in addition to the increase in the Gastrointestinal Infections and novel 1,25 Vitamin D test sales.

Vitamin D sales were relatively unchanged in terms of volumes. The drop in sales was in line with the Group's expectations, although less marked than the previous quarters, due to the lower price reduction that strongly affected the previous months. Net of the effect of the price reduction granted to LabCorp in the US, sales dropped by 5.8 percentage points compared with 2013.

Again in 2014, markets continued to appreciate the LIAISON and the LIAISON XL automated analyzers that achieved positive results totaling an installed base equal to 5,872 instruments, up by 600 units compared with 2013.

In 2014, the Molecular business revenues, equal to 3,222 thousand euros, were in line with 2013.

The **gross profit** totaled **298,738 thousand euros**, compared with 299,662 thousand euros in 2013. The ratio of gross profit to revenues was equal to 67.3% (68.9% in 2013), as a result of the different geographic and product mix of sales recorded in the periods under comparison, and higher impact of amortization due to the growing installed base of LIAISON XL, as well as the increase in the distribution costs due to the rising sales volumes.

EBITDA amounted to **160,290 thousand euros** (163,098 thousand euros in 2013). EBITDA incidence to revenues decreased from 37.5% in 2013 to 36.1%, in 2014. The decrease of 2,808 thousand euros is the result of the abovementioned effect on the gross profit and of non-recurring expenses (2,388 thousand euros) to complete the reorganization of Norwegian and French subsidiaries in addition to a functional reorganization of some business areas in the Italian site. These elements were mitigated by the exchange rates that positively impacted the income statement (a positive translation effect of 686 thousand euros on commercial items as against a negative translation effect of 2,320 thousand euros in 2013). Net of non-recurring expenses and at comparable exchange rates, the Group's EBITDA in 2014 was equal to about 163 million euros (36.5% of revenues), in line with the absolute value recorded in 2013.

EBIT totaled **129,891 thousand euros** (134,693 thousand euros in 2013), equal to 29.3% of revenues, down 1.7 percentage points compared with 2013.

In 2014, **net financial expenses** totaled **1,767 thousand euros**, compared with net financial expenses of 5,354 thousand euros in 2013. This increase reflects lower fees on factoring transactions following improved collection conditions owed by public entities (1,185 thousand euros in 2014 compared with 1,852 thousand euros in 2013), in additions to interests accrued on the collection of past-due positions owed by public entities (especially in Italy and Spain).

The currency translation effect on other financial balances was positive by 474 thousand euros, negative by 1.825 thousand euros in 2013.

Income taxes totaled **44,050 thousand euros** (46,228 thousand euros in 2013); the tax rate decreased to 34.4%, from 35.7% in 2013 mainly impacted by the decrease in taxes withheld on lower amount of dividends received by the Group's Parent Company and a lower tax rate in Italy following the regulatory amendments to help economic recovery.

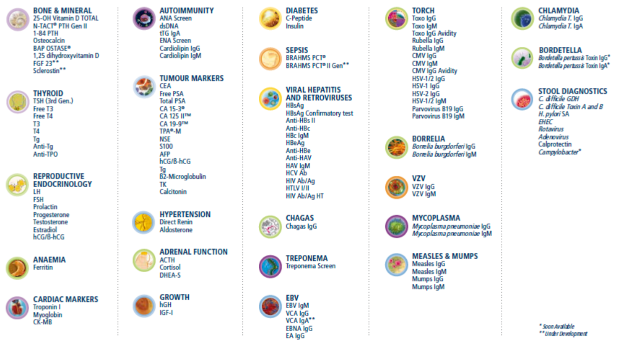
The **net profit** totaled **84,074 thousand euros** equal to 18.9% of revenues, showing a slight improvement compared with 83,111 thousand euros in 2013 (19.1% of revenues).

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

MARKETING AND SALES

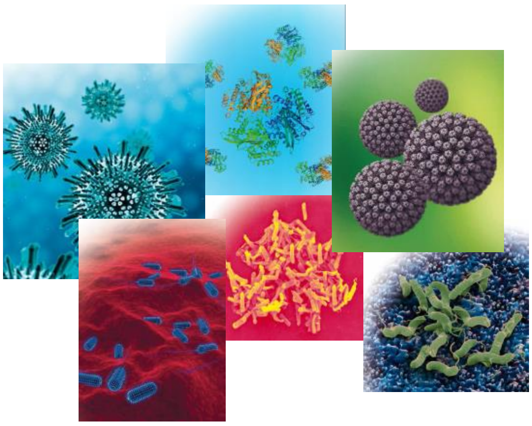
In 2014, the Corporate Marketing department focused on the following activities:

- launch of **new tests** on LIAISON platforms, extending the DiaSorin menu to **112 CLIA products**, out of which 31 specialty tests, including the novel 1,25 (OH)2 Vitamin D test;



- **commercial promotion** of **LIAISON XL** in Europe, United States and China, with consequent **expansion of the analyzers' installed base** (590 new units in 2014, for a total of 1,665 units worldwide);

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



- commercial promotion to support its **market leadership** in **Vitamin D** test, especially in the European and US markets;

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

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

590 placements in 2014, expanding the installed base to **1,665 units.**

The higher amount of placements compared with 2013 confirms an increasing level of users satisfaction for the platform and for its tests menu which is today the broadest available on the market.

Customers choose LIAISON XL mainly for:

- **Infectious Diseases tests**, where DiaSorin continues to strengthen its position on the market (e.g. United States), through a mix of high routine products and a growing number of new specialties;
- **Hepatitis and Retroviruses full panel**, with the addition of an important test introduced in 2014: the HIV High Throughput designed for medium and large-sized laboratories;
- **consolidation of Infectious Diseases and Hepatitis panels**, where DiaSorin offers the most extensive menu available on the market;
- **Vitamin D test**, due to the quality and doubling of LIAISON XL hourly productivity compared with LIAISON;
- **novel 1,25(OH)2 Vitamin D test**, that offers higher efficiency and does not require the up-front extraction step, to simplify significantly laboratories activities that have been so far complex and laborious.

FOCUS ON PRODUCT MENU AND TESTS LAUNCH
A broader portfolio for an increasingly global market.

In 2014, **immunodiagnostic menu** on CLIA automated platform totaled **112** products, becoming the broadest offer on the market, thanks to **31 specialty tests**.

In the **Infectious Diseases** clinical area, DiaSorin continued to offer the widest automated menu in its reference market, with an increasing market share in 2014.

In 2014 the Group launched the **HIV Ab/Ag High Throughput (HT)** test, strengthening its presence in the market of medium and large-sized blood banks and leveraging a **high operating efficiency** (hourly productivity of **171 tests on LIAISON XL),** sensitivity and specificity. In the **Hepatitis and Retrovirus** clinical areas, the Group achieved important commercial successes starting from the acquisition of several blood banks in Mexico to all blood donations in Turkey in addition to an important tender the Group won in Indonesia.

Lastly, DiaSorin obtained all the marketing approvals for **Hepatitis B and C, Retrovirus and Syphilis** on its LIAISON XL platform for the Chinese market, becoming the Company with the most complete offering for infectious diseases on a single platform in this market whose value is around $ 160 million, with a growth of approximately 20% per year in CLIA technology.

Clinical area	# tests	Tests	Instruments
Infectious Diseases / Hepatitis and Retroviruses	1	HIV Ab/Ag HT	
	8	Registration in China: • HBsAg Quant • Anti-HBs II • Anti-HBc • Anti-HBe • HBeAg • HCV Ab • HIV Ab/Ag • Treponema	
GI Infections on stool samples	2	Adenovirus Rotavirus	
Bone & Mineral Diseases	2	Vitamin D 1,25(OH)2 N-TACT PTH Gen II	
	1	Registration in USA: • Vitamin D 1,25(OH)2	

In 2014, DiaSorin continued to strengthen its competitive edge in the clinical area of **Gastrointestinal Infections**, through the launch of two tests used in the detection of **Adenovirus** and **Rotavirus**.

These two important tests added to the other tests already available on LIAISON platform, such as *Helicobacter Pylori* (one of the most common bacterial infections in humans that cause most cases of chronic gastritis and peptic ulcer disease), the *Clostridium Difficile Glutamate Dehydrogenase - GDH*, the *Clostridium Difficile Toxins A&B* and the *Enterohaemorrhagic E. Coli*. Thanks to its important offer in this clinical area, **DiaSorin** is today the **only player on the**

market to provide 6 tests on a fully automated platform, helping laboratories to deliver fast result for infections detection and isolation.

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

As far as **molecular diagnostics** is concerned, DiaSorin launched its first **Onco-Haematology** test (**Iam BCR-ABL**) for the qualitative detection of Chronic Myeloid Leukemia and Ph+ Acute Lymphoblastic Leukemia on its LIAISON IAM.

Iam BCR-ABL offers a fast detection of the genetic defect (BCR-ABL) in blood sample. BCR-ABL marker is the genetic cause of 95% of Chronic Myeloid Leukemia (CML) and 30% of cases of Acute Lymphoblastic Leukemia.

In 2014, the Marketing department focused on promoting the benefits of using this state-of-the-art DiaSorin test that provides fast and accurate results for the diagnosis of:

- *suspected Chronic Myeloid Leukemia in patients that will then be treated with a specific targeted drug (Tyrosine kinase Inhibitors);*
- *Acute Lymphoblastic Leukemia in patients that will initiate in time the right therapy.*

Clinical area	# tests	Tests	Instruments
Onco-Haematology	1	BCR-ABL	
Infectious Diseases	2	Herpes Cytomegalovirus	

In 2014 the Group launched two new products in the infectious diseases clinical areas: the test for the detection and quantification of **Cytomegalovirus (Iam CMV)** and the test for the detection of **Herpes Virus 1&2 (Iam HSV 1&2).**

In addition to products launched in the last two years, the product menu is made of **6 molecular diagnostic tests in the infectious diseases clinical area** (*BKV, VZV, CMV, HSV1&2, Toxo, Parvo*).

Research & Development and Registration activities

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

DiaSorin has **125** highly qualified **researchers** who acquired their expertise within the Group, both in immunodiagnostics and in molecular diagnostics areas. They are located mainly in the company facilities in Italy, United States and Ireland.

Gender diversity		
Men	68	54%
Women	57	46%
Total	**125**	**100%**

Length of service		
0-3 years	28	22%
3-5 years	22	18%
5-10 years	43	34%
> 10 years	32	26%
Total	**125**	**100%**

Every research facility is highly specialized in different technologies and product clinical areas. In 2014, R&D focused on the **expansion project of the product menu** available on LIAISON and LIAISON XL in Immunodiagnostics and on LIAISON Iam in Molecular Diagnostics.

The excellence in research and sharing of know-how among the several research facilities enabled the DiaSorin Group to develop, again in 2014, innovative tests recognized as a global benchmark by diagnostic laboratories.

Immunodiagnostics:

- Infectious Diseases
- Hypertension

Molecular Diagnostics (Pre-feasibility and Feasibility):

- Infectious Diseases
- Onco-Haematology

Immunodiagnostics:

- Gastrointestinal Infections
- Bone and Mineral

Molecular Diagnostics (Industrial Validation):

- Infectious Diseases
- Onco-Haematology

NEW IMMUNODIAGNOSTICS PRODUCTS

In 2014, the Research & Development team continued its commitment to immunodiagnostics technology and focused on the constant **broadening of CLIA menu on LIAISON and LIAISON XL analyzers** launching a new and important test in the Hepatitis and Retrovirus clinical area, in addition to 2 specialty tests for the detection of gastrointestinal infections on stool samples and 2 tests in bone and mineral clinical area.

CLINICAL AREAS		NEW PRODUCTS
	Infectious diseases	HIV Combo (Ag/Ab) High Throughput
	Gastrointestinal infections	Adenovirus Rotavirus
	Bone and Mineral	1,25 Vitamin D (OH)2 N-TACT PTH Gen II

It is worth mentioning that our researchers effort enabled DiaSorin to launch **the first and fully automated test available in the world on the CLIA technology for the quantitative determination of 1,25 Vitamin D.**

The DiaSorin 1,25 (OH)2 Vitamin D test goes beyond limits of those products brought to market that required, until now, a challenging manual, time consuming procedure in order to isolate the "vitamin" before its measuring. This assay represents **a further success for R&D and the DiaSorin Group** and a further milestone for the Group in the bone and mineral clinical area.

IMPROVEMENTS TO LIAISON XL PLATFORM

In 2014, Research & Development continued to improve its LIAISON analyzers focusing on:

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

NEW MOLECULAR DIAGNOSTICS PRODUCTS

In 2014, the Company continued to extend its product menu based on LAMP technology and available on LIAISON Iam.

CLINICAL AREAS		NEW PRODUCTS
	Infectious diseases	CMV HSV 1-2
	Onco-Haematology	BCR-ABL p190-p210

Thanks to the launch of the test for the detection and quantification of **Cytomegalovirus (Iam CMV)** and the test for the detection of **Herpes Virus 1&2 (Iam HSV 1&2)**, DiaSorin extended its product menu to 6 tests available in the **infectious diseases** clinical area.

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

In 2014 the Group's Research & Development marked an important step in the **Onco-Haematology clinical area**: in November 2014 the Company launched the first assay on LAMP technology for a rapid diagnosis of Chronic Myeloid Leukemia and Acute Lymphoblastic Leukemia (**BCR-ABL p210-p190**). Research & Development will focus its future activity on the extension of the product menu in the Onco-Haematology clinical area, with the exception of Iam EBV test that will be launched soon into in the **Infectious Diseases clinical area**.

The following provides the LAMP pipeline under development.

CLINICAL AREAS		PRODUCTS UNDER DEVELOPMENT
	Infectious diseases	EBV
	Onco-Haematology	PML-RARa Bcr1,3 PML-RARa Bcr 2 Quant BCR-ABL p210 Quant ABL AML-ETO 1 CBF-MYH A

		CBF-MYH D, E

RESEARCH & DEVELOPMENT COSTS AND INVESTMENTS

In 2014, the Group capitalized development costs equal to 1,401 thousand euros and charged directly to income research and development costs amounting to 22,642 thousand euros which included 8,265 thousand euros in costs incurred to register products available for sale and comply with quality standards.

(in thousands of euros)	**2014**	**2013**
Research and development costs that were not capitalized	22,642	22,013
Annual amortization of capitalized costs	2,352	1,934
Total research and development costs charged to income	**24,994**	**23,947**
Development costs capitalized during the year	1,401	2,616
Total research and development costs	**24,043**	**24,629**

In 2014, the Group's Parent Company capitalized development costs totaling 261 thousand euros and charged to income research and development costs amounting to 12,855 thousand euros, which included 3,153 thousand euros in costs incurred to register products available for sale and comply with quality standards and 1,289 thousand euros in costs incurred in annual amortization of previous years capitalized costs.

HUMAN RESOURCES AND ORGANIZATION

THE INDIVIDUAL AT THE CENTER OF THE BUSINESS MODEL

DiaSorin can rely on a legacy of skills, competence and excellence in over 27 countries: the Company constantly strengthens its actions aimed at developing **People within the Group**.

The Human Resources' purpose is to enhance managerial skills of people, by promoting their professional growth through on-the-job training and encouraging them to share their experiences and opinions across all areas of the company.

In 2014, over a half of managerial positions held were filled through internal promotions on the basis of meritocracy and individual's potential; the remaining positions were held through external recruitment.

Diversity and individuality of each person in DiaSorin represent fundamental values to the development of an excellent working environment that is being constantly updated and is able to meet the demands of our markets.

To adapt the organizational structures to the new market environment DiaSorin intensified its actions, throughout 2014, aimed at developing the **Group's Human Capital** to promote a management system that:

- aims at the growth and retention of key employees;
- is an effective business support, complying with and spreading the Company's Values and Culture.

In this regard the Company focused on:

- recruitments of highly qualified staff for leading positions at corporate level;
- international mobility of people with special talents recognized within the Group;
- reorganization and strengthening of some strategic teams in key and fast-growing countries through internal promotions and employing highly professional people from external market.

VALUATION AND REWARDING SYSTEMS

In 2014, DiaSorin used different valuation and rewarding systems to valuate key management performance within the Group. It is worth to mention:

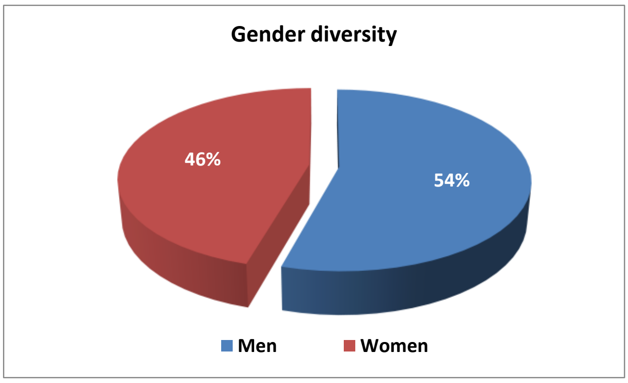
- **Performance Management Process (P.M.P.):** *Pilot program to assess Management based on the company Leadership Model and on Performance results (the first pilot phase involved about 70 people within the Group).*
- **2014 Stock Option Plan:** *new plan concerning the assignment of stock options. The 2014 Plan was opened in August 2014, with the aim of retaining and attracting managerial key employees at international level.*

TRAINING

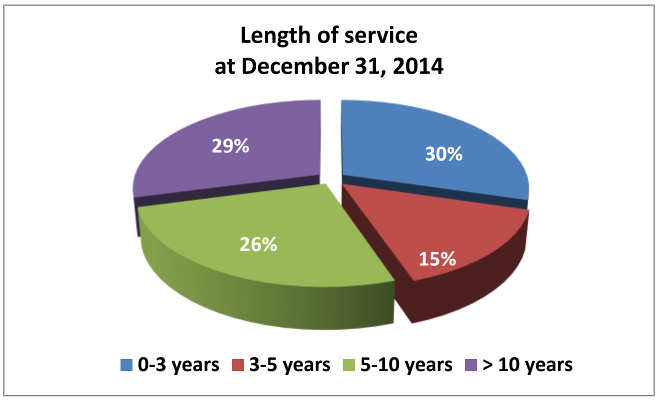
In 2014 the Group provided 75,600 training hours, one third of which only in the Group's Parent Company. The training aimed mainly at developing technical and managerial knowledge and skills, in addition to those concerning Safety, Health and Environment.

The DiaSorin Group recorded **1,620 employees at December 31, 2014**, up by 14 units (working in the commercial areas) compared with December 31, 2013.

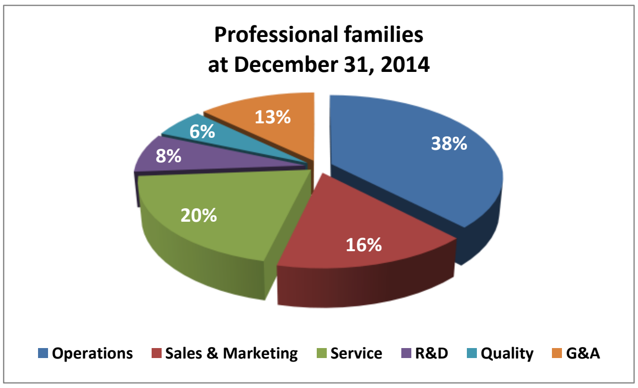
The Human Resources Department works actively to maintain a balanced and heterogeneous mix of employees, in order to place the individual at the center of its business model, as the charts below show:



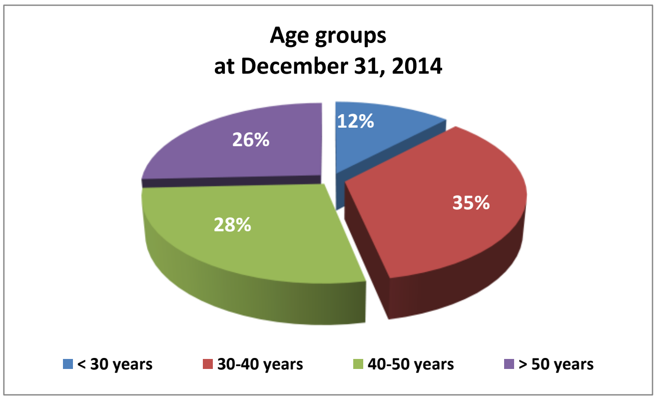
>>> Balanced proportion between men and women



60% of employees have been working in the Group for over 5 years <<<



>>> 51% of employees hold technical position, 36% of employees carry out activities involving direct contact with customers



Balance between new and old generation <<< (26% of employees are over 50, 12% of employees are under 30)

At December 31, 2014, DiaSorin S.p.A and its U.K. Branch had 633 employees (553 and 80, respectively) out of which 28 managers, 520 office staff and 85 production staff (at the end of 2013, DiaSorin S.p.A. and the U.K. Branch had 628 employees, 544 and 84, respectively).

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

SUSTAINABILITY ACTIVITIES AND CORPORATE SOCIAL RESPONSIBILITY

In 2014, The Group drafted its first Sustainability Report that will be published on April 2015.

This document confirms the culture DiaSorin shares within the Group on important issues in terms of economic, environmental and social sustainability.

This Report highlights some of the most important activities the Group carried out in 2014 to support local communities in countries where the Group operates. Specifically:

- Collaborations with international universities through internship and training on the job programs;
- Support for research aimed at health and life development;
- Initiatives to support and protect the environment.

Furthermore in 2014 the Group implemented three-year agreements that started on January 2015, through which the DiaSorin Group will support a series of initiatives in the fields of health, education and athletic talent.

The most important projects are:

- The “Progetto Talenti” to search talented athletes representing the Italian National team during the next Paralympics Winter Games in South Korea in 2018;
- The “Progetto Pinocchio” to support educational activities for more than 3,000 children in hospitals;
- To supply two important hospitals in Haiti and Sudan with tests for the detection and diagnosis of Infectious Diseases;
- A closer collaboration with universities to help young talents in employment.

REVIEW OF THE GROUP'S OPERATING PERFORMANCE AND FINANCIAL POSITION

Foreword

The 2014 consolidated financial statements were prepared in accordance with the international accounting principles ("IFRSs"), as published by the International Accounting Standards Board ("IASB") and officially approved by the European Commission, and are consistent with the regulation enacted to implement Article 9 of Legislative Decree No. 38/2005.

Operating performance in 2014 and comparison with 2013

(in thousands of euros)	**2014**	**As % of revenues**	**2013**	**As % of revenues**
Sales and service revenues	443,770	100.0%	434,849	100.0%
Cost of sales	(145,032)	32.7%	(135,187)	31.1%
Gross profit	**298,738**	**67.3%**	**299,662**	**68.9%**
Sales and marketing expenses	(88,949)	20.0%	(85,605)	19.7%
Research and development costs	(24,994)	5.6%	(23,947)	5.5%
General and administrative expenses	(50,578)	11.4%	(49,676)	11.4%
Total operating expenses	**(164,521)**	**37.1%**	**(159,228)**	**36.6%**
Other operating income (expense)	(4,326)	1.0%	(5,741)	1.3%
Non-recurring amount	*(2,388)*	*0.5%*	-	-
EBIT	**129,891**	**29.3%**	**134,693**	**31.0%**
Net financial income (expense)	(1,767)	0.4%	(5,354)	1.2%
Profit before taxes	**128,124**	**28.9%**	**129,339**	**29.7%**
Income taxes	(44,050)	9.9%	(46,228)	10.6%
Net profit	**84,074**	**18.9%**	**83,111**	**19.1%**
EBITDA (1)	**160,290**	**36.1%**	**163,098**	**37.5%**

(1) With regard to the income statement data provided above, please note that the Board of Directors defines EBITDA as the "result from operations" before amortization of intangibles and depreciation of property, plant and equipment. EBITDA, which the Company uses to monitor and assess the Group's operating performance, are not recognized as an accounting tool in the IFRSs and, consequently, should not be viewed as an alternative gauge to assess the Group's operating performance. Because the composition of EBITDA is not governed by the reference accounting principles, the computation criterion used by the Group could be different from the criterion used by other operators and/or groups and, consequently, may not be comparable.

Net revenues

In 2014, the DiaSorin Group reported **net revenues** equal to **443,770 thousand euros** (434,849 thousand euros in 2013). Net revenues increased by 2.8% at constant exchange rates (+2.1% at current exchange rates) compared with 2013. The foreign exchange rates had a negative impact of 3.1 million euros on the Group's revenues.

Revenues include sales generated from molecular business, equal to 3,222 thousand euros, substantially in line with 2013.

The evolution of sales turnover was due to the following elements:

i) growth in sales of CLIA products, net of Vitamin D (+17% at constant exchange rates, +16,2% at current exchange rates), as a result of both LIAISON XL platform success and new products launched onto the market;

ii) slowdown in Vitamin D sales (-8.6% at constant exchange rates, -9.2% at current exchange rates), reflecting a selling price reduction of this assay, that recorded an increase in volumes (about +1%) compared with 2013. The drop in sales was in line with the Group's expectations. Net of the price reduction granted to LabCorp in the US sales decreased just less than 6%;

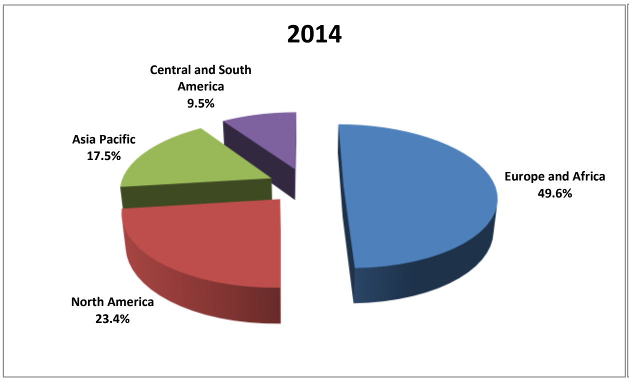
iii) stable sales of instruments and consumables (a decrease of about 1% at constant exchange rates and 2% at current exchange rates);

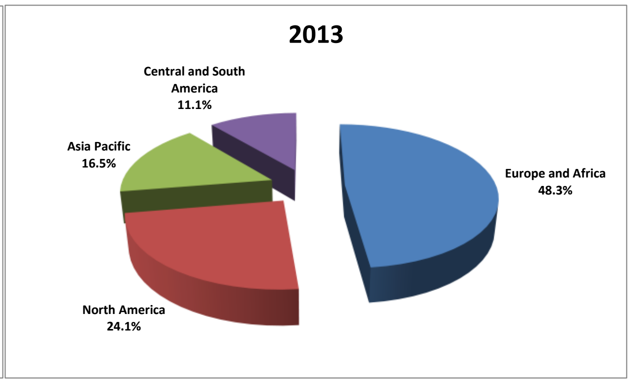
iv) increase of the installed base: in 2014, 600 new instruments have been placed, extending the overall number of installed instruments to 5,872 units. Liaison XL new placements amounted to 590 for a total of 1,665 units.

Breakdown of revenues by geographic region

The table below provides a breakdown by geographic region of destination of the consolidated revenues of the DiaSorin Group for the periods under comparison.

(in thousand of euros)	**2014**	**2013**	**% Change at current exchange rates**	**% Change at constant exchange rates**
Europe and Africa	220,243	209,966	+4.9%	+4.9%
North America	103,770	104,699	-0.9%	-0.9%
Asia Pacific	77,504	71,665	+8.1%	+9.3%
Central and South America	42,253	48,519	-12.9%	-8.3%
Total	**443,770**	**434,849**	**+2.1%**	**+2.8%**





Europe and Africa

Europe and Africa sales region generated sales equal to 220,243 thousand euros, up 4.9 percentage points compared with 2013. Specifically:

i) growth in revenue equal to 4.9% in the Italian market (upward trend in the local market equal to 0.7%)[1], driven by the Hepatitis clinical area, the upward trend in Vitamin D sales (+13.7%) and Infectious Diseases and Prenatal Screening panels;

ii) growth in the German market (+14.4%) compared with a 0.4%[1] growth recorded in the local market due to long-terms contract signed in 2012 with big chains of private laboratories that adopted LIAISON XL and to the introduction of new products, among them the 1,25 Vitamin D and the screening panel of gastrointestinal infections;

iii) sales slowdown in the French market (-8.8%) exclusively due to the Vitamin D effect as a result of the recent health care reform that has drastically cut the number of tests approved for reimbursement (local market down 0.9%[1]). Net of these sales, the French market reported a 5.7 percentage point growth. Sales of CLIA reagents, net of Vitamin D, were up 22 percentage points compared with 2013;

iv) sales growth both in countries of the area where the Group operates directly and in markets served through the distributors' network, except for Israel where sales were stable compared with 2013.

North America

In 2014, the North America sales region reported revenues of 103,770 thousand euros (-0.9% at constant exchange rates and at current exchange rates), in line with 2013. The second half of 2014 reported an increase in sales, at constant exchange rates, compared with the second half of 2013, reversing the results achieved since 2012. This situation is the result of Vitamin D stable sales in 2014 (despite Vitamin D still reported shrinking sales compared with 2013) and as a result of growing sales of CLIA products.

Specifically:

i) CLIA sales, net of Vitamin D, increased by 77.2 percentage points at constant exchange rates (77.1% at current exchange rates) compared with 2013, driven by the success of

[1] EDMA latest data available

products in the Infectious Diseases and Prenatal Screening clinical areas that were positively impacted by the agreement signed with LabCorp; net of the agreement signed with LabCorp, growth is still strong and equal to 36%;

ii) downward trend in Vitamin D sales (-12.1% at constant and at current exchange rate) affected by selling price reduction, part of which is a result of the abovementioned agreement. Net of the price reduction granted to LabCorp, the decrease in sales would be equal to 7.1%. Volumes sold in 2014 rose by 2.3%, while sequential sales remained stable at constant exchange rates throughout the reporting year.

Asia Pacific

In 2014, revenues of the Asia Pacific sales region amounted to 77,504 thousand euros, up 9.3% at constant exchange rates (+8.1% or 5,839 thousand euros at current exchange rates) compared with 2013.

This situation is the net result of the:

i) positive performance of the Chinese subsidiary with a 10.8 percentage point growth at constant exchange rates (+10.5% at current exchange rates) for all CLIA products up 10.3%. It is worth noting the successful launch of the LIAISON XL automated platform with its 99 placements in 2014, as well as the upward trend in the Murex product line (+6.8% at constant exchange rates);

ii) revenue growth in the Australian market equal to 2.5% at constant exchange rates (-4% at current exchange rates), following growing sales of CLIA products (+36.2% at constant exchange rates) that offset the decline in Vitamin D sales;

iii) positive trend in sales generated through distributors in markets where the Group does not have a direct presence (+9.4% at current exchange rates).

Central and South America

The Latin American sales region recorded revenues of 42,253 thousand euros in 2014, down 8.3 percentage points at constant exchange rates (-12.9% at current exchange rates) compared with 48,519 thousand euros in 2013. This result is mainly attributable to:

i) 14.2% drop in the Brazilian subsidiary sales at constant exchange rates (-21.1% at current exchange rates), following the absence of big orders that occurred in the first half of 2013 (instruments and consumables) and to the downward trend in Murex sales due to a reorganization of the local distribution network. The decline in revenues was partly offset by the strong performance of Vitamin D sales, up 24% at constant exchange rates;

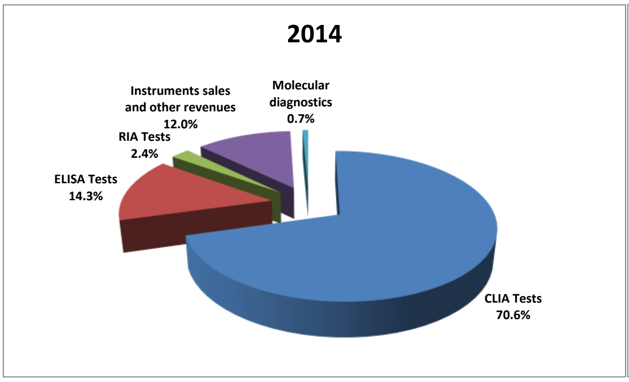
ii) 27% growth in the Mexican subsidiary sales at constant exchange rates (+22% at current exchange rates), as a result of the business development of blood banks;

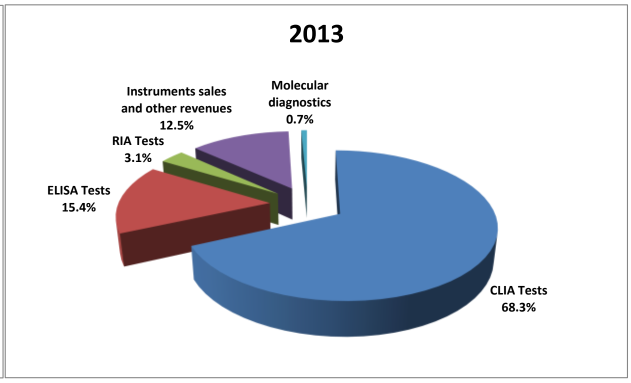
iii) negative performance of distributors' network in countries where the Group does not have a direct presence (-10.4% compared with 2013), due mainly to socio-political instability in Venezuela where the Group recorded important sales in 2013 (4.8 million of euros).

Breakdown of revenues by technology

The tables that follow show the percentage of the Group's consolidated revenues contributed by each technology in 2014 and 2013

% of revenues contributed	**2014**	**2013**
CLIA TESTS	70.6%	68.3%
ELISA TESTS	14.3%	15.4%
RIA TESTS	2.4%	3.1%
INSTRUMENTS SALES AND OTHER REVENUES	12.0%	12.5%
MOLECULAR DIAGNOSTICS	0.7%	0.7%
Total	**100.0%**	**100.0%**





In 2014, the percentage of total revenues provided by CLIA sales increased by 2.3 percentage points, as a result of higher CLIA reagents sales, ex Vitamin D, that fully offset the downward trend in Vitamin D sales. The slight drop in revenues generated from instruments sales (-1.2% at constant exchange rates; -2% at current exchange rates) reducing the percentage on total revenues by 1 percentage point was mostly due to extraordinary sales occurred in Brazil and Spain in the first months of 2013.

The data in the table reflect the steady physiological decline of the contribution provided by the RIA and ELISA technologies, both functioning on open systems.

Operating performance

At the end of 2014, the gross profit totaled 298,738 thousand euros compared with 299,662 thousand euros in 2013. The ratio of gross profit to revenues decreased to 67.3%, down 1.6 percentage points compared with 2013. This result was mainly due to the following elements: different sales mix (geographic areas and product) during the periods under comparison, pressure on Vitamin D price as mentioned above, higher amortization of LIAISON XL placements installed base, as well as higher distribution and logistics costs due to the increase in sales volumes.

Operating expenses totaled 164,521 thousand euros, up 3.3 percentage points compared with 2013: their ratio to total revenues increased from 36.6% to 37.1%.

Research and development costs amounted to 24,994 thousand euros, up 4.4% compared with 2013 (23,947 thousand euros), to extend the company product portfolio. The ratio of research and development costs to revenues was equal to 5.6 percentage points, compared with 5.5 percentage points in 2013.

Sales and marketing expenses totaled 88,949 thousand euros in 2014, up 3.9% compared with 2013, due to the increase in sales force and costs incurred to support the launch of new products and expenses of technical support for the growing number of instruments at customers facilities.

General and administrative expenses totaled 50,578 thousand euros, their ratio to total revenues equal to 11.4 percentage points (in line with 2013).

Other operating expenses equal to 4,326 thousand euros, compared with other operating expenses amounting to 5,741 thousand euros in 2013. This item includes impacts of exchange rates fluctuation that showed a reversed trend in 2014 compared with 2013 (a positive translation adjustment of 686 on commercial items, versus a negative translation adjustment of 2,320 thousand euros in 2013). Non-recurring expenses equal to 2,388 thousand euros related to the completion of the Norwegian and French subsidiaries reorganization as well as a functional reorganization of some areas in the Italian site.

In 2014, EBITDA amounted to 160,290 thousand euros, equal to 36.1% of revenues (37.5% in 2013) down 1.4 percentage points.

Net of non-recurring expenses and at comparable exchange rates, the Group's EBITDA was equal to 163 million euros in 2014, substantially in line with 2013 data.

In 2014, EBIT totaled 129,891 thousand euros, equal to 29.3% of revenues, down 1.7 percentage points compared with 2013.

Financial income and expense

In 2014, net financial expense totaled 1,767 thousand euros compared with net financial expense of 5,354 thousand euros in 2013.

The change between 2014 and 2013 is due to the lower factoring fees, as a result of renegotiations due to better collection conditions owed by public entities (1,185 thousand euros in 2014 compared with 1,852 thousand euros in 2013 as well interests accrued on past-due collections owed by public entities (mainly in Italy and Spain) that led interest income to 1,633 thousand euros (compared with 787 thousand euros del 2013).

The currency translation effect was positive by 474 thousand euros (negative by 1,825 thousand euros in 2013) as a result of the translation differences realized upon dividends the Group's Parent company received by the U.S. subsidiary and South African subsidiary (588 thousand euros), the Euro exchange rate in the intercompany financing disbursed by the Group's Parent company to the Australian subsidiary in the local currency (143 thousand euros), together with the financial balances of subsidiaries that use currencies different from that of the Group's Parent Company.

Currency sale operations led to a negative fair value equal to 293 thousand euros in 2014 compared with a negative fair value of 229 thousand euros in 2013.

Profit before taxes and net profit

The 2014 reporting year ended with a result before taxes of 128,124 thousand euros, which generated a tax liability of 44,050 thousand euros, down from the same period last year, when the result before taxes and the corresponding tax liability amounted to 129,339 thousand euros and 46,228 thousand euros, respectively.

In 2014, the tax rate decreased to 34.4% from 35.7% in 2013 as a result of the computation of the Group's taxable profit across the different geographic areas, the decrease in taxes withheld on lower amount of dividends received (1,269 thousand euro in 2014, compared with 1,982 thousand euros in 2013) and lastly a lower tax rate in Italy following the regulatory amendments to help economic recovery.

Finally, the consolidated net profit showed a slight increase totaling 84,074 thousand euros in 2014, equal to 18.9% of revenues as against a consolidated net profit of 83,111 thousand euros (equal to 19.1% of revenues) in 2013.

STATEMENT OF FINANCIAL POSITION OF THE GROUP AT DECEMBER 31, 2014

A condensed statement of financial position of the Group at December 31, 2014 is provided below:

(in thousands of euros)	**12/31/2014**	**12/31/2013**
Total intangible assets	116,950	119,414
Total property, plant and equipment	72,207	66,258
Other non-current assets	25,584	23,230
Net working capital	142,281	141,689
Other non-current liabilities	(39,791)	(34,425)
Net capital employed	**317,231**	**316,166**
Net financial position	**166,342**	**97,969**
Total Shareholders' equity	**483,573**	**414,135**

Non-current assets increased to 214,741 thousand euros at December 31, 2014 compared with 208,902 thousand euros at December 31, 2013, due to the investments carried out in 2014 and the Euro depreciation.

A breakdown of net working capital is provided below:

(in thousands of euros)	**12/31/2014**	**12/31/2013**	**Change**
Trade receivables	109,521	117,442	(7,921)
Ending inventory	101,320	86,439	14,881
Trade payables	(39,311)	(36,601)	(2,710)
Other current assets/liabilities (1)	(29,249)	(25,591)	(3,658)
Net working capital	**142,281**	**141,689**	**592**

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

In 2014 the net working capital increased by 592 thousand euros (including a currency effect of more than 4 million euros) following a growth in inventories, as a result of rising volumes, that was offset by the drop in trade receivables and the change in other operating liabilities.

Trade receivables decreased by 7,921 thousand euros compared with December 31, 2013 due to the collection of past-due positions owed by public entities (mainly in Italy and Spain).
The increase of 14,881 thousand euros in ending inventories compared with December 31, 2013 (out of which 2.7 million euros related to the exchange rate), is due to higher inventories of strategic materials at the Group's production facilities for semi-finished products scheduled for launch in the coming months, in addition to finished products in view of higher sales and production volumes.
Other current assets/liabilities increased by 3,658 thousand euros resulting from the increase in tax payables and amounts owed to employees.

A condensed net financial position schedule is shown below:

(in thousands of euros)	**12/31/2014**	**12/31/2013**
Cash and cash equivalents	144,855	105,110
Liquid assets (a)	**144,855**	**105,110**
Other current financial assets (b)	**24,963**	**34**
Current bank debt	(3,004)	(6,738)
Other current financial liabilities	(262)	(14)
Current financial indebtedness (c)	**(3,266)**	**(6,752)**
Net current financial assets (d)=(a)+(b)+(c)	**166,552**	**98,392**
Non-current bank debt	(209)	(410)
Other non-current financial liabilities	(1)	(13)
Non-current financial indebtedness (e)	**(210)**	**(423)**
Net financial position (g)=(d)+(e)+(f)	**166,342**	**97,969**

At December 31, 2014 the net consolidated financial position was positive by 166,342 thousand euros, with an increase of 68,373 thousand euros compared with December 31, 2013.

Shareholders' equity, which totaled 483,573 thousand euros (414,135 thousand euros at December 31, 2013) includes treasury shares valued at 44,045 thousand euros.

The reserve for treasury shares, which was established pursuant to law (Article 2357 of the Italian Civil Code), was recognized following purchases of treasury shares executed in 2011.
The table below shows a reconciliation of the net result and shareholders' equity of the Group's Parent Company to the corresponding consolidated data at December 31, 2014:

(in thousands of euros)	**Net result in 2014**	**Shareholders' equity at 12/31/2014**
Amount in the financial statements of the Parent Company DiaSorin S.p.A	**56,622**	**357,650**
Difference between the carrying amount of equity investments and the value of the underlying shareholders' equity		140,024
Profits/(Losses) of consolidated companies	51,506	
Elimination of unrealized intra-Group profits, net of the applicable tax effect	(2,559)	(14,101)
Elimination of intra-Group dividends	(21,398)	-
Gain/Loss on "Net investment hedge," after tax effect	(97)	-
Amount in the consolidated financial statements	**84,074**	**483,573**

ANALYSIS OF CONSOLIDATED CASH FLOWS

A schedule showing a condensed consolidated statement of cash flows, followed by a review of the main statement items and the changes that occurred compared with 2013, is provided below:

(in thousands of euros)	**2014**	**2013**
Cash and cash equivalents – opening balance	**105,110**	**104,599**
Net cash from operating activities	119,847	107,717
Cash used for investing activities	(28,891)	(29,946)
Cash used for financing activities	(29,453)	(77,287)
Acquisitions of subsidiaries and business operations	-	27
Change in net cash and cash equivalents before investments in financing assets	***61,503***	***511***
Investments in financing assets	(21,758)	-
Change in net cash	***39,745***	***511***
Cash and cash equivalents – closing balance	**144,855**	**105,110**

The cash flow from operating activities totaled 119,847 thousand euros (107,717 thousand euros in 2013). The income stream (net profit plus depreciation and amortization, additions to provisions and other non-cash items) and working capital dynamics were higher in 2013, due to the collection of past-due positions owed by public entities.
Tax payments totaled 46,047 thousand euros (44,087 thousand euros in 2013), consisting mainly of income taxes owed by the Group's Parent Company and subsidiaries in the United States and Germany.

Net cash used in investing activities totaled 28,891 thousand euros compared with 29,946 thousand euros in 2013. Capital expenditures for medical equipment decreased to 18,155 thousand euros in 2014 from 19,550 thousand euros in 2013. In addition, development costs of 1,401 thousand euros were capitalized in 2014, compared with 2,616 thousand euros in 2013, mainly in connection with investments in molecular diagnostics and new specialty tests.

In 2014, the free cash flow increased to 91,313 thousand euros from 79,462 thousand euros in 2013

The net cash used for financing activities totaled 29,453 thousand euros (77,287 thousand euros in 2013). It was used mainly for a dividend distribution of 29,919 thousand euros (72,635 thousand euros in 2013, including the extraordinary distribution) and repayments of financing facilities amounting to 4,051thousand euros (7,997 thousand euros in 2013).

Investments in financing assets include a 12-month term deposit opened by the U.S. subsidiary (USD 30 million) in 2014.

At December 31, 2014 available liquid assets held by the Group totaled 144,855 thousand euros up by 39,745 thousand euros, compared with 105,110 thousand euros at the end of 2013.

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

Risks related to general economic conditions

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

In the vast majority of the markets where the Group operates, the products distributed by the DiaSorin Group are part of basic medical care coverage, which, generally, is funded by national health services. The year 2014 was characterized by a high level of financial and political tensions in an international context that caused the demand volatility of diagnostics supplies. Particularly, the questioning bearable costs of welfare system, in which health care has a central role, led to the increasing pressure to reduce refunds for medical care and, in some cases, the volume of laboratory tests ordered by physicians.

Even though in vitro diagnostics accounts for only a marginal portion of health care spending in the main industrialized countries, a reduction in diagnostic test prescriptions and a significant change in public financing policies have a potentially significant impact on the prices charged by Group companies and, consequently, their profitability.

Risks related to the Group's international presence and expansion

Because of their presence in several countries in Europe and elsewhere in the world, the Company and the Group are exposed to numerous risk factors. Moreover, the Group's success and its international development are tied to its ability to expand sales of its products to new markets, including those in emerging countries. However, under the current economic conditions, the Group's expansion in the markets of the emerging countries entails some risk exposure, including the potential threat of social, economic and political instability.
It should be noted the difficult macroeconomic environment in Brazil, which reported a slowdown in economic growth associated with a resurgence of inflection. The above mentioned situation could have a negative impact on the growth of Group companies in markets outside Italy, with a resulting adverse effect on the income statement, balance sheet and financial position of the Company and the Group.
Lastly, in countries where it does operate through a subsidiary, the Group uses independent distributors to sell its products. As a rule, these distributors are small or medium-size companies with limited financial resources. The current difficulties in the ability to access credit, particularly in some emerging countries, could slow sales growth in the abovementioned countries or increase the risk that a distributor may become insolvent.
The DiaSorin Group monitors on an on-going basis the performance and credit limits of distributors to whom it has extended credit, but the possibility that a continuation or exacerbation of the current negative business conditions could have a negative impact on the income statement and financial position of the Company and the Group cannot be excluded.

Risks related to the availability of financial resources

In some countries, Italy and Spain in particular, the Company's and the Group's liquidity is constrained by the limited funding ability of the national health system and, as a result, the actual time to collection is significantly longer than the contractual payment terms. In order to

compensate for this difference between contractual and actual payment terms, the Group enters in Italy into factoring transactions, assigning the corresponding receivables without recourse. In 2013, Spain passed a new law that fixed the terms of payment to a maximum of 30 days for public administrations. Furthermore, the Government approved the payment of all invoices due in the first half of 2013 by the first quarter of 2014. This policy led to the collection of past-due positions owed by public entities in 2014, even though it is difficult to know how governments will manage this problem in future.
Currently, the financial crisis and the deterioration of creditworthiness within the public sector did not produce significant increase in the cost of factoring transactions. In the event that the economic situation should worsen, factors tending to generate crises could lead to a negative turnaround in future trend, with a negative impact on the operating results and liquidity of the Company and the Group.

Risks related to fluctuations in foreign exchange and interest rates

The Group operates in countries and markets where the reporting currency is not the euro and, consequently, it is exposed to the risk related to fluctuation in foreign exchange rates. More specifically, about 27% of the Group's revenues were denominated in U.S. dollars in 2014. Revenues denominated in other currencies that are significant for the Group also increased, thereby exposing the Group to risk of fluctuations in exchange rates. More specifically, Group revenues stated in the Brazilian and Chinese currencies account for 5% and 6% of total revenues, respectively.

Future fluctuation of the euro versus other currencies could have a positive/negative impact on the income statement, balance sheet and financial position of the Company and the Group.

As for fluctuations in interest rates, the Company and the Group usually borrow at variable rates. While the main reference rates (LIBOR and EURIBOR) are currently quite low compared with historical trends, there is a risk that, in the future, a general tightening of conditions within the credit system could cause the reference rates to rise, with a negative impact on the operating performance of the Company and the DiaSorin Group. In any case, the negative impact would not be material considering the low level of indebtedness of the Group.

Commercial Risk

The DiaSorin Group is subject to the commercial risk, particularly with regard to the Vitamin D segment, caused by increased competition and the market entry of such competitors as Siemens, Abbott and Roche.
The strategy of protecting major customers by extending long-term contracts, the acknowledged extremely high quality of DiaSorin Vitamin D tests, the ability of doubling the hourly rate of determinations offered by the LIAISON XL, and growing demand in countries where dosage is still not very frequent ensure that DiaSorin will continue to play a leading role in the future of this market.
In addition, in 2014, the positive trend in sales of Infectious Diseases, Endocrinology and Hepatitis panels continued with a constant growth in Gastrointestinal Infections products that offset other weaker segments.

REPORT ON CORPORATE GOVERNANCE AND THE COMPANY'S OWNERSHIP STRUCTURE

Pursuant to Article 123-*bis* "TUF"

(Traditional management and control model)

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

Financial year to which the report refers: **2014**
Date of approval of the Report: **March 3**, **2015**

GLOSSARY

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

1. PROFILE OF THE ISSUER.

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

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

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

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

SHARE CAPITAL STRUCTURE [1]				
	N° shares	***% on the share Capital***	***Listed (identify the markets) / not-listed***	***Rights and obligations***
Ordinary share without nominal value	55,948,257[**]	100%	MTA	Each share gives right to one vote. Rights and obligations are those provided in arts. 2346 et seq. of the Civil Code

Stock incentive plans

The terms of the Stock Option Plans in force ("DiaSorin S.p.A. 2010 Stock Option Plan" and "DiaSorin S.p.A. 2014 Stock Option Plan") are available on the Issuer's website (www.diasorin.com in the Section "Investors/Information for Shareholders, Shareholders' Meeting and Board of Directors/2010 and 2014"). Moreover, the Disclosure Memoranda required pursuant to Article 84-*bis* of the Issuers' Regulations adopted by the Consob are available on the Issuer's website (www.diasorin.com in the Section "Investors/Information for Shareholders

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[1] As of December 31, 2014.

[**] N. 1,525,000 treasury shares held in the Company's portfolio. For updates on the number of shares held by the Company after December 31, 2014 see Sec. 19 (Changes occurred after December 31, 2014).

Section/Shareholders' Meeting and Board of Directors/2010" for the 2010 Plan and in the Section "Investors/Information for Shareholders/Shareholders' Meeting and Board of Directors/2014" for the 2014 Plan). Updates are reported in the Compensation Report available on the Issuer's website in the Section "Investors/Information for Shareholders/Shareholders' Meeting and Board of Directors/2015".

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

c) Significant Equity Interests (pursuant to Art. 123-bis, Section 1, Letter c), TUF)
As of December 31, 2014 Shareholders holding, directly or indirectly, equity investments exceeding 2% interest in share capital, through pyramid structures and cross-shareholdings, in accordance with communications made pursuant to Art. 120. of the TUF and with information available to the Company, are as follows:

SIGNIFICANT EQUITY INTERESTS			
Reporting party	**Direct Shareholder**	**Number of shares**	**% interest in share capital**
Finde SS	IP Investimenti e Partecipazioni S.r.l. (IP S.r.l.)	24,593,454	43.957
Rosa Carlo	Sarago S.r.l.	2,395,532	8.54
	Rosa Carlo	2,382,682	
Even Chen Menachem	-	2,498,936	4.466
Oppenheimerfunds Inc,	-	3,624,264	6.477
Threadneedle Asset Management Holdings Ltd	-	2,064,843	3.690
DiaSorin S.p.A.	-	1,525,000	2.725
Norges Bank	-	1,198,386	2.140

d) Securities Conveying Special Rights (pursuant to Art. 123-bis, Section 1, Letter d), TUF)
No securities conveying special rights of control have been issued.

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

f) Restrictions of Voting Rights (pursuant to Art. 123-bis, Section 1, Letter f), TUF)
No restrictions of voting rights have been issued.
The Issuer By-Laws does not contain provisions on increased voting rights pursuant to Art. 127-quinquies of the TUF.

g) Shareholders' Agreements (pursuant to Art. 123-bis, Section 1, Letter g), TUF)
As far as the Issuer is aware, as of December 31, 2014, there were no agreements pursuant to Article 122 of the TUF.

h) Change of Control Clauses (pursuant to Art. 123-bis, Section 1, Letter h), TUF) and of the Bylaws on takeover bids (pursuant to Art. 104, Section 1-ter, and 104-bis, Section 1, TUF)
There are no significant agreements in place to which the Issuer or other Group Party is a party that become effective if a change of control occurs involving the Company, except for what is set

forth on these clauses in the Compensation Report to which paragraph **10** below refers. The Issuer's Bylaws do not include exemptions to the provisions of the passivity rule envisaged by art. 104, Section 1 and 1-bis of the TUF nor do they provide for application of the neutralisation rules established by prevailing law.

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

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

Subsequently the aforementioned purchase program in support of the 2010 Plan, on October 4, 2011, the Shareholders' Meeting authorized and empowered the Board of Directors to carry out, acting through its Chairman and the Chief Executive Officer, purchases of the Company's common shares, in one or more instalments, for a period of 18 months from the date of the Ordinary Shareholders' Meeting, and sales of said shares for an undetermined period of time, in accordance with the combined provisions of Articles 2357 and 2357-*ter* of the Italian Civil Code and Article 132 TUF and corresponding implementation decrees, in order to provide the Company with a useful strategic investment opportunity for any purpose permitted by applicable provisions, including the purposes contemplated in "market practices" allowed by Consob pursuant to Art. 180, Section 1, Letter c) of the Consolidated Law on Financial Intermediation with resolution no. 16839 of March 19, 2009 and in EC regulation no. 2273/2003 of December 22, 2003.

Under that directive, between October 17 2011 and November 17, 2011, a purchase of an initial tranche of 800,000 Company common shares was carried out at a cost of about 19.8 million euros.

Subsequently, on April 23, 2014 the Shareholders' Meeting resolved to approve the "DiaSorin S.p.A. 2014 Stock Option Plan" pursuant to Article. 2357-*ter* of the Italian Civil Code, empowering the Board of Directors to dispose of the company treasury shares, reserving them, in the necessary or appropriate amount and under the terms established by the Plan, to serve the Plan itself.

As of the date of this Report, DiaSorin holds 1,525,000 treasury shares, corresponding to 2.725% of its share capital[2].

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

[2] For updates on the number of shares held by the Company after December 31, 2014 see Sec. 19 (Changes occurred after December 31, 2014)

l) Management and coordination activities (pursuant to Art. 2497 et seq. Italian Civil Code).
Even though Article 2497-*sexies* of the Italian Civil Code states that "*unless proof to the contrary is provided, it is presumed that management and coordination authority over a company is exercised by the company or entity required to consolidate that company's financial statements or otherwise controls it pursuant to Article 2359 of the Italian Civil Code*", neither Finde Società Semplice nor IP Investimenti e Partecipazioni S.r.l., the transferee of the equity investment held by Finde S.p.A., formerly IP Investimenti e Partecipazioni S.p.A., exercise management and coordination authority over the Company.
Specifically, the Issuer believes that in its corporate and entrepreneurial endeavours it operates independently of Finde Società Semplice, its controlling company, and IP Investimenti e Partecipazioni S.r.l.
Consequently, the Issuer's relationship with Finde Società Semplice and IP Investimenti e Partecipazioni S.r.l. is limited to the normal exercise by these companies of the administrative and ownership rights inherent to their status as shareholders (such as voting at Shareholders' Meetings and collecting dividends).

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It is specified that the information requested by Article 123-bis, Section 1, Letter i) of the Consolidated Law on Finance (TUF) on *"agreements between the Company and its Directors, Management Board or Supervisory Board members, which envisage indemnities in the event of resignation or dismissal without just cause or if their employment relationship terminates following a public purchase offer"* are illustrated in the Compensation Report drawn up in accordance with Article 123–ter of the TUF and available on the Company's website (www.diasorin.com in the Section "Investors/Information for Shareholders, Shareholders' Meeting and Board of Directors/ 2015")
The information requested under Article 123-bis, Section 1, Letter l) of the Consolidated Law on Finance (TUF) on *"provisions applicable to the appointment and substitution of Directors, Management Board or Supervisory Board members, as well as to the amendment of the Articles of Association, if different from the legislative and regulatory provisions applicable as a supplementary measure"* are illustrated in the section of the Report dedicated to the Board of Directors (paragraph 4.1).

3. COMPLIANCE (ex art. 123-bis, Section 2, Letter a), TUF)
On March 3, 2015, the Board of Directors of DiaSorin S.p.A. agreed to adopt the new version of Corporate Governance Code (version of July 2014), given the transitional nature set out in the Code, available on Borsa Italiana website (www.borsaitaliana.it). The company and its strategic subsidiaries are not subjected to non-Italian legislation that could influence the Issuer's corporate governance structure.

4. THE BOARD OF DIRECTORS

4.1 APPOINTMENT AND REPLACEMENT (pursuant to Art. 123-bis, Section 1, Letter l), TUF)
The Issuer is managed by a Board of Directors comprised of at least 7 and not more than 16 members. At the time of election, the Ordinary Shareholders' Meeting determined the size of the Board of Directors, within the abovementioned limits, and its term of office, which may not exceed three years. Directors may be re-elected.
The provisions of the Bylaws that govern the composition and election of the Issuer's Board of Directors have been designed to ensure compliance with the relevant regulations introduced by Law No. 262/2005, as amended (Article 147-ter of the), and by Law No. 120/2011 on the subject of equal access to the administration and control organs of companies listed on regulated market, which are

summarized below. In addition, the ability to serve as a Director is subject to the candidate meeting the requirements set forth in the statutory and regulatory provisions currently in force.
Article 11 of the Bylaws requires that the Board of Directors be elected, in compliance with applicable gender balance laws and regulations, by a voting system based on slates of candidates filed by shareholders who, alone or in combination with others, represent at least 2.5% of the shares that convey the right to vote at Ordinary Shareholders' Meetings, or any other percentage that may apply pursuant to the applicable laws or regulations. As duly established by Art. 144-*septies*, paragraph 1, of the Issuer Regulation and by Consob no. 19109 of January 29, 2015, shareholders' owing a shareholding equal to the shareholding established by Consob, and that corresponds to 1% of the Share Capital are entitled to present the slates of nominees to allocate the Directors to be elected.
Each shareholder, shareholders who are parties to a shareholders' agreement that qualifies as such pursuant to Article 122 of the TUF, the Company's controlling party, its subsidiaries and joint ventures that qualify as such pursuant to Article 93 of the TUF may not file or participate in the filing, directly or through a third party or a nominee, of more than one slate and may not vote for multiple slates. Each candidate can be included on only one slate, on penalty of losing the right to be elected. Votes cast in violation of this provision will not be allocated to any slate. Notwithstanding additional statutory disclosure and filing requirements, including those set forth in regulations currently in effect, slates filed by shareholders, duly signed by the filers, must be deposited at the Company's registered office, where they must be available to anyone upon request, at least 25 (twenty-five) days prior to the date of the first calling of the Shareholders' Meeting. The slates must be accompanied by the following documents: (i) information identifying the shareholders who are filing the slates and showing the total percentage interest held; (ii) affidavits by which the individual candidates accept their nomination and attest, under their responsibility, that there are no issues that would make them incompatible or unelectable and that they meet the requirements of their respective offices; and (iii) a curriculum vitae setting forth the personal and professional qualifications of each candidate and indicating whether a candidate qualifies as an independent Director. In addition, a special attestation issued by an intermediary qualified pursuant to law certifying the ownership, when the slate of candidates is being filed with the Company, of the number of shares needed to qualify for filing the slate must be filed with the Company within the deadline required by the rules applicable to the publication of slates of candidates by the Company.
The slates which contain a number of candidates equal to or above three shall include candidates belonging to both gender, aimed at ensuring the presence in the Board of Directors of at least one fifth of the seats (for the first term of office starting after August12, 2012) and at least one third (rounded to the higher number) of the seats of the less-represented gender.
Slates that are filed without complying with these requirements will be treated as if they have not been filed at all.
The election of Directors is carried out as follows:
(a) All except one of the Directors that need to be elected are taken from the slate that received the highest number of votes, in the sequence in which they are listed on the slate;
(b) The remaining Director is taken from a minority slate that is not connected in any way, directly or indirectly, with the parties who filed or voted for the slate referred to in paragraph a) above and received the second highest number of votes cast by the shareholders, selecting for election the first candidate listed in the slate's numerical sequence. However, should the minority slate referred to in paragraph b) above fail to receive a percentage of the votes equal at least to half the required percentage for filing a slate, as stated above, all of the Directors that need to be elected will be taken from the slate that received the highest number of votes referred to in paragraph a) above.

If the candidates elected in the manner described above do not include a sufficient number of Directors who meet the independence requirements that apply to Statutory Auditors pursuant to Article 148, Section 3, of the TUF to achieve the minimum statutory percentage of the total number of elected Directors, the non-independent candidate elected last in the sequence listed in the slate

that received the highest number of votes, as referred to in paragraph a) above, shall be replaced with the first non-elected independent candidate who is listed next sequentially in the same slate or, alternatively, by the first non-elected candidate listed sequentially on other slates, based on the number of votes received by each slate. This replacement procedure shall be applied repeatedly until the Board of Directors includes a number of Directors who meet the requirements of Article 148, Section 3, of the TUF equal to at least the statutory minimum. As a further alternative, the replacement candidates may be elected by means of a resolution approved by the Shareholder's Meeting with a relative majority, provided candidates have been placed in nomination in accordance with statutory requirements.
If, upon conclusion of voting, the composition of the Board of Directors does not satisfy the gender balance enjoined by applicable laws and regulations, the nominee of the most highly represented gender who was the last to be elected in the sequential order of the slate that received the highest number of votes shall be replaced by the first candidate of the least represented gender who was not elected on the same slate, in the sequential order of that slate. The elected nominees shall be replaced according to the same procedure until the composition of the Board of Directors complies with applicable laws and regulations. If this procedure does not guarantee the final result indicated hereinabove, the Shareholders' Meeting shall make the necessary changes by resolution with the statutory majority of votes, upon submission of candidates belonging to the gender less represented.
If only one slate is filed or if no slate is filed, the Shareholder's Meeting shall approve its resolution with the majorities required by law without being required to comply with the procedure described above, in compliance with the laws currently in force on gender balance. Lastly, pursuant to Article 11 of the Bylaws, if one or more Directors cease to be in office during the course of the year, provided the majority of Board members are still Directors elected by the Shareholders' Meeting, they shall be replaced in the manner described below, in accordance with the provisions of Article 2386 of the Italian Civil Code: (i) The Board of Directors nominates as replacements candidates taken from the same slate to which the Directors no longer in office belonged and the Shareholders' Meeting votes with the majorities required pursuant to law and in accordance with the principle described above; (ii) Should there be no unelected candidates or eligible candidates left in the abovementioned slate or if the provisions of paragraph (i) above cannot be complied with for any reason, the Board of Directors and the Shareholders' Meeting elect replacements with the majorities required pursuant to law, without using a slate voting system.
In all cases, the Board of Directors and the Shareholders' Meeting shall carry out the election in a manner that will result in (i) the election of a total number of independent Directors equal to at least the minimum number required by the relevant statute provisionally in force and (ii) in compliance with the laws currently in force on gender balance.
If the majority of the Directors elected by the Shareholders' Meeting ceases to be in office, the entire Board of Directors shall be deemed to have resigned and a Shareholders' Meeting must be convened promptly by the Directors still in office to elect a new Board. Additional information about the procedures for the election of the Board of Directors is provided in Article 11 of the Bylaws.
The Corporate Governance Code provides for companies listed in the FTSE-MIB, as in the case of DiaSorin S.p.A. until December 23, 2013, that at least one third of the Board as a whole should be independent directors.

Succession plans of Independent Directors

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

4.2. MEMBERSHIP (pursuant to Art. 123-bis, Section 2, Letter d), TUF)

The Issuer's Board of Directors currently in office was elected by the Ordinary Shareholders' Meeting on April 22, 2013 (except for Director Stefano Altara, appointed at the ordinary

Shareholders' Meeting on April 23, 2014 to replace the deceased Director Gian Alberto Saporiti) for a term of office that will end on the date of the Shareholders' Meeting to approve the financial statements as of December 31, 2015.
The Board of Directors was appointed on the basis of the only one slate presented by IP Srl., shareholder of 43.99% of the Company's ordinary shares, and all the members of the slate were appointed in the current Board of Directors. The resolution was approved by 65.21% of the Voting Capital.

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

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

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

First and last name	Post held	Education	Professional characteristics
Gustavo Denegri	Chairman and Non-executive Director	Economic-management training	General Management

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

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

Cap on offices held in other companies
With regard to the posts held by DiaSorin Directors on management and oversight bodies at other companies, the Board of Directors does not believe that it would be appropriate to introduce preset quantitative limits.
Thus, all candidates to the post of Director, prior to accepting their appointment at the Issuer and irrespective of existing statutory and regulatory restrictions on the total number of posts that may be held, must determine whether they will be able to perform the tasks assigned to them with the required attention and effectiveness, taking into account their overall effort that will be required of them in connection with the posts held outside the DiaSorin.
All members of the Board of Directors are also required to inform the Board of any new appointments to Boards of Directors or Boards of Statutory Auditors at other companies, in order to allow the Board of Directors to comply with the relevant statutory and regulatory disclosure requirements. A list of the Directors' posts held at other companies is provided in the Table annexed to this Report.

Induction program
In 2014 matters defined by Art. C.2.C of the Corporate Governance Code (i.e. information on the business sector where the Issuer operates, company dynamics and their evolution, with regard to laws and self-regulatory framework) have been discussed on a regular basis during the meetings of

the Control and Risks Committee and subsequently presented to the Board of Directors. The Company management maintains regular contact with company bodies for opportune information and/or updating flows on subjects of interest.
Moreover, the Chairman of the Board of Directors made available to newly appointed member (Director Stefano Altara) a specific induction set, in the form of vade mecum to describe the management body's operating procedures (in compliance with the Bylaws in force and current regulations) and Director's rights and obligations (and his/her responsibilities) while carrying out his/her duties.
The Issuer undertakes, in any case, to plan structured training programs when it is deemed necessary or when requested by company bodies.

4.3. FUNCTION OF THE BOARD OF DIRECTORS (pursuant to Art. 123-bis, Section 2, Letter d), TUF)

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

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

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

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

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

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

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

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

In 2014, the Board of Directors had 5 meetings. The meetings lasted 2 hours and thirty minutes on average.

In 2015, 4 meetings will take place (the first meeting will be on March 3, 2015) as detailed in the calendar of Corporate Events, available at the Issuer's website at www.diasorin.com in the Section "Investors/Financial Calendar".

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

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

Pursuant to the application criteria 1.C.1 Letter g) of the Corporate Governance Code, the Board of Directors, during the meeting held on March 3, 2015, completed a self-assessment process regarding the size, composition (including number and position of the company's members) and activities of the Board and its committees.

The task of performing the preparatory work for the self-assessment process was entrusted to the Nominating Committee, under the coordination of Giuseppe Alessandria, the Lead Independent Director. The self-assessment process was performed through questionnaires distributed individually by e-mail and containing questions with the purpose of consulting Directors on priority areas and issues and collecting their evaluations on the matter. Taking account of the sending and collection procedures, directly managed by the Lead Independent Directors, the evaluations were deemed independent. Furthermore the composition of the Board of Directors was assessed in terms of skills and competences useful to resolutions procedure, the adequacy of the meetings frequency, time allocated to debates, information on Company management and subsidiaries performance, in addition to new regulations for listed companies and emerging companies to which the Issuer and subsidiaries are exposed. Lastly, special attention was devoted to Committees functions, the

engagement of the Corporate Accounting Document Officer, completeness and effectiveness of information presented to the public and stakeholders.
The self-assessment process confirmed a general satisfaction about functioning and work carried out by the Board of Directors as of December 31, 2014. Albeit there are some areas that can be improved, excellence emerged from pivotal areas, such as in the management presentations, the analysis of business dynamics and economic-financial situations.
The Board of Directors, with the help of the Control and Risks Committee, assesses at least once a year the adequacy of the organizational, administrative, and accounting structure and the general performance of the Group and its strategic subsidiaries, including subsidiaries when the carrying amount of the investment in the subsidiary in question represents more than 50% of the assets of a publicly traded issuer, as shown in the latest approved financial statements, specifically with regard to Insider Information; this assessment was carried out during the meeting held on March 3, 2015.
During the Shareholders' meeting held on April 22, 2013, the Board of Directors determined, after considering the proposal of the Compensation Committee and the Board of Statutory Auditors, the compensation of the General Manager and the other directors with special duties. In particular, the Board of Directors shared out the compensation of the Board, and adopted the resolution during the shareholders' meeting held on April 23, 2013 (excluding directors with operating mandate, whose compensation was determined by the Board of Directors, after considering the proposal of the Board of Statutory Auditors). For a more detailed description on compensation policy see the Compensation Report published pursuant to Art. 123-*ter* of TUF on the company website at www.diasorin.com in the Section "Investors/Information for Shareholders and Board of Directors/ 2015". No compensation is provided for members of the Board of Directors who already receive compensation for their managerial employment relationship with the Issuer.
The Board of Directors evaluates, at least once a year, the general performance of the company management, considering the information obtained from the Chief Executive Officer and periodically compares achieved results with future results. The Board of Directors did not implement the delegation of a range of powers, as those listed in Section **4.4** of the Report.
During the meeting held on November 5, 2010, the Board of Directors approved the procedure to regulate related-party transactions, which was confirmed by the Board of Directors in office during the meeting held on March 6, 2014, after having received the opinion of the Independent Directors not to proceed with any changes to the current procedure following the outcomes of its assessment. The procedure is available on the Company's website (www.diasorin.com, Section "Corporate Governance/Corporate Governance System") and related in detail in the following Section **13**.
In 2014, the Related-Party Committee, during the meeting held on March 3, 2015 verified no related-party transactions occurred (except the normal commercial and financial transactions with subsidiaries and salary increases of top management that are exempted from the abovementioned procedure). The Board of Directors did not set general criteria to identify the operations of strategic, economic, patrimony or financial importance for the Company. The Shareholders' meeting did not authorize general and precautionary derogations from the ban of competition set forth in article 2390 of the Italian Civil Code.
No critical situation occurred on the matter.

4.4. DELEGATED BODIES

Chief Executive Officers

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

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

The compensation for the management function performed by Mr. Rosa as General Manager is determined jointly by the Chairman of the Board of Directors and the Chairman of the Compensation Committee.
At all meetings or at least every three months, the Chief Executive Officer reports to the Board of Directors on activities in exercise of delegate powers.
Mr. Carlo Rosa, Chief Executive Officer and General Manager, is qualified as the main administrator in charge of the company management. It should be noted that no *interlocking directorate* of the Corporate Governance Code (2.C.5) occurred.

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

Executive Committee (pursuant to Art. 123-bis, Section 2, Letter d), TUF).
Pursuant to Article 15 of the Bylaws, the Board of Directors may select some of its members to staff an Executive Committee, to which it may delegate some of its powers, except for those that the law reserves expressly for the Board of Directors, determining the Committee's composition, powers and rules of operation.
As of the date of this report, the Issuer's Board of Directors did not appoint an Executive Committee.

Report to the Board of Directors
In 2014, at all meetings of the Board of Directors and at least every three months, the Chief Executive Officer has reported to the Board of Directors on activities performed in exercise of delegate powers.

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

4.6. INDEPENDENT DIRECTORS.
In the case of Directors of issuers listed on the FTSE MIB Segment, as in the case of DiaSorin until December 23, 2013, the number of independent Directors (equal to at least one-third of the Board

of Directors members) and the independence requirements are those set forth in Article 3 of the Corporate Governance Code. The slate-voting system required by Article 11 of the Bylaws is designed to ensure the election of a number of Directors that meet the independence requirements set forth in Article 148, Section 3, of the TUF equal to the minimum percentage required by the applicable laws, based on the total number of Directors serving on the Board. At a meeting held for the appointment of Directors (April 22, 2013), the Board of Directors ascertained that the independent Directors met the independence requirements of Article 148, Section 3, of the TUF; the results of such assessment were disclosed to the market on the same date by press release available on the company website www.diasorin.com, Section "Investors/Press releases", pursuant to Art. 144-novies, section 1-bis, of the Consob Regulations for Issuers. The Board of Directors assessed the independence requirements on annual basis during the meeting held on March 6, 2014 and most recently on March 3, 2015.
The Company applied all criteria of Corporate Governance Code recognized as valid and properly enforced by the Board of Statutory Auditors to verify and assess the independence requirements pursuant to Application Criteria 3.C.5 of Corporate Governance Code.
The Issuer's Board of Directors includes 4 (four) Independent Directors: Franco Moscetti, Giuseppe Alessandria, Maria Paola Landini and Roberta Somati.
The number and authoritativeness of the Independent Directors is sufficient to ensure that their opinion has a significant impact on the decision-making process of the Issuer's Board of Directors. Independent Directors contribute specific professional expertise to Board meetings and help the Board adopt resolutions that are in the Company's interest.
In 2014, the Independent Directors met on March 6, 2014 in the absence of the other directors, pursuant to Application Criteria 3.C.6. of the Code.

4.7. LEAD INDEPENDENT DIRECTOR
At the meeting held on April 22, 2013, the Board of Directors, as required by the Corporate Governance Code, reappointed Giuseppe Alessandria (already designated by the Board of Directors on April 27, 2010), an independent Director, to the post of Lead Independent Director. Serving in this capacity, he provides a reference point for and coordinates issues relevant specifically to non-executive Directors and Independent Directors.
The appointment of the Lead Independent Director was one of the requisites for companies listed in the STAR segment on Borsa Italiana. This post was kept also after the Company submitted a request of voluntary exclusion from the STAR segment (thereby annulling the requisite mentioned above).
In 2014, the Lead Independent Director convened the annual meeting (on March 6, 2014) of Independent Directors only and coordinated the assessment process of the Board of Directors.

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

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

on the Issuer's website (www.diasorin.com, Section "Corporate Governance/Corporate Governance System").

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

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

Internal Dealing Procedure

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

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

The Board of Directors appointed internally the following committees:

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

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

7. NOMINATING COMMITTEE

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

The Nominating Committee collaborates with the Compensation Committee for the purpose of monitoring more closely the self-assessment process of the Board of Directors.

Pursuant to art. 2386, first Section of the Italian Civil Code, if an Independent Director has to be replaced, the Nominating Committee submits to the Board of Directors the candidates to be elected as Directors.
In 2014 the Nominating Committee proposed to appoint Director Stefano Altara.
The Nominating Committee identifies a list of candidates to submit to the Issuer's shareholders' meeting as independent directors, taking into account shareholders' suggestions. The Nominating Committee expresses opinions on the size and composition of the Board of Directors and, if necessary, on the professional figures whose presence on the Board would be considered appropriate.

Members and functions of the Nominating Committee (pursuant to Art. 123-bis, Section 2, Letter d), TUF)
By resolution dated April 22, 2013, the Issuer's Board of Directors confirmed the existing composition of its internal Nominating Committee. The members of the Committee, the majority of whom are non-executive, independent Directors, are: Franco Moscetti (Independent Director), who serves as Chairman, Giuseppe Alessandria (Independent Director) and Michele Denegri (Non-Executive Director), originally appointed by a Board resolution dated April 22, 2010. Frequencies, the average length, the attendance percentage at Nominating Committee meetings are listed in Table 2 annexed to this Report.
The Nominating Committee's meetings have been regularly recorded.
In performing its functions, the Nominating Committee has free access to the company's areas and information considered important for fulfilling its duties and can avail external consultants, subject to authorization by the Board of Directors.
The Nominating Committee was not provided with financial resources because the Committee uses the Issuer's resources and organization to discharge its duties.
As of the date of this Report the Nominating Committee met on March 6, 2014 to express its opinion on reintegrating the number of the Board members following the decease of Director Gian Alberto Saporiti and to propose Mr. Stefano Altara as candidate (Mr. Altara was appointed during the Shareholders' meeting of April 23, 2014).

8. COMPENSATION COMMITTEE

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

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

The Compensation Committee will also be expected to participate in managing any future stock option plans that may be approved by the Issuer's relevant corporate governance bodies.
The Compensation Committee advises the Board of Directors on the general remuneration policy to be applied to executive directors, Board members invested with specific tasks and duties, and executives with strategic responsibilities, as well as the proper identification and setting of appropriate performance targets that are to serve as the basis for determining the variable component of their remuneration determining whether or not performance targets have actually been met.
The Compensation Committee periodically assesses the appropriateness, overall coherence and concrete implementation of the general remuneration policy of the executive directors, including directors with specific tasks, and executives with strategic responsibilities.

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

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

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

Frequencies, the average length, the attendance percentage at Nominating Committee meetings are listed in Table 2 annexed to this Report.

As of the date of this Report a meeting was held on February 23, 2015.

In 2014, the Compensation Committee expressed favorable opinion on the payment of a lump sum to strategic executives (information are provided in the Compensation Report published pursuant to Art. 123-*ter* of the TUF on the Company website www.diasorin.com in the Section "Investors/Information for Shareholders/Shareholders Meeting and Board of Directors/2015") and provided the Company with coherent recommendations on the management of the variable bonus amounts. Furthermore, the Compensation Committee expressed its favorable opinion on the " DiaSorin S.p.A. 2014 Stock Option Plan Regulations" and on the list of Beneficiaries included in the Plan.

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

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

9. COMMITTEE FOR TRANSACTIONS WITH RELATED PARTIES.

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

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

10. COMPENSATION OF DIRECTORS

The Company policy for compensation of Directors and Executive with Strategic Responsibilities is reported in the Compensation Report published pursuant to Art. 123-*ter* of TUF on the Company website: www.diasorin.com in the Section "Investors/Information for Shareholders/Shareholders' meeting and Board of Directors /2015", to which reference is made.

11. CONTROL AND RISKS COMMITTEE

The Board of Directors established a Control and Risks Committee to which it appointed Non-Executive Directors, the majority of whom are Independent. The Chairman of the Board of Statutory Auditors, or another Statutory Auditor designated by the abovementioned Chairman, and including

in any case any other Statutory Auditors, attends Control and Risks Committee Meetings. The Supervisory Director and, at the Committee's invitation, the Internal Audit Officer or other employees whose presence may be deemed useful for the proceedings may also attend Committee meetings.
The Control and Risks Committee recently adopted an internal regulation in compliance with the Corporate Governance Code best practice.

Composition and functions of the Control and Risks Committee (pursuant to Art. 123-bis, Section 2, Letter d), TUF)
On March 9, 2012 the Board of Directors agreed to adopt the new version of the Corporate Governance Code, changing the name and tasks of the Internal Control Committee into the new function of "Control and Risks Committee".
The Control and Risks Committee provides consulting support and makes recommendations to the Board of Directors, and specifically it is required to perform a series of tasks concerning the Issuer's control activity and risks management, as described in the following section. In performing its tasks, the Control and Risks Committee has free access to the company's areas and information considered important for fulfilling its duties and can avail of external consultants, subject to authorization by the Board of Directors.
The Control and Risks Committee currently in office and appointed by the Board meeting on April 22, 2013 is composed of the following Directors: Franco Moscetti (Independent Director), who serves as Chairman; Roberta Somati (Independent Director) and Enrico Mario Amo (Non-Executive Director), who has significant expertise in the areas of accounting and finance.
The frequency, the average length, the attendance percentage at the Control and Risks Committee meetings are listed in Table 2 annexed to this Report.
As of the date of this Report a meeting was held on February 23, 2015. The Chairman of the Board of Statutory Auditors, together with his members as well other company members whose presence is deemed useful for the meeting, attended the Control and Risks Committee meetings, by invitation of the Committee, to discuss scheduled issue on the agenda.

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

The Committee can require specific Internal Audit intervention. In this regard, the Committee did not exercise this power.
In 2014, the Control and Risks Committee performed its constant control activity, concerning the correct and timely implementation of the guidelines and the proper management of the Internal Control and Risks system of the Issuer and its relevant subsidiaries (after consulting the Internal Audit function for the latter).
The meetings of the Committee have been regularly recorded and all the above mentioned activities have been properly carried out.
In 2014, during the meetings held on March 6, 2014 and August 1, 2014 the Control and Risks Committee reported to the Board of Directors on the activities and audits the Committee carried out, pursuant to Criterion 7.C.2, Letter f) of the Corporate Governance Code, and the effectiveness of the internal control system highlighting how the system proved to be largely in line with the size and organizational and operational structure of the Issuer. The Board of Directors on the meeting held on March 6, 2014 resolved to provide the Control and Risks Committee with financial resources amounting to EURO 40,000,000 to fulfill its duties.

12. INTERNAL CONTROL AND RISKS MANAGEMENT SYSTEM

The Board of Directors is responsible for defining the guidelines of the Internal Control and Risks management system, which is a set of processes designed to monitor the efficiency of the Company's operations, the reliability of the financial information, the degree of compliance with laws and regulations and the level of protection of the Company's assets.
On December 19, 2012, the Board of Directors adopted the guidelines of the Internal Control and Risks Management system ("**The Guidelines")** that have been confirmed by the current Board of Directors elected on April 22, 2013. The Guidelines aim to define the main risks to which the Company is exposed.
The Board of Directors (i) is responsible for the prevention and monitoring of business risks to which the Issuer and the Group are exposed by defining control system guidelines that can be used to properly identify, adequately measure, monitor, manage and assess the abovementioned risks, in accordance with the goal of protecting the corporate assets and consistent with the principles of sound management; and (ii) verifies on a regular basis (at least once a year) that the Internal Control and Risks management is adequate, effective and functions correctly.
The document following a first section dedicated to the members involved in the System, defines the guidelines adopted by the Issuer's Board of Directors.
The Issuer's Internal Control and Risks management system involves the following corporate bodies with different tasks:

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

Insofar as the guidelines adopted for the system of internal control and risks management are concerned, the Organizational and Management Model adopted by the DiaSorin Group pursuant to

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

- Legislative Decree No. 58 of February 24, 1998 (TUF), as amended, specifically with regard to the provisions concerning the *"Certification of the Statutory and Consolidated Annual Financial Statements and Semiannual Report by the Corporate Accounting Documents Officer and the Delegated Governance Bodies pursuant to Article 154-bis of the TUF;"*
- Law No. 262 of December 28, 2005 (as amended, including the amendments introduced by the Legislative Decree of October 30, 2007 adopting the *Transparency* Directive) specifically with regard to the preparation of corporate accounting documents;
- The Issuers' Regulations published by the Consob, as amended and integrated**;**
- The Italian Civil Code, which extends to the Corporate Accounting Documents Officers the liability for company management actions (Article 2434), corruption between private individuals (Article 2635) and the crime of obstructing public and oversight authorities in the performance of their functions (Article 2638);
- Legislative Decree No. 231, of June 8, 2001, which, citing, inter alia, the abovementioned provisions of the Italian Civil Code and the civil liability of legal entities for crimes committed by their employees against the public administration and market abuse crimes, as well as corporate crimes, classifies the Corporate Accounting Documents Officer as a Top Management Person.

In addition, the reference components of the Group include:

- the Group's Code of Ethics;
- the Organizational and Management Model Pursuant to Legislative Decree No. 231/2001, its Special Parts and related protocols;
- the Procedure to comply with Internal Dealing requirements;
- the Procedure for Related-party Transactions;
- the Procedure for the internal management and market disclosure of documents and insider information;
- the Procedure for the management of the Group's Register of persons having access to insider information;
- the Principles for the execution of material transactions
- the system of proxies and powers of attorney;
- the organization chart and job description chart;
- the risk scoping process applied to quantitative and qualitative risk analysis;
- the Accounting and Administrative Control System, which is comprised of a set of procedures and operational documents, including:

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

- Group Accounting Manual: document designed to promote the development and use within the Group of consistent accounting criteria for the recognition, classification and measurement of the results from operations;
- Administrative and accounting procedures: documents that define responsibilities and control rules specifically with regard to administrative and accounting processes;
- Financial statements and reporting instructions and closing schedules: documents used to communicate to the various Company departments the operational and detailed procedures for managing the activities required to prepare the financial statements by predetermined and shared deadlines;
- Technical User Manual for the Group Reporting System: document provided to all employees who are directly in the process of preparing and/or reviewing accounting reports, which explains how the Reporting System operates.

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

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

The mapping and assessment of the risks entailed by the production of accounting reports is carried out by means of a structured scoping process. The implementation of this process includes identifying all of the objectives that the Internal Control System and Risks Management System applied to financial reporting must achieve to deliver a truthful and fair presentation. These objectives refer to the financial statement "assertions" (existence and occurrence of events, completeness, rights and obligations, valuation/recognition, presentation and disclosure) and other control objectives (e.g., compliance with authorization limits, segregation of duties and responsibilities, documentation and traceability of transactions, etc.).
The risk assessment process is thus focused on those areas of the financial statements identified as potentially having an impact on financial reporting in terms of failure to achieve control objectives.
The process of determining which entities should be classified as "significant entities" in terms of their impact on financial reporting serves the purpose of identifying, with regard to the Group's consolidated financial statements, the subsidiaries, financial statement accounts and administrative and accounting processes that are deemed to be "material," based on valuations carried out using both quantitative and qualitative parameters.

b) Definition of controls for the mapped risks

As mentioned above, the definition of the controls required to mitigate the mapped risks within administrative and accounting processes is carried out taking into account the control objectives associated with financial reporting for processes deemed to be material.
If the implementation of the phase of determining the scope of the assessment process uncovers sensitive areas that are not governed, in whole or in part, by the corpus of administrative and accounting procedures, the existing procedures are amended and, working in concert with the Corporate Accounting Documents Officer, new procedures are adopted for the affected areas.

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

The assessment of the effectiveness and level of implementation of the administrative and accounting procedures and of the controls they contain is carried out through specific testing activities that are consistent with best industry practices.
Testing is carried out continuously throughout the year at the request of and in coordination with the Corporate Accounting Documents Officer, who uses his own organization and the Internal Auditing Department.
As part of the implementation process, the delegated governance bodies and the administrative managers of subsidiaries are required to provide the Corporate Accounting Documents Officer with an affidavit concerning tests performed to assess the effectiveness and level of implementation of the administrative and accounting procedures.
The Internal Auditing Officer prepares an **Audit Report** in which he provides an overview of the assessment of the controls established for the mapped risks. The assessment of controls can result

in the definition of supplemental controls, corrective actions or improvement plans to address any identified issues. The Audit Reports produced during the year are communicated to the Company's Board of Statutory Auditors, Control and Risks Committee and Board of Directors.
Internal Control System applied to the financial reporting process is overseen by the Corporate Accounting Documents Officer, who is appointed by the Board of Directors, in concert with the Chief Executive Officer. The Corporate Accounting Documents Officer is responsible for developing, implementing an approving the Accounting and Administrative Control Model and assessing its effectiveness, and is required to issue certifications of the separate and consolidated annual financial statements and the semiannual financial report (separate and consolidated). The Corporate Accounting Documents Officer is also responsible for establishing adequate administrative and accounting procedures for the production of statutory and consolidated financial statements and, with the support of the Internal Auditing Department, providing subsidiaries with guidelines for the implementation of appropriate activities to assess their Accounting Control Systems.
In the performance of his functions, the Corporate Accounting Documents Officer:

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

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

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

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

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

- identifying corporate risks, based on the characteristics of the Issuer's and its subsidiaries businesses and that will be periodically submitted to the attention of the Boards of Directors;
- implementing the guidelines, designing, constructing and managing the system of internal control, constantly verifying its efficiency and adequacy;
- making sure that the system of internal control and risks management changes in the Company's business and changes in the statutory and regulatory framework;
- promptly reporting to the Control and Risks Committee (or to the Board of Directors) issues

and critical situations emerged from its control activity or of which the Committee was informed, so that the Committee (or the Board of Directors) can take measures against these critical situations.

- in performing these tasks, the Supervisory Director can rely on the Internal Audit to carry out controls on both specific business areas and internal laws and procedures concerning corporate operations, so that the Chairman of the Board of Directors, the Chairman of the Control and Risks Committee and the Chairman of the Board of Statutory Auditors will be promptly informed. In 2014, the Supervisory Director did not exercise this power. On April 22, 2013, the Issuer's Board of Directors reappointed Carlo Rosa, the Issuer's Chief Executive Officer and General Manager, to the post of Supervisory Director. Mr Rosa had been appointed to this post by the previous Board of Directors.

During the course of the year, the Supervisory Director:

- identified the main corporate risks (strategic, operational, financial and compliance related), taking into account the characteristics of the businesses carried out by the Issuer and its subsidiaries, and submitted them to the Board of Directors for review on a regular basis;
- implemented the guidelines defined by the Board of Directors, designing, constructing and managing the system of internal control, monitoring on an on-going basis the system's overall adequacy, effectiveness and efficiency and the need for any adjustments;
- updated the system in response to changes in operating conditions and in the relevant regulatory framework;
- demanded intervention of the Internal Audit Officer, when needed.

12.2 INTERNAL AUDIT OFFICER

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

In the Board meeting held on April 22, 2013, the Board of Directors in compliance with the provisions of the Corporate Governance Code, appointed Luca de Rosa to the post of Internal Audit Officer, on the input of the Supervisory Director and following the favorable opinion of the Control and Risks Committee and the Statutory Auditors. The Internal Audit Officer was entrusted with tasks and responsibilities contained in the Code and detailed in the Guidelines.

The Code requires that the Board of Directors in charge of appointing (and revoking) the Internal Audit Officer provides such Officer with adequate resources to perform his /her tasks and defines his/her compensation, coherently with the company's policy.

The Internal Audit Officer, who is not in charge of any operating area, reporting through official channels to the Board of Directors, can:

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

- convey the abovementioned reports to the Chairmen of the Board of Statutory Auditors, the Control and Risks Committee, the Board of Directors and the Supervisory Director.
- verify the reliability of the information systems, including the accounting systems.

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

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

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

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

As required by the provisions of Article 2.2.3, Section 3, Letter k), of the Stock Exchange Regulations (regulations concerning companies listed in the STAR segment) and in order to ensure that all business transactions and corporate activities are carried out fairly and transparently, protecting the Company's position and image, meeting the expectations of its shareholders and protecting the jobs of its employees, the Board of Directors adopted the model required by Legislative Decree No. 231/2001 in connection with the Company's administrative liability for crimes committed by its employees (also referred to as the **"Model"**) in apical positions and appointed the related Oversight Board, pursuant to Art. 6 and 7 of the abovementioned Legislative Decree.
This model was developed taking into account the provisions of Legislative Decree No. 231/2001, the guidelines provided by relevant trade associations (particularly those of Assobiomedica) and the guidelines published by Confindustria.
Moreover, the Issuer revised its Model to make it consistent with the new requirements of Legislative Decree No. 123/2007 and the rules on market abuse introduced by the TUF. The revised model includes two new Special Sections that concern violations of rules concerning health and safety on the job of Legislative Decree No. 81/2008 (Uniform Occupational Safety Code), and crimes involving market abuse (and manipulation) and abuse of insider information.
Subsequently, the Board of Director agreed to amend the Model, adding a new Special Section that deals with certain issues listed in Legislative Decree No. 121/2011 concerning environmental crimes, and lastly on, August 1, 2013 the Board of Directors agreed to update Special Section "A" (Offences against the Public Administration) and Special Section "B", and added Special Section "E" (employment of workers from non EU countries), in light of the "new presumed offences" included in the provisions of Legislative Decree No. 231/2001.

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

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

The Oversight Board is evaluating a possible update of the Model, on the basis of the latest regulation.
The Oversight Board currently in office includes the following members: Roberto Bracchetti, Chairman of the Board of Statutory Auditors, Luca De Rosa, Internal Audit Officer, and Silvia Bonapersona, outside professional responsible for the controls required by occupational and environmental safety regulations. The Oversight Board is responsible for ensuring that the Model is functioning correctly, is effective and is being complied with, and for recommending updates to the model and Company procedures, when appropriate.
Once a year, the Oversight Board presents to the Board of Directors the findings of its oversight activity, subsequent to discussing them with the Control and Risks Committee.

12.4 INDEPENDENT AUDITORS

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

12.5 CORPORATE ACCOUNTING DOCUMENTS OFFICER

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

post of Accounting Document Officer (the Board of Directors reconfirmed his post on April 22, 2013), granting him the powers required pursuant to Article 154-bis of the TUF, specifically:

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

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

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

The Company has attributed the function of coordination of individuals involved in the Internal Control and Risk Management to the Board Of Directors, carried out by the Supervisory Director. This coordination was permanently and effectively carried out in 2014.

13. INTERESTS OF DIRECTORS AND TRANSACTIONS WITH RELATED PARTIES

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

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

Company to carry out the operation.
The Board of Directors takes the appropriate decisions in the case that Directors abandoning the meeting when the matter is discussed would result in there no longer being the required quorum. In 2014 no operations concerning Directors with direct or indirect interest or Related-Party interest have been carried out.

14. ELECTION OF STATUTORY AUDITORS

Pursuant to Article 18 of the Bylaws, the Board of Statutory Auditors is comprised of 3 (three) Statutory Auditors and 2 (two) Alternates, who are elected for a three-year term of office and may be re-elected.
Statutory Auditors must meet the requirements of the relevant laws currently in force, also with regard to the limits on the number of governance posts they may hold. Specifically, in the areas of professional requirements, for the purposes of the provisions (when applicable) of Article 1, Section 3, of Ministerial Decree No. 162 of March 30, 2000, which makes reference to Section 2, Letters b) and c), of the abovementioned Article 1, it shall be understood that the expression "subject matters closely related to the businesses in which the Issuer is engaged" shall be understood to mean those related to the health-care and medical industries. The Board of Statutory Auditors performs the task and activities required pursuant to law.
Moreover, Statutory Auditors, acting collectively or individually, may ask the Directors to provide information, clarify previous disclosures and, more in general, furnish data about the Company's operating performance or specific transactions. They may also carry out at any time inspections and controls and request information pursuant to law.
Two Statutory Auditors, acting jointly, have the right to convene a Shareholders' Meeting.
The Board of Statutory Auditors is required to meet at least once every 90 days. See Table 3 for further details on meetings held.
The provisions of the Issuer's Bylaws (Article 18) that govern the election of the Board of Statutory Auditors effectively ensure compliance with the requirements of Article 148, Section 2-bis, of the TUF introduced by Law No. 262/2005, as amended and by Law No. 120/2011 on the subject of equal access to the administration and control organs of companies listed on regulated market, which are summarized below.
The Board of Statutory Auditors is elected on the basis of slates of candidates filed by shareholders. Each shareholder, shareholders belonging to a shareholders' agreement that meet the requirements of Article 122 of the TUF, the Company's controlling party, its subsidiaries and joint ventures that qualify as such pursuant to Article 93 of the TUF may not file or participate in the filing, directly or through a third party or a nominee, of more than one slate and may not vote for multiple slates. Each candidate can be included on only one slate, on penalty of losing the right to be elected. Votes cast in violation of this requirement will not be attributed to any slate of candidates.
According to the Issuer's Bylaw only shareholders who represent at least 2.5% of the voting shares may file slates of candidates, or any other percentage that may apply pursuant to the provisions or guidelines of laws or regulations. As duly established by Art. 144-*septies,* paragraph 1, of the Issuer Regulation and by Consob no. 19109 of January 29, 2015, shareholders' owing a shareholding equal to the shareholding established by Consob, and that corresponds to 1% of the Share Capital are entitled to present the slates of nominees to allocate the Statutory Auditors to be elected. Slates filed with a number equal to or with more than 3 candidates shall be composed by candidates belonging to both genders so that the least represented gender is awarded at least one-fifth of the seats (for the first term of office starting after August 12, 2012) and (thereafter) at least one-third (rounded up) of the candidates running for being elected as Statutory Auditors and at least one-fifth for the first term of office starting after August 12, 2012) and (thereafter) at least one-third (rounded up) of the candidates running for being elected as Alternate.
Slates filed by shareholders must be deposited at the Company's registered office at least 25 (twenty-five) days prior to the date of the first calling of the Shareholders' Meeting, on penalty of

becoming invalid, together with the documents required by the Bylaws. The abovementioned documents must include the following:

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

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

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

If two or more slates receive the same number of votes, a new balloting is held.
If the outcome of the second balloting is still a tie, the slate filed by the shareholders controlling the largest equity interest or, failing that, the slate filed by the largest number of shareholders shall prevail.
If with the manner above described the composition of the Board of Statutory Auditors with reference to the Statutory Auditors, does not comply with the laws currently in force on gender balance, the necessary replacements, in consecutive order, with candidates running for the election as Statutory Auditors from the slate that received the highest number of votes shall be carried out.
If only one slate of candidates is filed, the Statutory Auditors and Alternates are elected from that slate.
If no slates are filed, the Shareholders' Meeting shall adopt the relevant resolutions with the majorities required pursuant to law, in compliance with the laws currently in force on gender balance.
If a Statutory Auditor needs to be replaced, he/she is replaced by an Alternate taken from the same slate as the Statutory Auditor who is being replaced. The Alternate thus elected will serve until the next Shareholders' Meeting.
If the Chairman of the Board of Statutory Auditors needs to be replaced, the Chairmanship will pass to the Statutory Auditor elected from the same minority slate.
When the Shareholders' Meeting needs to elect replacement Statutory Auditors and/or Alternates, it shall proceed as follows: if the Statutory Auditors that need to be replaced had been elected from the majority slate, they shall be elected by a plurality of the votes, without any slate requirements; if, on the other hand, the Statutory Auditors that need to be replaced had been elected from the minority slate, the Statutory Auditors are elected by a plurality of the votes taking them from the slate to which the Statutory Auditors who are being replaced belonged. If, for any reason, the use of the abovementioned procedures would not result in the replacement of Statutory Auditors

designated by minority shareholders, the Shareholders' Meeting shall act by a plurality of the votes. However, in the ballot counting process, the votes cast by shareholders who, based on disclosures provided pursuant to current laws, control, directly or indirectly or jointly with other members of a shareholders' agreement, as defined in Article 122 of the TUF, a majority of the votes that may be cast at a Shareholders' Meeting and shareholders who control, are controlled by or are subject to joint control by the former shall not be counted. The replacements procedure of the sections above shall comply with the laws currently in force on gender balance.
Additional information about the method used to elect the Board of Statutory Auditors is provided in Article 18 of the Bylaws.

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

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

Pursuant to Articles 144-*octies* and 144-*decies* of the Issuers' Regulations, the professional *curricula* of the Statutory Auditors and the Alternates are available at the Issuer's registered office and at the Issuer's website at www.diasorin.com (Section "Investors/Information for Shareholders /Shareholders' meeting and Board of Directors/2013 and 2014").
The Board of Statutory Auditors, taking also into account the requirements for Directors that are set forth in the Corporate Governance Code, assesses the independence of its members upon their election and at least once a year while they are in office.
The Board of Statutory Auditors assesses periodically the independence of the Independent Auditors and provides each year its opinion on this issue in a report to the Shareholders' Meeting.

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

- assessed the independence of its own members on the first suitable occasion after their appointment;
- assessed on March 3, 2014 whether the independence requirement continued to apply to its own members;
- in carrying out these assessments, applied all the criteria set out in the Code relating to the

independence of Directors.

The Auditor who, on his own behalf or on behalf of a third party, has an interest in a particular Company transaction, has to promptly provide comprehensive information on the nature, terms, origin and scale of such interest to the other Auditors and the Chairman of the Board.
The Board of Statutory Auditors oversaw the independence of the external auditors, verifying that the relevant legal requirements were met, as well as the nature and extent of the various auditing services carried out for the Company and its subsidiaries by the external auditors and its entities.
The 2014 assessment will be expressed in the report presented to the Shareholders' meeting that will approve the financial statements for the year ending December 31, 2014.
In performing its duties, the Board of Statutory Auditors coordinates and collaborates with the internal auditing department and with the Control and Risk Committee, through joint meetings and the constant exchange of documentation.

16. INVESTOR RELATIONS

The Issuer's departments with jurisdiction over this area are actively engaged in an on-going dialog with the shareholders. As part of this process and pursuant to Article 2.2.3, Section 3, Letter j, of the Stock Exchange Regulations, the Company established an internal Investor Relations Office, with responsibility for handling relations with all shareholders, including institutional investors, and may be asked to perform additional tasks in connection with the handling of price sensitive information and relations with the Consob and Borsa Italiana. As of the date of this Report, this office is currently headed by Mr. Riccardo Fava. The disclosure of information to investors will also be accomplished by making the more significant corporate information available promptly and on a regular basis on the Issuer's website (www.diasorin.com/Investors/Information for Shareholders), to enable investors to exercise their shareholder rights.
Shareholders can contact directly DiaSorin Investor Relations at riccardo.fava@diasorin.it.

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

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

The Extraordinary Shareholders' Meeting approves resolutions concerning amendments to the Bylaws, the appointment, replacement and powers of liquidators, and any other issue over which it has specific jurisdiction pursuant to law. The Board of Directors has jurisdiction over the areas listed in Article 15 of the Bylaws, it being understood that it can cede jurisdiction over these issues to the Shareholders' Meeting convened in extraordinary session. The relevant provisions of the law shall be applied to determine whether an Ordinary or Extraordinary Shareholders' Meeting has been validly convened and its resolutions validly adopted.
Pursuant to Article 9 of the Bylaws, only the holders of voting rights may attend the Shareholders' Meeting, in accordance with the regulations in effect at any given time.

At present, the Issuer finds no need to adopt special regulations to govern the handling of Shareholders' Meetings, since it believes that the governance of the Meeting exercised by the Chairman, in accordance with attendance rules summarized by the Chairman at the beginning of each session, is adequate.
The Chairman to ensure an orderly progress of the proceedings, mentioned some of the rules of conduct in reference to speech requests, contents of the speech and voting criteria.
All the Executives in office and the members of the Board of Statutory Auditors attended the Shareholders' meeting held on April 23, 2014. The Board of Directors reported to the Shareholders' Meeting on its past and scheduled activities, and it undertook to provide shareholders with adequate information so that they could take informed decisions on the matters to be resolved by the Shareholders' Meeting.
In 2014, no significant changes occurred in the market capitalization or ownership structure of the Company.

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

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

19. CHANGES OCCURRING AFTER THE CLOSE OF THE REPORTING YEAR

No changes occurred in the Corporate Governance of the Issuer after December 31, 2014. As of the date of the Report and in reference to treasury shares owned by the Issuer, the Company holds 1,065,000 treasury share, equal to 1.90354% of the share capital, following the exercise of stock options pursuant to the "DiaSorin S.p.A 2010 Stock Option Plan".

TABLE 1: INFORMATION ON OWNERSHIP STRUCTURE

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

[1] As of December 31, 2014.
** N. 1,525,000 treasury shares held in the company's portfolio. For information about the number of shares held by the Company after the closure of the reporting year see Sec. 19 of the Report (Changes since the closure of the reporting year)

SIGNIFICANT EQUITY INTERESTS *			
Reporting Shareholder	**Direct shareholder**	**No. of shares**	**% interest in share capital**
Finde SS	IP Investimenti e Partecipazioni S.r.l. (IP S.r.l.)	24,593,454	43.957
Rosa Carlo	Sarago S.r.l.	2,395,532	8.54
	Rosa Carlo	2,382,682	
Even Chen Menachem		2,498,936	4.466
Oppenheimerfunds Inc.		3,624,264	6.477
Threadneedle Asset Management Holdings Ltd		2,064,843	3.690
DiaSorin S.p.A.		1,525,000	2.725
Norges Bank		1,198,386	2.140

***** Shareholders holding, directly or indirectly, shares greater than 2% of the share capital, through pyramid structures or interlocked equity investments, in accordance with communications made pursuant to art. 120 of TUF and information available to the Company as of December 31, 2014.

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

Board of Directors													Control and Risks Committee		Compensation Committee		Nominating Committee		Related-party Committee	
Post held at DiaSorin	**Members**	**Year of birth**	**Date of first appointment ***	**In office since**	**In office until**	**List * ***	**Exec.**	**Non-exec.**	**Indep. Code**	**Indep. TUF**	**Number of other offices**	**(*)**	**(*)**	**(**)**	**(*)**	**(**)**	**(*)**	**(**)**	**(*)**	**(**)**
Chairman	Gustavo Denegri	1937	3.26.2007	4.22.2013	Approval of Fin. Stat. 2015	M		X			5	5/5								
Deputy Chairman and Director	Michele Denegri	1969	3.26.2007	4.22.2013	Approval of Fin. Stat. 2015	M		X			6	5/5			3/3	M	1/1	M		
CEO • ◊	Carlo Rosa	1966	3.26.2007	4.22.2013	Approval of Fin. Stat. 2015	M	X				3	5/5								
Director	Chen Menachem Even	1963	3.26.2007	4.22.2013	Approval of Fin. Stat. 2015	M	X				12	5/5								
Director	Antonio Boniolo	1951	3.26.2007	4.22.2013	Approval of Fin. Stat. 2015	M		X			1	5/5								
Director	Enrico Mario Amo	1956	3.26.2007	4.22.2013	Approval of Fin. Stat. 2015	M		X			4	5/5	4/4	M						
Director	Stefano Altara	1967	4.23.2014	4.22.2013	Approval of Fin. Stat. 2015	-		X			4	4/5								
Director ○	Giuseppe Alessandria	1942	3.26.2007	4.22.2013	Approval of Fin. Stat. 2015	M			X	X	2	4/5			3/3	C	1/1	M	-	M
Director	Franco Moscetti	1951	3.26.2007	4.22.2013	Approval of Fin. Stat. 2015	M			X	X	2	3/5	4/4	P			1/1	P	-	C
Director	Maria Paola Landini	1951	4.22.2013	4.22.2013	Approval of Fin. Stat. 2015	M			X	X	-	4/5								
Director	Roberta Somati	1969	4.22.2013	4.22.2013	Approval of Fin. Stat. 2015	M			X	X	-	5/5	4/4	M	3/3	M			-	M
Director	Eva Desana	1971	4.22.2013	4.22.2013	Approval of Fin. Stat. 2015	M		X			1	5/5								
Director	Ezio Garibaldi	1938	3.26.2007	4.22.2013	Approval of Fin. Stat. 2015	M		X			2	5/5								
DIRECTORS CEASED DURING THE YEAR 2014																				
Director	Gian Alberto Saporiti	1940	4.27.2010	4.22.2013	Approval of Fin. Stat. 2015	M		X												
Indicate minimum quorum required for the presentation of lists at the last appointment of the Board: **1%**																				

Number of meetings held in 2013	**Board of Directors**	**Control and risks Committee**	**Compensation Committee**	**Nominating Committee**	**Related-party Committee**
Financial year at 12.31.2014	5	4	3	1	-
Average length of meetings	2 hours and 30 minutes	2 hours	1 hour	1 hour	-

NOTES

The following symbols shall be placed in the "Post held" column:
• This symbol shows the Director in charge of the internal control and risks management.
◊ This symbol shows the Director who is chiefly responsible for managing the Issuer (Chief Executive Officer or CEO).
○ This symbol shows the Lead Independent Director (LID).
* The date of first appointment shows the date when the Director has been appointed for the first time ever in the Board of Directors of the Issuer.
** This column the list from which each director comes ("M": majority list; "m": minority list; "Board of Directors": list presented by the Board of Directors).
*** This column details the number of offices of Director held in other companies listed either in Italy or abroad, and/or in financial, banking, insurance or large companies. In the Corporate Governance Report these positions are listed in detail.
(*) This column shows the percentage of the meeting of the Board of Directors and the committee(s) attended by each director (show the number of meetings the director attended compared with the overall number of meeting the director could have attended; i.e. 6/8 and 8/8 etc.).
(**). This column shown the post the Director holds inside the Board of Directors: "C": chairman; "M": member.

TABLE 3: STRUCTURE OF THE BOARD OF STATUTORY AUDITORS

Board of Statutory Auditors									
Post held at DiaSorin	**Members**	**Year of birth**	**Date of first appointment***	**In office since**	**In office until**	**List * ***	**Indep. Code**	**Attendance at the Board of Statutory Auditors' meeting *****	**Number of other offices ******
Chairman	Roberto Bracchetti	1939	4.27.2010	4.22.2013	Approval of Fin. Stat. 2015	M	X	6/7	14
Statutory Auditor	Andrea Caretti	1957	4.27.2010	4.22.2013	Approval of Fin. Stat. 2015	M	X	7/7	10
Statutory Auditor	Ottavia Alfano	1971	4.22.2013	4.22.2013	Approval of Fin. Stat. 2015	M	X	7/7	8
Alternate	Bruno Marchina	1941	3.26.2007	4.22.2013	Approval of Fin. Stat. 2015	M	X	-	-
Alternate	Maria Carla Bottini	1960	3.26.2007	4.22.2013	Approval of Fin. Stat. 2015	M	X	-	19
STATUTORY AUDITORS CEASED IN 2014: 0									
Number of meetings held in 2014: 7									
- **Average length of meetings:** 1 hour									
Indicate minimum *quorum* required for the presentation of lists at the last appointment of the Board: **1%**									

NOTE

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

TABLE OF THE POSTS HELD BY THE BOARD OF DIRECTORS

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

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

* Company belonging to the Group headed by the Issuer DiaSorin S.p.A.

TABLE OF THE POSTS HELD BY THE BOARD OF STATUTORY AUDITORS

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

POST HELD AT DIASORIN	FIRST AND LAST NAME	OTHER POSTS HELD
Chairman	Roberto Bracchetti	Alsco Italia S.r.l. (Chairman Board of Statutory Auditors) Coface SA Stabile Organizzazione (Chairman Oversight Board) Coface Italia S.r.l. (Chairman Oversight Board) Energia Italiana S.p.A. (Statutory Auditor) Fidim S.r.l. (Statutory Auditor) Iniziative Immobiliari S.r.l. (Statutory Auditor) Iniziative Retail S.r.l. in liq.ne (Statutory Auditor) Prelios Integra S.p.A (former Prelios Property & Project Management S.p.A.) (Statutory Auditor and member Oversight Board) Rottapharm S.p.A. (Statutory Auditor) RRL Immobiliare S.p.A. (Chairman Board of Statutory Auditors) Servizi amministrativi Real Estate S.p.A. (Statutory Auditor member Oversight Board) Sorgenia S.p.A. (Statutory Auditor) Sorgenia Holding S.p.A. (Statutory Auditor) Sorgenia Power S.p.A. (Statutory Auditor)
Statutory Auditor	Andrea Caretti	Fonti di Vinadio S.p.a. (Chairman Board of Statutory Auditors) Giobert S.p.A. (Chairman Board of Statutory Auditors) Fibe S.r.l. (Sole Auditor) Tyco Electronics Amp Italia S.r.l (Statutory Auditor) Tyco Electronics Amp Italia Products S.r.l (Statutory Auditor) Eurofiere S.p.A. (Statutory Auditor) Gica S.p.A. (Statutory Auditor) Errebi S.p.A. (Statutory Auditor) Sales S.p.A. (Statutory Auditor) Jet viaggi S.p.a. (Statutory Auditor)
Statutory Auditor	Ottavia Alfano	Aksia Group S.g.r. S.p.A (Chairman Board of Statutory Auditors) Giotto S.r.l. (Chairman Board of Statutory Auditors) Leonardo S.r.l. (Chairman Board of Statutory Auditors) L&B Capital S.p.A. (Chairman Board of Statutory Auditors) Genextra S.p.A. (Statutory Auditor) Fondo Strategico Italiano S.P.A. (Statutory Auditor) Sarago S.r.l. (Statutory Auditor) Manifatture Milano (Statutory Auditor)
Alternate	Maria Carla Bottini	A. De Mori S.p.A. (Statutory Auditor) A.F.United S.p.A. in composition with creditors proceeding (Statutory Auditor) Athena S.p.A. (Statutory Auditor) Astraformedic S.r.l. (Sole Auditor) Bestrade S.p.A. (Statutory Auditor) Chimicafine S.r.l. (Sole Auditor) EGIFIN Servizi Amministrativi S.p.A. (Statutory Auditor) EDUcatt Ente Diritto allo Studio Università Cattolica (Independent Auditor) Genghini S.p.A. (Statutory Auditor) Ideal Standard Italia S.r.l. (Statutory Auditor) Ideal Standard Holding S.r.l. (Statutory Auditor) Luxenia Umbro Tiberina S.r.l. (Statutory Auditor) Madi Ventura S.p.A. (Statutory Auditor) MI Contar Italiana Fiduciaria di Revisione S.r.l. (Statutory Auditor) Milano Bitumi S.p.A. (Statutory Auditor) NPO Sistemi S.p.A. (Statutory Auditor) S.I.C.A.T.E.F. S.r.l. (Statutory Auditor) Urai S.p.A. (Statutory Auditor) Kintetsu World Express Italia S.r.l. (Statutory Auditor)
Alternate	Bruno Marchina	-

SIGNIFICANT EVENTS OCCURRING AFTER DECEMBER 31, 2014 AND BUSINESS OUTLOOK

After the year-end, in accordance with the 2010 Stock Option Plan approved by the Shareholders' Meeting on April 27, 2010 n. 460,000 options have been exercised valid to purchase an equivalent number of DiaSorin S.p.A. ordinary shares.
Therefore, as of the date of the Report, ordinary shares held by the Company amounted to n. 1,065,000.

In view of the Group's operating performance after December 31, 2014 and taking into account possible evolutions of the global macroeconomic scenario and the diagnostic sector in particular, management believes that in 2015 DiaSorin will succeed in reporting:

- Revenues: growth between 4% and 5% at CER compared with 2014;
- EBITDA: growth between 4% and 5% at CER compared with 2014;
- LIAISON/LIAISON XL installed base: about 550

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

Foreword

The 2014 separate financial statements were prepared in accordance with the international accounting principles ("IFRSs"), as published by the International Accounting Standards Board ("IASB") and officially approved by the European Union, and are consistent with the regulations enacted to implement Article 9 of Legislative Decree No. 38/2005.

Income Statement for the years 2014 and 2013

(in thousands of euros)	**2014**	**as a% of revenues**	**2013**	**as a% of revenues**
Net revenues	253,007	100.0%	229,776	100.0%
Cost of sales	(137,273)	54.3%	(120,975)	52.6%
Gross profit	**115,734**	**45.7%**	**108,801**	**47.4%**
Sales and marketing expenses	(26,842)	10.6%	(26,913)	11.7%
Research and development costs	(12,855)	5.1%	(11,196)	4.9%
General and administrative expenses	(24,723)	9.8%	(24,349)	10.6%
Total operating expenses	**(64,420)**	**25.5%**	**(62,458)**	**27.2%**
Other operating income (expenses)	1,480	0.6%	178	0.1%
Non-recurring amount	*(1,130)*	*0.4%*	-	-
Operating Result (EBIT)	**52,794**	**20.9%**	**46,521**	**20.2%**
Financial income (expense)	21,486	8.5%	52,430	22.8%
Result before taxes	**74,280**	**29.4%**	**98,951**	**43.1%**
Income taxes	(17,658)	7.0%	(17,115)	7.4%
Result for the year	**56,622**	**22.4%**	**81,836**	**35.6%**
EBITDA (1)	**64,392**	**25.5%**	**57,512**	**25.0%**

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

Net revenues

In 2014, the Group's Parent Company reported net **revenues** of **253,007 thousand euros** (229,776 thousand euros in 2013), up by 10.1% compared with 2013. The change is the net result of the increase in sales to subsidiaries (+16.3%).

Breakdown of revenues by geographic region

The following table provides a breakdown of the Group's Parent Company's revenues by geographic region of destination.

(in thousand of euros)	**2014**	**2013**	**% change**
Revenues from third customers – Italy	**69,529**	**67,094**	**3.6%**
Revenues from third customers – international	**51,065**	**48,856**	**4.5%**
Asia Pacific	24,509	21,306	15.0%
Europe and Africa	16,715	16,599	0.7%
Central and South America	9,841	10,951	-10.1%
Intercompany revenues	**132,413**	**113,826**	**16.3%**
Europe and Africa	69,347	57,478	20.6%
Asia Pacific	24,517	20,546	19.3%
North America	24,498	17,593	39.2%
Central and South America	14,051	18,209	-22.8%
Total	**253,007**	**229,776**	**10.1%**

In 2014, the Group's Parent Company's revenues amounted to **69,529 thousand euros** in the domestic market, with an increase of 2,435 thousand euros, equal to 3.6 percentage points. This result was achieved in the backdrop of a substantially stable market, confirming the significant market share gained by the Group's Parent Company.

Third parties revenues from international customers amounted to **51,065 thousand euros**, with an increase of 2,209 thousand euros, equal to 4.5% compared with 2013. Noteworthy are the sales increase in the Asia Pacific sales region, as a result of an important tender awarded for the Murex product line. Central and South America recorded a slowdown in sales mainly due to the fall in supplies in Venezuela that is experiencing a socio-economic crisis.

Intercompany Revenues, equal to **132,413 thousand euros**, had a significant increase (18,587 thousand euros or 16.3%) compared with 2013. The upward trend in sales generated from subsidiaries was driven by the strong development of DiaSorin S.p.A. products in North America, with an increase equal to 39.2% compared with 2013. This situation was the result of the agreement with LabCorp. In the European markets the growth in absolute terms amounted to 11,869 thousand euros, following robust sales of products manufactured by the Group's Parent Company and Germany being included in the logistic platform of direct sale. Central and South America subsidiaries reported a fall in revenues of 22.8 percentage points, due to a loss of sales generated from the Brazilian subsidiaries mainly resulting from lower Murex sales caused by a local distribution reorganization.

Breakdown of revenues by technology

The table below shows the percentage contributed by each technology to total revenues in 2014 and 2013.

% of revenues contributed	**2014**	**2013**
CLIA TEST	63.6%	60.9%
EQUIPMENT AND OTHER REVENUES	24.4%	25.7%
ELISA TEST	11.2%	12.4%
RIA TEST	0.8%	1.0%
Total	**100.0%**	**100.0%**

The table confirms the higher percentage on total revenues of CLIA tests, following the constant expansion of LIAISON XL installed base and the success of the broad product portfolio available on this technology. CLIA test sales account for 63.6% of 2014 total revenues, up by 3 percentage points, compared with 2013.

The data in the table reflect the steady physiological decline of the contribution provided by the RIA and ELISA technologies, both functioning on open systems.

Finally, it should be noted the increasing number of LIASON and LIAISON XL installed base on the Group's Parent Company's domestic market, equal to 36 units compared with 2013. At December 31, 2014 the overall installed base totaled 954 analyzers, out of which 276 LIAISON XL.

Operating result

In 2014, the operating result reported by the Group's Parent Company amounted to 52,794 thousand euros up by 13.5%, equal to 20.9% of total revenues, compared with 2013. This result was achieved through a significant improvement in the operating expenses incidence on revenues, down by 1.7 percentage points compared with 2013.

It should be noted that operating income and expenses include non-recurring expenses amounting to 1,130 thousand euros, following a functional reorganization of some company areas.

Financial Performance

In 2014, the Company's financial activities generated net financial income of 21,486 thousand euros compared with 52,430 thousand euros in 2013.

The components of interest and other financial expense included 1,185 thousand euros in substantially lower factoring fees compared with 2013 (1,852 thousand euros) as a result of renegotiations in favour of better collection conditions. Moreover, interests accrued on the collection of past-due positions generated 892 thousand euros.

Income items included the dividends received from subsidiaries for an amount of 21,398 thousand euros, down when compared with 55,147 thousand euros in 2013. The Group's Parent Company received lower amount of dividend from the U.S. subsidiary (10,983 thousand euros in 2014, as against 41,582 thousand euros in 2013). The currency tensions between the Euro and the US Dollar that occurred in the second part of the year prompted the Group's Parent Company to keep the liquidity held in U.S. Dollars in the US. In 2014, the net effect of foreign exchange translations was positive by 190 thousand euros (negative by 963 thousand euros in 2013) and it mainly concerns intercompany financing facilities and bank accounts.

The measurement at fair value of forward contracts to sell U.S. dollars produced a charge of 293 thousand euros (a charge of 229 thousand euros in 2013).

Profit before taxes and net profit

In 2014, the Parent Company's profit before taxes amounted to 74,280 thousand euros, and the corresponding tax liability decreased to 17,658 thousand euros compared with 2013, (profit before taxes totaled 98,951 thousand euros, and the corresponding tax liability amounted to 17,115 thousand euros) following lower amount of dividend from the U.S. subsidiary, as described above.

The income tax liability for 2014 reflects the impact of withholding taxes paid abroad on dividends received from the subsidiaries amounting to 1,269 thousand euros (1,982 thousand euros in 2013).

The resulting net profit amounted to 56,622 thousand euros, equal to 22.4% of revenues as against a net profit of 81,836 thousand euros in 2013 (equal to 35.6% of revenues).

Statement of financial position of the Group's Parent Company at December 31, 2014

The table below shows a breakdown of the financial position of the Group's Parent Company at December 31, 2014:

(in thousand of euros)	**12/31/2014**	**12/31/2013**
Total intangible assets	60,303	62,696
Total property, plant and equipment	30,027	27,100
Equity investments	94,232	93,994
Other non-current assets	6,199	7,528
Net working capital	99,055	90,352
Other non-current liabilities	(8,162)	(8,673)
Net invested capital	**281,654**	**272,997**
Net financial position	**75,996**	**56,553**
Shareholders' equity	**357,650**	**329,550**

Non-current assets decreased to 190,761 thousand euros (191,318 thousand euros at December 31, 2013). Equity investments totaled 94,232 thousand euros (93,994 thousand euros at December 31, 2013).

A breakdown of the net working capital is provided below:

(in thousand of euros)	**12/31/2014**	**12/31/2013**	**Change**
Trade receivables	84,371	83,752	619
Ending inventories	69,720	55,990	13,730
Trade payables	(39,780)	(34,375)	(5,405)
Other current assets /liabilities (1)	(15,256)	(15,015)	(241)
Net working capital	**99,055**	**90,352**	**8,703**

(1) La The item "Other current assets/liabilities" represents the algebraic sum of receivables and payables that are not of a financial or trade-related nature.

In 2014, net working capital reported an increase of 8,703 thousand euros as a result of higher ending inventories, which were partially offset by reduced trade payables.

Despite revenue growth, trade receivables were substantially in line with December 31, 2013 data, considering that extraordinary measures have been implemented for debt collection, to benefit from public fund and wipe out credits owed by National Health System.

Inventories increased by 13,730 thousand euros compared with December 31, 2013 as a result of bigger stocks of strategic materials due to the increase in volumes produced in 2014 and expected to grow also in 2015. Higher inventories were connected with the supply of finished goods that were impacted by the switch to the drop shipment model of the German subsidiary.

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

(in thousands of euros)	**12/31/2014**	**12/31/2013**
Cash and cash equivalents	68,033	33,663
Liquid assets (a)	**68,033**	**33,663**
Other current financial assets	-	34
Current financial receivables owed by Group companies	12,076	23,619
Financial receivables and other current financial assets (b)	**12,076**	**23,653**
Current bank debt	(209)	(3,975)
Other current financial liabilities	(259)	-
Current financial liabilities owed to Group companies	(17,798)	(12,904)
Current indebtedness (c)	**(18,266)**	**(16,879)**
Net current financial assets (d)=(a)+(b)+(c)	**61,843**	**40,437**
Non-current financial receivables owed by Group companies	14,362	16,526
Non-current financial receivables (e)	**14,362**	**16,526**
Non-current bank debt	(209)	(410)
Non-current indebtedness (f)	**(209)**	**(410)**
Net non-current financial assets (g)=(e)+(f)	**14,153**	**16,116**
Net Financial Position (i)=(d)+(g)	**75,996**	**56,553**

At December 31, 2014, the Parent Company's net financial position was positive by 75,996 thousand euros, with an increase of 19,443 thousand euros at December 31, 2013.

Shareholders' equity, totaling 357,650 thousand euros at December 31, 2014 (329,550 thousand euros at December 31, 2013) includes treasury shares valued at 44,045 thousand euros.
The reserve for treasury shares was established pursuant to law (Article 2357 *ter* of the Italian Civil Code) due to purchases of treasury shares made during 2011.

Analysis of cash flow

A schedule showing the statement of cash flows, followed by a review of the main statement items and of the changes that occurred compared with the corresponding period in 2013, is provided below:

(in thousands of euros)	**2014**	**2013**
Cash and cash equivalents opening balance	**33,663**	**42,879**
Net cash from operating activities	39,551	33,199
Cash used for investing activities	(11,811)	(11,730)
Cash used for financing activities	6,630	(30,685)
Net change in cash and cash equivalents	**34,370**	**(9,216)**
Cash and cash equivalents closing balance	**68,033**	**33,663**

The cash flow from operating activities amounted to 39,551 thousand euros in 2014, compared with 33,199 in 2013. The income stream (net profit plus depreciation and amortization, additions to provisions and other non-cash items) was higher than in 2013.

Cash used in investing activities totaled 11,811 thousand euros in 2014, in line with 2013 (11,730 thousand euros). Investments in medical equipment totaled 4,602 thousand euros in 2014 (6,208 thousand euros in 2013), while investments in manufacturing and distribution equipment needed to support the manufacturing operations amounted to 6,171 thousand euros in 2014, compared with 4,123 thousand euros in 2013.

Financial activities generated cash in the amount of 6,630 thousand euros (absorption of 30,685 thousand euros in 2013). The following transactions occurred in 2014: dividend distribution equal to 29,919 thousand euros (72,257 thousand euros in 2013, including extraordinary dividend distribution), collection of dividends form subsidiaries amounting to 29,718 thousand euros (45,133 thousand euros in 2013) repayments of loans amounting to 4,051 thousand euros (7,997 thousand euros in 2013).

At December 31, 2014, available liquid assets held by the Group totaled 68,033 thousand euros with an increase of 34,370 thousand euros compared with 33,663 thousand euros in 2013.

MOTION TO APPROVE THE FINANCIAL STATEMENTS AND APPROPRIATE THE 2014 NET PROFIT

Dear Shareholders:

We recommend that you approve the Company's financial statements for the year ended December 31, 2014 and appropriate the net profit of € 56,622,453.30 euros as follows:

- taking into account the statutory reserve has met the limit imposed by article 2430 of the Italian Civil Code, the Company will distribute € 32,929,954.20 euros as a dividend of € 0.60 euros on each common share outstanding on the record date, excluding treasury shares, equal to 1,065,000 ordinary shares;
- bring forward as retained earnings the balance of € 23,692,499.10 euros.

The dividend will be payable on May 20, 2015, with May 18, 2015 coupon date and May 19, 2015 record date, on the common shares outstanding on the record date, excluding treasury shares. Pursuant to Art. 83- *terdecies* of the Legislative Decree 58/98 only the parties qualifying as shareholders at the close of business on May 19 2015 (record date) will be entitled to a dividend.

Saluggia, March 3, 2015

On behalf of the Board of Directors,

The Chairman

Gustavo Denegri

CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2014 AND DECEMBER 31, 2013 OF THE DIASORIN GROUP

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

(in thousands of euros)	**note**	**2014**	***amount with related parties***	**2013**	***amount with related parties***
Net revenues	(1)	443,770	1,566	434,849	1,168
Cost of sales	(2)	(145,032)		(135,187)	
Gross profit		**298,738**		**299,662**	
Sales and marketing expenses	(3)	(88,949)	(73)	(85,605)	(63)
Research and development costs	(4)	(24,994)		(23,947)	
General and administrative expenses	(5)	(50,578)	(3,329)	(49,676)	(4,153)
Other operating income (expenses)	(6)	(4,326)	(31)	(5,741)	(29)
Non-recurring amounts		*(2,388)*		-	
Operating result (EBIT)		**129,891**		**134,693**	
Net financial income (expense)	(7)	(1,767)		(5,354)	
Result before taxes		**128,124**		**129,339**	
Income taxes	(8)	(44,050)		(46,228)	
Net result		**84,074**		**83,111**	
Including:					
Parent Company shareholders' interests in net result		84,074		83,028	
Minority shareholders' interests in net result		-		83	
Basic earnings per share	(9)	**1.55**		**1.53**	
Diluted earnings per share	(9)	**1.55**		**1.53**	

COMPREHENSIVE INCOME STATEMENT

(in thousands of euros)	**2014**	**2013**
Net profit for the period (A)	**84,074**	**83,111**
Other comprehensive gains/(losses) that will not be reclassified subsequently to gain/(loss) of the period:		
Gains/(losses) on remeasurement of defined benefit plans	(4,438)	(143)
Total other comprehensive gains/(losses) that will not be reclassified subsequently to gain/(loss) of the period (B1)	**(4,438)**	**(143)**
Other comprehensive gains/(losses) that will be reclassified subsequently to gain/loss of the period:		
Gains/(losses) on exchange differences on translating foreign operations	18,326	(10,077)
Gains/(losses) on net investment hedge	97	500
Total other comprehensive gains/(losses) that will be reclassified subsequently to gain/(loss) of the period (B2)	**18,423**	**(9,577)**
TOTAL OTHER COMPREHENSIVE GAINS/(LOSSES), NET OF TAX (B1)+(B2)=(B)	**13,985**	**(9,720)**
TOTAL COMPREHENSIVE GAINS/(LOSSES) (A)+(B)	**98,059**	**73,391**
Including:		
- amount attributable to Parent Company shareholders	98,037	73,325
- amount attributable to minority interests	22	66

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

(in thousands of euros)	**note**	**12/31/2014**	***amount with related parties***	**12/31/2013**	***amount with related parties***
ASSETS					
Non-current assets					
Property, plant and equipment	(10)	72,207		66,258	
Goodwill	(11)	67,703		65,503	
Other intangibles	(11)	49,247		53,911	
Equity investments	(12)	506		498	
Deferred-tax assets	(13)	22,194		20,872	
Other non-current assets	(14)	2,884		1,860	
Total non-current assets		*214,741*		*208,902*	
Current assets					
Inventories	(15)	101,320		86,439	
Trade receivables	(16)	109,521	497	117,442	416
Other current assets	(17)	10,291		8,689	
Other current financial assets	(18)	24,963		34	
Cash and cash equivalents	(18)	144,855		105,110	
Total current assets		*390,950*		*317,714*	
TOTAL ASSETS		**605,691**		**526,616**	

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

(in thousands of euros)	**note**	**12/31/2014**	***amount with related parties***	**12/31/2013**	***amount with related parties***
LIABILITIES AND SHAREHOLDERS' EQUITY					
Shareholders' equity					
Share capital	(19)	55,948		55,948	
Additional paid-in capital	(19)	18,155		18,155	
Statutory reserve	(19)	11,190		11,181	
Other reserves and retained earnings	(19)	358,047		290,523	
Treasury shares		(44,045)		(44,882)	
Net profit for the year attributable to shareholders of the Parent Company		84,074		83,028	
Equity attributable to shareholders of the Parent Company		*483,369*		*413,953*	
Other reserves and retained earnings attributable to minority interests		204		99	
Net profit for the period attributable to minority interests		-		83	
Equity attributable to minority interests		*204*		*182*	
Total shareholders' equity		**483,573**		**414,135**	
Non-current liabilities					
Long-term borrowings	(20)	210		423	
Provisions for employee severance indemnities and other employee benefits	(21)	32,106		26,199	
Deferred-tax liabilities	(13)	3,008		3,499	
Other non-current liabilities	(22)	4,677		4,727	
Total non-current liabilities		*40,001*		*34,848*	
Current liabilities					
Trade payables	(23)	39,311		36,601	
Other current liabilities	(24)	30,573	307	26,303	118
Income taxes payable	(25)	8,967		7,977	
Current portion of long-term debt	(20)	3,007		6,752	
Other financial liabilities	(20)	259		-	
Total current liabilities		*82,117*		*77,633*	
Total liabilities		**122,118**		**112,481**	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**605,691**		**526,616**	

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

(in thousands of euros)	**2014**	***amount with related parties***	**2013**	***amount with related parties***
Cash flow from operating activities				
Net profit for the year	84,074		83,111	
Adjustments for:				
- Income taxes	44,050		46,228	
- Depreciation and amortization	30,399		28,405	
- Financial expense (income)	1,767		5,354	
- Additions to/(Utilizations of) provisions for risks	390		557	
- (Gains)/Losses on sales of non-current assets	174		129	
- Additions to/(Reversals of) provisions for employee severance indemnities and other benefits	642		570	
- Changes in shareholders' equity reserves:				
- Stock options reserve	672		1,463	
- Currency translation reserve – operating activities	2,375		(2,686)	
- Change in other non-current assets/liabilities	(1,560)		897	
Cash flow from operating activities before changes in working capital	**162,983**		**164,028**	
(Increase)/Decrease in current receivables	8,937	(81)	(6,743)	(402)
(Increase)/Decrease in inventories	(12,104)		(4,698)	
Increase/(Decrease) in trade payables	2,210	-	(204)	(105)
(Increase)/Decrease in other current items	4,225	189	1,112	(184)
Cash from operating activities	**166,251**		**153,495**	
Income taxes paid	(46,047)		(44,087)	
Interest accrued (paid)	(357)		(1,691)	
Net cash from operating activities	**119,847**		**107,717**	
Investments in intangibles	(2,617)		(4,017)	
Investments in property, plant and equipment	(28,099)		(28,080)	
Investments in subsidiaries	(340)		(816)	
Divestments of property, plant and equipment	2,165		2,967	
Cash used in regular investing activities	**(28,891)**		**(29,946)**	
Acquisitions of subsidiaries and business operations	-		27	
Cash used in investing activities	**(28,891)**		**(29,919)**	
(Redemptions)/Collections of loans and other liabilities	(4,072)		(5,261)	
(Opening)/ Repayment of term deposit	(21,758)		-	
Share capital increase/additional paid-in capital	-		2,273	
(Purchase)/Sale of treasury shares	626		-	
Dividends distribution	(29,919)		(72,635)	
Foreign exchange translation differences	3,912		(1,664)	
Cash used in financing activities	**(51,211)**		**(77,287)**	
Change in net cash and cash equivalents	**39,745**		**511**	
CASH AND CASH EQUIVALENTS OPENING BALANCE	**105,110**		**104,599**	
CASH AND CASH EQUIVALENTS CLOSING BALANCE	**144,855**		**105,110**	

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

(in thousands of euros)	**Share capital**	**Additional paid-in capital**	**Statutory reserve**	**Currency translation reserve**	**Stock option reserve**	**Reserve for treasury shares**	**Other reserves and retained earnings**	**Treasury shares**	**Net profit (loss) for the year**	**Group interest in share-holders' equity**	**Minority interest in equity**	**Total interest in shareholders'equity**
Shareholders' equity at 12/31/2012	**55,863**	**15,967**	**11,168**	**3,463**	**3,336**	**44,882**	**187,438**	**(44,882)**	**87,396**	**364,631**	**494**	**365,125**
Appropriation of previous year's profit	-	-	13	-	-	-	87,383	-	(87,396)	**-**	**-**	**-**
Dividend distribution	-	-	-	-	-	-	(27,177)	-	-	**(27,177)**	**(378)**	**(27,555)**
Share capital increase	85	2,188	-	-	-	-	-	-	-	**2,273**	**-**	**2,273**
Stock options and other changes	-	-	-	-	886	-	15	-	-	**901**	**-**	**901**
Translation adjustment	-	-	-	(10,060)	-	-	-	-	-	**(10,060)**	**(17)**	**(10,077)**
Gains/Losses on remeasurement of defined benefit plans, net of tax effect	-	-	-	-	-	-	(143)	-	-	**(143)**	**-**	**(143)**
Gains/Losses on "Net investment hedge," net of tax effect	-	-	-	500	-	-	-	-	-	**500**	**-**	**500**
Net profit for the year	-	-	-	-	-	-	-	-	83,028	**83,028**	**83**	**83,111**
Shareholders' equity at 12/31/2013	**55,948**	**18,155**	**11,181**	**(6,097)**	**4,222**	**44,882**	**247,516**	**(44,882)**	**83,028**	**413,953**	**182**	**414,135**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2014 AND DECEMBER 31, 2013

GENERAL INFORMATION AND SCOPE OF CONSOLIDATION

General information

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

Principles for the preparation of the consolidated financial statements

The 2014 consolidated financial statements were prepared in accordance with the International Financial Reporting Standards ("IFRSs"), as issued by the International Accounting Standards Board ("IASB") and adopted by the European Union, and are consistent with the regulations enacted to implement Article 9 of Legislative Decree No. 38/2005.

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

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

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

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

Financial statement presentation format

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

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

Scope of consolidation

The consolidated financial statements include the financial statements of DiaSorin S.p.A., the Group's Parent Company, and its subsidiaries at December 31, 2014.
The financial statements of the consolidated companies are those prepared by their Boards of Directors for approval by the shareholders.
Subsidiaries are companies over which the Group is able to exercise control pursuant to IFRS 10, that is when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are consolidated line by line from the date the Group obtains control until the moment when control ceases to exist.

Dormant subsidiaries and subsidiaries that generate an insignificant volume of business are not consolidated. Their impact on the Group's total assets and liabilities, financial position and bottom-line result is not material.

At December 31, 2014 no changes occurred in the scope of consolidation compared with December 31, 2013.

Investments in subsidiaries

A list of direct and indirect investments in subsidiaries at December 31, 2014 and December 31, 2013 is provided below:

		At December 31, 2014		At December 31,2013	
Company	**Country**	**% held by the Group**	**% minority interest**	**% held by the Group**	**% minority interest**
Direct investments					
DiaSorin S.A/N.V.	Belgium	100%	-	100%	-
DiaSorin Ltda	Brazil	100%	-	100%	-
DiaSorin S.A.	France	100%	-	100%	-
DiaSorin Iberia S.A.	Spain	100%	-	100%	-
DiaSorin Ltd	UK	100%	-	100%	-
DiaSorin Inc.	USA	100%	-	100%	-
DiaSorin Mexico S.A de C.V.	Mexico	100%	-	100%	-
DiaSorin Deutschland GmbH	Germany	100%	-	100%	-
DiaSorin AB	Sweden	100%	-	100%	-
DiaSorin Ltd	Israel	100%	-	100%	-
DiaSorin Austria GmbH	Austria	100%	-	100%	-
DiaSorin Czech s.r.o.	Czech Republic	100%	-	100%	-
DiaSorin Diagnostics Ireland Limited	Ireland	100%	-	100%	-
DiaSorin South Africa (PTY) Ltd	South Africa	100%	-	100%	-
DiaSorin Australia (Pty) Ltd	Australia	100%	-	100%	-
DiaSorin Ltd	China	80%	20%	80%	20%
DiaSorin Switzerland AG	Switzerland	100%	-	100%	-
Indirect Investments		100%	-	100%	-
DiaSorin Canada Inc	Canada	100%	-	100%	-
DiaSorin Ireland Limited	Ireland	100%	-	100%	-
DiaSorin I.N.UK Limited	Ireland	100%	-	100%	-

The Group has neither subsidiaries with minority interest in plant, property and equipment, nor unconsolidated structured entities and it is not subject to significant restrictions concerning interest in subsidiaries.

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

Investments in joint ventures

Investments in joint ventures are not significant in the scope of consolidation. The Group holds a single investment that is classified as joint *venture* pursuant to IFRS 11, through the subsidiary DiaSorin Inc (USA). Specifically the Group holds 51% of DiaSorin Trivitron Healthcare Private Limited shares and voting rights, that is located in India. The remaining 49% is held by a single shareholder that distributes diagnostic product and instruments in India. The analysis of the corporate governance structure of the investee company, on the basis of the joint venture agreement as well as the assessment of the two partners' decision making power led to the conclusion that the two shareholders control jointly DiaSorin Trivitron Healthcare Private Limited. The assessment took into account also the potential voting rights that do not provide material rights and, thus, are not relevant to determine the control structure. The investment is consolidated using the equity method.
In 2014, DiaSorin Trivitron Healthcare Private Limited reported net revenues equal to 1,600 thousand euros, up by 634 thousand euros compared with 2013. The loss for the year was equal to 715 thousand euros. The shareholders' equity amounted to 939 thousand euros. The value of the equity investment in the consolidated financial statements amounted to 479 thousand euros.

PRINCIPLES OF CONSOLIDATION, VALUATION CRITERIA AND ACCOUNTING PRINCIPLES

Principles of consolidation

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

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

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

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

Business combinations

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

Valuation criteria and accounting principles

Property, plant and equipment

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

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

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

The depreciation rates used are as follows:

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

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

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

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

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

Leased assets

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

Intangible assets

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

Intangible assets with an indefinite useful life

Goodwill

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

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

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

Intangible assets with a finite life

Development costs

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

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

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

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

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

Other intangibles

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

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

Asset type	Amortization rate
Concessions, licenses and similar rights	6.67% - 10% or length of contract

Trademarks	5% - 20%
Industrial patent and intellectual property rights	Length of contract

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

Impairment of assets

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

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

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

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

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

Inventories

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

The carrying amount of the inventory, determined in the manner described above, is reduced by a provision that reflects the impact of obsolete and slow-moving inventory.

Receivables and payables

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

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

Factoring of receivables

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

Cash and cash equivalents

They consist of cash and cash equivalents, short-term bank deposits, shares in liquidity funds and other money market securities readily converted into cash and subject to an insignificant risk of changes in value.

Shareholders' equity

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

Treasury shares
When the Group's Parent Company and its subsidiaries purchase Company shares, the consideration paid is deducted from the shareholders' equity attributable to the Company's shareholders, until the shares are retired or sold. No gain or loss is recognized in the income statement when treasury shares are bought, sold, issued or retired. When these shares are subsequently reissued, the consideration received, net of taxes, is added to the shareholders' equity attributable to the Company's shareholders.

Employee benefits

Pension plans

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

Equity-based compensation plans

Group companies grant to Group executives and middle managers additional benefits through equity-based plans (stock options). In accordance with IFRS 2 "Share-based Payment," stock options awarded to employees are measured at their fair value on the grant date, in accordance with models that take into account factors and data (option exercise price, duration of the option, current price of the underlying shares, expected share price volatility, expected dividends and interest rate for zero-risk investments over the life of the option) applicable on the grant date.
If the option becomes exercisable after a certain period and/or certain performance requirements are met (vesting period), the total value of the option is prorated over the vesting period and recognized in earnings, with the offsetting entry posted to a specific shareholders' equity account called Other reserves.

Because stock options are equity instruments, as defined by IFRS 2, the fair value of each option determined on the grant date is not adjusted at the end of each year. The estimate of the number of options that will reach maturity (and hence the number of employees who will be entitled to exercise their options) is adjusted. The result of any change in estimate is posted as an increase to or a reduction of the abovementioned shareholders' equity account, with the offsetting entry reflected in the income statement. At the end of the exercise period, the exercised options are reflected in the Company's share capital by adding an amount obtained by multiplying the number of shares issued by the par value of each share. The portion of "Other reserves" that is attributable to plan costs previously recognized in earnings and the amount obtained by multiplying the number of shares issued by the difference between the exercise price and the par value per share is posted to a shareholders' equity reserve.

Provisions for risks and charges

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

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

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

Income taxes

Income taxes include both current and deferred taxes.

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

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

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

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

Financial liabilities

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

Financial Derivatives

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

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

When hedge accounting cannot be applied, all gains and losses generated by subsequent fair value measurements of derivatives are immediately recognized in profit or loss.
Starting in the first quarter of 2010, the Company applies the guidelines of IAS 39 to account for a hedge of a net investment. Specifically, a financing facility provided to the Company in U.S. dollars has been designated as an instrument hedging net assets denominated in U.S. dollars, as allowed by IAS 39. The effectiveness of this hedge is verified every three months using the dollar offset method. The portion that

this test shows to be effective is reflected in Shareholders' equity under the Currency translation reserve. This item will continue to be part of Shareholders' Equity until the time when the Company may decide to dispose of the U.S. operations. This financing facility was repaid in 2014.

Revenue recognition

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

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

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

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

Dividends

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

Government grants

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

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

Cost of sales

Cost of sales represents the cost incurred to produce or purchase the goods and merchandise sold by the Group. It includes all of the costs incurred to purchase and process materials and the overhead directly attributable to production.
Overhead includes depreciation of the property, plant and equipment and the amortization of the intangible assets used for production purposes, as well as inventory write-downs. Cost of sales also includes freight paid to deliver products to customers.

Research and development costs

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

Interest expense

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

Earnings per share

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

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

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

Consistent with Consob Communication No. DEM/6064293 of July 28, 2006, the notes to the financial statements provide information about the impact of material extraordinary events and transactions and/or atypical and/or unusual transactions on the Group's balance sheet, financial position and operating performance.
The abovementioned Consob Communication defines as atypical and/or unusual transactions those transactions that, because of their significance/materiality, type of counterparty, purpose, method used to determine the transfer price and timing (close to the end of the year), could give rise to doubts with regard to: the accuracy/completeness of the disclosure provided in the financial statements, conflict of interests, safety of the corporate assets and protection of minority shareholders.

Related parties

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

New accounting principles

On May 12, 2011, the IASB issued IFRS 10 – *Consolidated Financial Statements* (subsequently amended on June 28, 2012), replacing SIC-12 *Consolidation – Special Purpose Entities* and parts of IAS 27 –

Consolidated and Separate Financial Statements, which was renamed *Separate Financial Statements* and governs the accounting treatment of investments in associates in separate financial statements. This new standard builds on existing principles, by identifying a single concept of control applicable to all companies, included "structured entities". The standard provides additional guidance in determining the existence of control when this is difficult to assess. The Group applied the accounting principle as of January 1, 2014 and its adoption had no impact on the scope of consolidation of the Group.

On May 12, 2011, the IASB issued IFRS 11 – *Joint Arrangements* (subsequently amended on June 28, 2012), superseding IAS 31 – *Interests in Joint Ventures*, and SIC-13 - *Jointly Controlled Entities – Non-Monetary Contributions by Venturers.* The new standard provides criteria for identifying joint arrangements based on the rights and obligations of the arrangement, rather than its legal form and requires that only the equity method be used to account for investments in joint ventures in the consolidated financial statements. Following the issue of the new standard, IAS 28 – *Investments in Associates* has been amended to include accounting for investments in jointly-controlled entities in its scope of application (from the effective date of the standard). The Group applied the accounting principle as of January 1, 2014 and its adoption had no impact on the scope of consolidation of the Group.

On May 12, 2011, the IASB issued IFRS 12 – *Disclosure of Interests in Other Entities Arrangements* (subsequently amended on June 28, 2012), which is a new and complete standard concerning the additional disclosures that must be provided for each type of equity interest, including information concerning subsidiaries, joint arrangements, affiliated companies, special-purpose companies and other non-consolidated vehicle companies. The standard is effective retrospectively from January 1, 2014. Its adoption had impact on information provided in the notes to the "Scope of consolidation".

On December 16, 2011, the IASB issued some amendments to IAS 32 – *Financial Instruments: Presentation,* clarifying how certain criteria for offsetting financial assets and liabilities provided in IAS 32 should be applied. These amendments are applicable retrospectively as of the reporting period beginning on or after January 1, 2014. The Group applied the accounting principle as of January 1, 2014 and its adoption had no impact on the financial statement items included in these consolidate financial statements.

On 29 May 2013, the IASB issued an amendment to IAS 36 - *Recoverable Amount Disclosures for Non-Financial Assets* addressing the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less cost of disposal. The amendments are effective retrospectively for annual periods as of 1 January 2014. The Group applied the accounting principle as of January 1, 2014 and its adoption had no impact on the financial statement items included in this Report.

On 27 June 2013, the IASB issued narrow scope amendments to IAS 39 - *Financial Instruments: Recognition and Measurement* entitled *"Novation of Derivatives and Continuation of Hedge Accounting"*. The amendments will allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met. Similar relief will be included in IFRS 9 - *Financial Instruments*. The amendments are effective retrospectively for annual periods beginning on or after 1 January 2014. The Group applied the accounting principle as of January 1, 2014 and its adoption had no impact on the financial statement items included in this Report.

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

On 20 May 2013, the IASB issued the IFRIC Interpretation 21 - *Levies,* an interpretation of IAS 37 - *Provisions, Contingent Liabilities and Contingent Assets*. IFRIC 21 addresses when an entity should recognize a liability to pay levies imposed by government, other than taxes that are within the scope of other standards (i.e. IAS 12 – *Income Taxes*). IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. The principle shall be applied retrospectively for the financial years starting at the latest from 17 June 2014 or later.

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

On December 12, 2013 the IASB issued the Annual Improvements to IFRSs 2010–2012 Cycle and Annual Improvements to IFRSs 2011–2013 Cycle. The most important topics addressed in these amendments are, among others, the definition of vesting conditions in IFRS 2 – Share based payment, the disclosure on judgment used in the aggregation of operating segments in IFRS 8 – Operating Segments, the identification and disclosure of a related party transaction that arises when a management entity provides key management personnel service to a reporting entity in IAS 24 – Related Party disclosures, the extension of the exclusion from the scope of IFRS 3 – Business Combinations to all types of joint arrangements (as required by IFRS 11- Joint arrangements) and to clarify the application of certain exceptions in IFRS 13 – Fair value Measurement. Amendments shall be applied at the latest from 1 February 2015 or later.
At the date of these financial statements, the competent bodies of the European Union have not yet completed the approval process required for the adoption of the following accounting principles and amendments:

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

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

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

- o determine the transaction price;
- o allocate the transaction price to the performance obligations in the contracts;
- o recognize revenue when (or as) the entity satisfies a performance obligation.

These amendments are effective for annual periods beginning from January 1, 2017, with early application permitted.

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

- ➢ On August 12, 2014, the IASB issued amendments to IAS 27 - *Equity Method in Separate Financial Statements*. The amendments reinstate the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements. The amendments are effective for annual periods beginning on or after 1 January 2016, with earlier application being permitted.

- ➢ On September 11, 2014, the IASB issued amendments to IFRS 10 and IAS 28 *Sales or Contribution of Assets between an Investor and its Associate or Joint Venture*. The amendments set out that on a sale/ contribution of assets or subsidiary to a joint venture or associate the extent of any gain or loss recognized in the transferor/transferring company depends on whether the transferred/conferred assets or subsidiary constitute a business. The amendments are effective for annual periods beginning on or after 1 January 2016, with earlier application being permitted.

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

- ➢ 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 the amendments concern how line items can be aggregated or disaggregated in the statement of financial position and in the notes on the basis of their materiality. Lastly, the amendments give guidance on use of subtotals in the financial statements tables. The amendments are effective for annual periods beginning on or after 1 January 2016.

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

ANALYSIS OF FINANCIAL RISKS

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

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

		12/31/2014				12/31/2013			
(in thousands of euros)	**Note**	**Carrying value**	**Receiva-bles**	**Hedging instru-ments**	**Held for trading**	**Carrying value**	**Receivables**	**Hedging instru-ments**	**Held for trading**
Trade receivables	(16)	109,521	109,521	-	-	117,442	117,442	-	-
Other current financial assets	(18)	24,963	24,963	-	-	34	-	-	34
Cash and cash equivalents	(18)	144,855	144,855	-	-	105,110	105,110	-	-
Total current financial assets		***279,339***	***279,339***	***-***	***-***	***222,586***	***222,552***	***-***	***34***
Total financial assets		**279,339**	**279,339**	**-**	**-**	**222,586**	**222,552**	**-**	**34**

		12/31/2014				12/31/2013			
(in thousands of euros)	**Note**	**Carrying value**	**Liabilities at amortized cost**	**Hedging instru-ments**	**Held for trading**	**Carrying value**	**Liabilities at amortized cost**	**Hedging instru-ments**	**Held for trading**
Long-term borrowings	(20)	210	210	-	-	423	423	-	-
Total non-current financial liabilities		***210***	***210***	***-***	-	***423***	***423***	***-***	***-***
Trade payables	(23)	39,311	39,311	-	-	36,601	36,601		-
Current portion of long-term debt	(20)	3,007	3,007	-	-	6,752	6,752	3,095	-
Other current financial liabilities	(20)	259	-	-	259	-	-	-	-
Total current financial liabilities		***42,577***	***42,318***	***-***	***259***	***43,353***	***43,353***	***3,095***	***-***
Total financial liabilities		**42,787**	**42,528**	**-**	**259**	**43,776**	**43,776**	**3,095**	**-**

Risks related to fluctuations in foreign exchange and interest rates

The Group is exposed to market risk deriving from fluctuations in foreign exchange as it operates in an international framework in which transactions are made in different currencies, and interest rates.
Because the Group did not establish hedges specifically for this purpose, it is exposed to the interest rate risk in connection with variable-rate financial liabilities. As of the date of the financial statements, borrowings totaled 3,217 thousand euros. Assuming a fluctuation of 2 percentage points in interest rates on medium- and long-term borrowings, the resulting impact on the financial expense recognized in the income statement would not be significant. The same analysis was performed for the receivables assigned without recourse to the factoring company, which totaled 42,927 thousand euros in 2014. 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 0.9 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 1.2 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 3.1 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 7.6 million euros on the currency translation reserve.

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

Credit risk

The Group's receivables present a low level of risk since most of these receivables are owed by public institutions, for which the risk of non-collection is not significant.
At December 31, 2014, past-due trade receivables were equal to about 10% of revenues. These receivables were held mainly by the Group's Parent Company and the Spanish and Brazilian subsidiaries, which sell a very high percentage of their products to the local National Health Service. About 50% of these receivables was more than 120 days past due. These past-due receivables were covered by an allowance for doubtful accounts amounting to 8,882 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.

Commercial risk

The DiaSorin Group is subject to the commercial risk, particularly with regard to the Vitamin D segment, caused by increased competition and the market entry, of such competitors as Siemens, Abbott and Roche.
The strategy of protecting major customers by extending long-term contracts, the acknowledged extremely high quality of DiaSorin Vitamin D tests, the ability of doubling the hourly rate of determinations offered by the LIAISON XL, and growing demand in countries where dosage is still not very frequent ensure that DiaSorin will continue to play a leading role in the future of this market

ITEMS THAT INVOLVE THE USE OF SIGNIFICANT ASSUMPTIONS AND ESTIMATES

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

The main items affected by estimates are reviewed below.

Allowance for doubtful accounts

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

Provision for inventory write-downs

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

Useful life of development costs

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

Impairment of non-current assets

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

Pension plans and other post-employment benefits

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

Stock option plans

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

Contingent liabilities

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

SEGMENT INFORMATION AT DECEMBER 31, 2014 AND DECEMBER 31, 2013

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), 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.

	ITALY		EUROPE		NORTH AMERICA		REST OF THE WORLD		ELIMINATIONS		CONSOLIDATED	
(in thousands of euros)	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
INCOME STATEMENT												
Revenues from customers	120,594	115,950	128,938	121,124	109,156	110,814	85,082	86,961	-	-	443,770	434,849
Inter-segment revenues	132,413	113,826	24,345	28,587	30,056	28,160	3,033	3,782	(189,847)	(174,355)	-	-
Total revenues	**253,007**	**229,776**	**153,283**	**149,711**	**139,212**	**138,974**	**88,115**	**90,743**	**(189,847)**	**(174,355)**	**443,770**	**434,849**
Segment EBIT	**52,794**	**46,521**	**11,412**	**11,971**	**64,366**	**71,402**	**2,900**	**5,763**	**(1,581)**	**(964)**	**129,891**	**134,693**
Unallocated common costs	-	-	-	-	-	-	-	-	-	-	-	-
Operating margin	-	-	-	-	-	-	-	-	-	-	**129,891**	**134,693**
Other net income (expense)	-	-	-	-	-	-	-	-	-	-	-	-
Financial income (expense)	-	-	-	-	-	-	-	-	-	-	(1,767)	(5,354)
Result before taxes	-	-	-	-	-	-	-	-	-	-	**128,124**	**129,339**
Income taxes	-	-	-	-	-	-	-	-	-	-	(44,050)	(46,228)
Net result	-	-	-	-	-	-	-	-	-	-	**84,074**	**83,111**
OTHER INFORMATION												
Investments in intangibles	1,161	1,566	675	1,201	611	1,046	170	204	-	-	2,617	4,017
Invest, in prop. plant and equip.	11,176	10,679	7,873	8,838	5,875	5,051	6,720	6,684	(3,545)	(3,172)	28,099	28,080
Total investments	**12,337**	**12,245**	**8,548**	**10,039**	**6,486**	**6,097**	**6,890**	**6,888**	**(3,545)**	**(3,172)**	**30,716**	**32,097**
Amortization of intangibles	(3,809)	(3,637)	(2,975)	(2,760)	(618)	(423)	(695)	(707)	-	-	(8,097)	(7,527)
Depreciation of prop. plant and equip.	(7,789)	(7,355)	(7,620)	(7,100)	(5,328)	(5,071)	(4,863)	(4,293)	3,298	2,941	(22,302)	(20,878)
Total amortization and depreciation	**(11,598)**	**(10,992)**	**(10,595)**	**(9,860)**	**(5,946)**	**(5,494)**	**(5,558)**	**(5,000)**	**3,298**	**2,941**	**(30,399)**	**(28,405)**

	ITALY		EUROPE		NORTH AMERICA		REST OF THE WORLD		ELIMINATIONS		CONSOLIDATED	
(in thousands of euros)	**12/31/2014**	**12/31/2013**	**12/31/2014**	**12/31/2013**	**12/31/2014**	**12/31/2013**	**12/31/2014**	**12/31/2013**	**12/31/2014**	**12/31/2013**	**12/31/2014**	**12/31/2013**
STATEMENT OF FINANCIAL POSITION												
Segment assets	238,758	233,393	140,519	114,731	83,304	68,361	60,856	58,914	(110,264)	(75,297)	413,173	400,102
Unallocated assets	-	-	-	-	-	-	-	-	-	-	192,518	126,514
Total assets	**238,758**	**233,393**	**140,519**	**114,731**	**83,304**	**68,361**	**60,856**	**58,914**	**(110,264)**	**(75,297)**	**605,691**	**526,616**
Segment liabilities	61,823	55,447	58,460	73,523	14,902	19,893	30,892	25,345	(59,410)	(80,378)	106,667	93,830
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	15,451	18,651
Shareholders’ equity	-	-	-	-	-	-	-	-	-	-	483,573	414,135
Total liabilities and shareholders’ equity	**61,823**	**55,447**	**58,460**	**73,523**	**14,902**	**19,893**	**30,892**	**25,345**	**(59,410)**	**(80,378)**	**605,691**	**526,616**

	EUROPE AND AFRICA		NORTH AMERICA		ASIA PACIFIC		CENTRAL AND SOUTH AMERICA		CONSOLIDATED	
(in thousands of euros)	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
INCOME STATEMENT										
Revenues from customers	220,243	209,966	103,770	104,699	77,504	71,665	42,253	48,519	**443,770**	**434,849**

DESCRIPTION AND MAIN CHANGES

Income statements

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

Insofar as a classification of expenses by nature is concerned, depreciation and amortization expense totaled 30,399 thousand euros in 2014 (28,405 thousand euros in 2013) broken down as follows:

(in thousands of euros)	**2014**	**2013**
Depreciation of property, plant and equipment	22,302	20,878
Amortization of intangibles	8,097	7,527
Total	**30,399**	**28,405**

Depreciation of property, plant and equipment includes 15,777 thousand euros attributable to equipment held by customers (14,616 thousand euros in 2013), which in the income statement by destination is part of the cost of sales. An additional 4,635 thousand euros representing depreciation of plant and machinery and manufacturing and distribution equipment is included among production expenses (4,141 thousand euros in 2013).

The amortization of intangible assets is recognized mainly as part of general and administrative expenses (2,941 thousand euros), research and development costs (2,435 thousand euros) and production expenses (1,796 thousand euros).

Labour costs amounted to 116,411 thousand euros (109,686 thousand euros in 2013).
A breakdown is as follows:

(in thousands of euros)	**2014**	**2013**
Wages and salaries	88,396	82,600
Social security contributions	17,145	16,444
Severance indemnities and other benefits paid	3,133	2,666
Cost of stock option plan	672	1,463
Other labour costs	7,065	6,513
Total	**116,411**	**109,686**

The income statement also reflects the impact of stock option costs, which totaled 672 thousand euros in 2014, compared with 1,463 thousand euros in 2013.

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

	2014	**2013**
Factory staff	272	222
Office staff	1,222	1,219
Managers	126	162
Total	**1,620**	**1,603**

1. Net revenues

Net revenues, which are generated mainly through the sale of diagnostic kits, totaled 443,770 thousand euros, up by 2.1% compared with 2013 (+2.8% at constant exchange rates). A breakdown of revenues by geographic region is provided below:

(in thousands of euros)	**2014**	**2013**	**% Change at current exchange rates**	**% Change at constant exchange rates**
Europe and Africa	220,243	209,966	+4.9%	+4.9%
North America	103,770	104,699	-0.9%	-0.9%
Asia Pacific	77,504	71,665	+8.1%	+9.3%
Central and South America	42,253	48,519	-12.9%	-8.3%
Total	**443,770**	**434,849**	**+2.1%**	**+2.8%**

Under the gratuitous loan contract used by the Group, the equipment and the technical support service are provided to hospitals and test laboratories free of charge. The return on the investment required to purchase analyzers and cover the costs incurred to provide technical support is obtained through the sale of test kits to the customers that use the free equipment. Since it would be difficult to objectively measure separately the portion of revenues generated by the reagents and the portion attributable to the free use of the equipment and other items, the Group does not list them separately.

In 2014, net revenues included 7,777 thousand euros in service costs related to rental and technical support fees (7,891 thousand euros in 2013). An additional 166,815 thousand euros refers to sales to public institutions and universities (158,393 thousand euros in 2013).

2. Cost of sales

In 2014, the cost of sales amounted to 145,032 thousand euros, as against 135,187 thousand euros in 2013. This item includes 6,506 for royalties paid for the use of patents applied to manufacture products (6,529 thousand euros in 2013) and 8,832 thousand euros in costs incurred to distribute products to end customers (8,273 thousand euros in 2013) and 15,777 thousand euros for depreciation of equipment held by customers (14,616 thousand euros in 2013).

3. Sales and marketing expenses

In 2014, the cost of sales amounted to 88,949 thousand euros, as against 85,605 thousand euros in 2013. This item consists mainly of marketing costs incurred to promote and distribute DiaSorin products, costs attributable to the direct and indirect sales force and the cost of the technical support offered together with the Group-owned equipment provided to customers under gratuitous loan contracts.

4. Research and development costs

Research and development costs, which totaled 24,994 thousand euros in 2014 (23,947 thousand euros in 2013), include all of the research and development outlays that were not capitalized equal to 14,377 thousand euros (14,370 thousand euros in 2013), the costs incurred to register the products offered for sale and meet quality requirements totaling 8,265 thousand euros (7,643 thousand euros in 2013) and the amortization of capitalized development costs equal to 2,352 thousand euros (1,934 thousand euros in 2013). In 2014, the Group capitalized new development costs amounting to 1,401 thousand euros, compared with 2,616 thousand euros in the previous year.

5. General and administrative expenses

General and administrative expenses, which include expenses incurred for corporate management activities, Group administration, finance and control, information technology, corporate organization and insurance, totaled 50,578 thousand euros (49,676 thousand euros in 2013). The total amount includes 3,036 thousand euros from related-party transactions (3,930 thousand euros in 2013), representing the total costs attributable to Directors and strategic executives.

6. Other operating income (expenses)

The item net other operating expense totaled 4,326 thousand euros (net operating expenses of 5,741 thousand euros in 2013) 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, previous year income and charges).

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

(in thousands of euros))	**2014**	**2013**
Other operating income		
Reversals of unused provisions	407	177
Trade-related foreign exchange gains	4,526	3,343
Previous year and miscellaneous operating income	2,707	1,706
Total other operating income	**7,640**	**5,226**
Other operating expenses		
Additions to provisions for risks	(2,201)	(1,474)
Taxes other than income taxes	(1,861)	(1,934)
Trade-related foreign exchange losses	(3,840)	(5,663)
Non-recurring expenses	(2,388)	-
Previous year and miscellaneous operating expenses	(1,676)	(1,896)
Total other operating expenses	**(11,966)**	**(10,967)**
Net other operating income (expenses)	**(4,326)**	**(5,741)**

Extraordinary expenses of 2,388 thousand euros reflect the completion of the Norwegian and French branches reorganization together with a functional reorganization of some company areas in the Italian site. Other net operating expenses include a positive translation adjustment of 686 thousand euros in 2014 compared with a negative translation adjustment of 2,320 thousand euros in 2013, as a result of the exchange rates in the periods under comparison. The total includes net unrealized foreign exchange gains of 419 thousand euros (net unrealized foreign exchange gains of 921 thousand euros 2013) and net realized foreign exchange gains of 267 thousand euros (net realized foreign exchange losses of 3,241 thousand euros in 2013).

7. Financial income (expenses)

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

(in thousands of euros)	2014	2013
Interest and other financial expenses	(2,467)	(2,853)
Fair value measurement of financial instruments	(293)	(229)
Share of the profit/(loss) of equity method investees	(365)	(483)
Interest on provisions for pensions	(749)	(751)
Interest and other financial income	1,633	787
Net foreign exchange differences	474	(1,825)
Net financial income (expense)	**(1,767)**	**(5,354)**

In 2014, net financial expenses totaled 1,767 thousand euros, compared with net financial expense of 5,354 thousand euros in the previous year. The main reason for this upward trend is the effect of the translation adjustments of the period, lower factoring transactions fees and interests accrued on the collection of past-due positions owed by public institutes (especially in Italy and Spain) broken down as follows:

- 1,185 thousand euros in fees on factoring transactions (1,852 thousand euros in 2013);
- Euro 442 thousand euros in loan interests (130 thousand euros in 2013);
- the currency sale operations by the Group's Parent company led to a negative fair value equal to 293 thousand euros in 2014 (a negative fair value of 229 thousand euros in 2013);
- 929 thousand euros related to interests accrued on the collection of past-due positions owed by public entities in 2014;
- positive translation effect amounting to 474 thousand euros (negative translation effect equal to 1,825 thousand euros in 2013) mainly due to foreign exchange differences related to the Group's Parent company collection of dividends received from the U.S. and South African subsidiaries (588 thousand euros) and the Euro exchange rate in the intercompany financing disbursed by the Group's Parent company to the Australian subsidiary in the local currency (143 thousand euros), together with the financial balances of subsidiaries that use currencies different from that of the Group's Parent Company.

8. Income taxes

The income tax expense recognized in the income statement amounted to 44,050 thousand euros (46,228 thousand euros in 2013) broken down as follows:

(in thousands of euros)	2014	2013
Current income taxes:		
- Regional taxes (IRAP)	2,572	2,394
- Other income taxes	40,679	41,744
- Other taxes (non-deductible tax withholdings/prior-period taxes)	1,269	2,188
Deferred taxes	(470)	(98)
IRAP amount	*123*	*179*
Total income taxes for the year	**44,050**	**46,228**

Other taxes include foreign non-deductible taxes withheld on dividends received by the Group's Parent Company from subsidiaries (1,269 thousand euros in 2014 as against 1,982 thousand euros in 2013).

A reconciliation of the theoretical tax rate to the effective tax rate (without taking into account the IRAP liability, which is unusual in nature) is provided below:

(in thousands of euros)	**2014**	**2013**
Profit before taxes	128,124	129,339
Theoretical tax rate	*27.5%*	*27.5%*
Theoretical income taxes	35,234	35,568
Tax effect of permanent differences	(1,171)	1,394
Effect of unrecognized deferred-tax liabilities/assets	190	177
Effect of foreign tax rates that are different from statutory Italian tax rates	6,009	4,046
Other differences	(176)	282
Total income taxes	**40,086**	**41,467**
Effective tax rate	**31.3%**	**32.1%**

The 2014 effective tax rate of 31.3% reflects primarily the tax effect of permanent differences and of the different tax rates applied in other countries where the Group operates, particularly with regard to the United States.

9. Earnings per share

Basic earnings per share amounted to 1.55 euros in 2014 (1.53 euros in 2013). Diluted earnings per share totaled 1.55 euros (1.53 euros in 2013). 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 (54,400,819 in 2014 and 54,357,490 in the previous year).
The dilutive effect of stock option plans granted by DiaSorin S.p.A, determined by excluding tranches assigned to a price higher than the average price of the ordinary shares in 2014, is not relevant.

Consolidated statement of financial position

Non-current assets

10. Property, plant and equipment

The tables below show the changes that occurred in the original cost of property, plant and equipment in 2014 and 2013:

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

(in thousands of euros)	At Decembe r 31, 2012	Addition s	Change in scope of consolidatio n	Divestment s	Translatio n differences	Reclassification s and other changes	At December 31, 2013
Land	2,323	-	-	-	(10)	-	2,313
Buildings	18,406	45	-	-	(236)	88	18,303
Plant and machinery	18,383	2,000	-	(33)	(356)	2,016	22,010
Manufacturing and distribution equipment	132,722	21,542	181	(15,697)	(4,686)	(1,483)	132,579
Other assets	14,443	1,464	-	(728)	(418)	(110)	14,651
Advances and tangible in progress	4,960	3,029	-	(499)	(61)	(3,395)	4,034
Total property, plant and equipment	**191,237**	**28,080**	**181**	**(16,957)**	**(5,767)**	**(2,884)**	**193,890**

The following changes occurred in the corresponding accumulated depreciation accounts in 2014 and 2013:

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

(in thousands of euros)	At December 31, 2012	Depreciation for the year	Divestments	Translation differences	Reclassifications and other changes	At December 31, 2013
Buildings	12,818	798	-	(144)	-	13,472
Plant and machinery	12,406	1,187	(27)	(127)	-	13,439
Manufacturing and distribution equipment	92,720	17,570	(13,163)	(2,868)	(1,925)	92,334
Other assets	7,977	1,323	(671)	(233)	(9)	8,387
Total property, plant and equipment	**125,921**	**20,878**	**(13,861)**	**(3,372)**	**(1,934)**	**127,632**

A breakdown of the net carrying value of property, plant and equipment at December 31, 2014 and 2013 is provided below:

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

(in thousands of euros)	At December 31, 2012	Additions	Change in scope of consolidation	Depreciation for the year	Divestments	Translation differences	Reclassifications and other changes	At December 31, 2013
Land	2,323	-	-	-	-	(10)	-	2,313
Buildings	5,588	45	-	(798)	-	(92)	88	4,831
Plant and machinery	5,977	2,000	-	(1,187)	(6)	(229)	2,016	8,571
Manufacturing and distribution equipment	40,002	21,542	181	(17,570)	(2,534)	(1,818)	442	40,245
Other assets	6,466	1,464	-	(1,323)	(57)	(185)	(101)	6,264
Advances and tangible in progress	4,960	3,029	-	-	(499)	(61)	(3,395)	4,034
Total property, plant and equipment	**65,316**	**28,080**	**181**	**(20,878)**	**(3,096)**	**(2,395)**	**(950)**	**66,258**

The depreciation taken was computed in a manner that reflects fairly the actual wear and tear and economic/technical obsolescence of the assets.
Equipment held by customers that requires extraordinary maintenance is depreciated at a 33% rate from the moment the maintenance is completed.
With regard to equipment held by customers, depreciation expense amounted to 15,777 thousand euros (14,616 thousand euros in 2013).

The change in the scope of consolidation is consequent to the consolidation of the newly incorporated company DiaSorin Switzerland, as of July 1, 2013.

11. Goodwill and other intangibles

Goodwill totaled 67,703 thousand euros at December 31, 2014. The translation effect on the goodwill allocated to the DiaSorin Brazil, DiaSorin U.S.A. and DiaSorin South Africa CGUs, is positive for a net amount of 2,200 thousand euros, compared with December 31, 2013.

As explained in the "Accounting Principles" section of this Report, goodwill is not amortized: it is tested for impairment and, if necessary, it is written down when impairment losses occur. The Group assesses the recoverability of goodwill and other intangibles with an indefinite life at least once a year by testing for impairment each cash generating unit (CGU).

The CGUs identified by the Group to monitor goodwill coincide with the legal entities to which the goodwill has been allocated at the time of their purchase, as they benefit from the synergies generated by the respective business combinations generating goodwill.

A breakdown of how goodwill was recognized and/or allocated to the different CGUs for impairment test purposes is as follows:
- 765 thousand euros to the DiaSorin Belgium CGU,
- 3,777 thousand euros to the DiaSorin Brazil CGU,
- 6,840 thousand euros to the DiaSorin Germany CGU,
- 22,056 thousand euros to the DiaSorin Italy CGU,
- 17,561 thousand euros to the DiaSorin USA CGU,
- 15,155 thousand euros to the DiaSorin Ireland CGU,
- 1,549 thousand euros to the DiaSorin South Africa CGU.

The table below provides a breakdown by individual CGU of the changes in goodwill that occurred in 2014:

(in thousands of euros)	**At December 31, 2013**	**Translation differences**	**At December 31, 2014**
DiaSorin Belgium	765	-	765
DiaSorin Brazil	3,734	43	3,777
DiaSorin Germany	6,840	-	6,840
DiaSorin Italy	22,056	-	22,056
DiaSorin Ireland	15,155	-	15,155
DiaSorin USA	15,460	2,101	17,561
DiaSorin South Africa	1,493	56	1,549
Total goodwill	**65,503**	**2,200**	**67,703**

Insofar as the knowhow acquired with the Murex transaction in 2010 is specifically concerned, this intangible asset with an indefinite useful life was tested for impairment as part of the DiaSorin Italy CGU.

The impairment test is based on the most recent projections of economic results and cash flows for future years (2015-2017), computed in accordance with the 2015 budget and 2016 and 2017 projections. These projections have been estimated on the basis of 2015 budget, laid out by the Company Management and developed for each Cash Generating Unit on the basis of the assumptions reflecting those contained in the aforementioned budget.

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

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

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

Company	**% used**
DiaSorin S.p.A.	8.61%
DiaSorin S.p.A.UK *branch*	8.61%
DiaSorin S.A. (France)	5.77%
DiaSorin Iberia S.A. (Spain)	7.75%
DiaSorin Iberia S.A. (Portugal)	7.81%
DiaSorin S.A/N.V (Belgium)	5.82%
DiaSorin S.A/N.V (Netherlands)	5.63%
DiaSorin I.N.UK Limited	6.15%
DiaSorin Diagnostics Ireland Limited	7.31%
DiaSorin Deutschland GmbH	5.39%
DiaSorin Austria GmbH	5.63%
DiaSorin Czech s.r.o.	6.25%
DiaSorin Inc. (United States)	6.67%
DiaSorin Inc. (Canada)	6.36%
DiaSorin Ltda (Brazil)	16.37%
DiaSorin Mexico S.A de C.V.	9.91%
DiaSorin Ltd (Israel)	6.97%
DiaSorin Ltd (China)	8.65%
DiaSorin Australia (Pty) Ltd	8.10%
DiaSorin South Africa (PTY) Ltd	11.67%
DiaSorin Switzerland AG	4.93%

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

Other intangibles totaled 49,247 thousand euros at December 31, 2014 (53,911 thousand euros at December 31, 2013).

The tables that follow show the changes that occurred in the original cost of goodwill and other intangibles in 2014 and 2013:

(in thousands of euros)	At December 31, 2013	Additions	Translation differences	Divestments and other changes	At December 31, 2014
Goodwill	65,503	-	2,200	-	67,703
Development costs	23,507	1,401	682	-	25,590
Concessions, licenses and trademarks	50,424	787	340	222	51,773
Industrial patents and intellectual property rights	26,597	379	28	28	27,032
Advances and other intangibles	3,677	50	8	(32)	3,703
Total intangible assets	**169,708**	**2,617**	**3,258**	**218**	**175,801**

(in thousands of euros)	At December 31, 2012	Additions	Translation differences	Divestments and other changes	At December 31, 2013
Goodwill	67,689	-	(1,916)	(270)	65,503
Development costs	21,095	2,616	(204)	-	23,507
Concessions, licenses and trademarks	50,397	933	(1,527)	621	50,424
Industrial patents and intellectual property rights	26,102	393	(229)	331	26,597
Advances and other intangibles	3,609	75	(5)	(2)	3,677
Total intangible assets	**168,892**	**4,017**	**(3,881)**	**680**	**169,708**

The following changes occurred in the corresponding accumulated amortization accounts in 2014 and 2013:

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

(in thousands of euros)	At December 31, 2012	Amortization	Translation differences	Divestments and other changes	At December 31, 2013
Development costs	7,263	1,934	(78)	-	9,119
Concessions, licenses and trademarks	19,965	2,888	(599)	-	22,254
Industrial patents and intellectual property rights	13,002	2,630	(167)	-	15,465
Advances and other intangibles	3,386	75	(5)	-	3,456
Total intangible assets	**43,616**	**7,527**	**(849)**	**-**	**50,294**

A breakdown of the net carrying value of goodwill and other intangibles at December 31, 2014 and 2013 is provided below

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

(in thousands of euros)	**At December 31, 2012**	**Additions**	**Amortization**	**Translation differences**	**Divestments and other changes**	**At December 31, 2013**
Goodwill	67,689	-	-	(1,916)	(270)	65,503
Development costs	13,832	2,616	(1,934)	(126)	-	14,388
Concessions, licenses and trademarks	30,432	933	(2,888)	(927)	620	28,170
Industrial patents and intellectual property rights	13,100	393	(2,630)	(62)	331	11,132
Advances and other intangibles	223	75	(75)	(1)	(1)	221
Total intangible assets	**125,276**	**4,017**	**(7,527)**	**(3,032)**	**680**	**119,414**

Capitalized development costs, which totaled 1,401 thousand euros at December 31, 2014 (2,616 thousand euros in 2013), mainly reflect the investments on molecular diagnostics and new specialty tests.
These costs are amortized on a straight-line basis over their useful life, which management estimates at 10 years.
A test of the recoverability of the net carrying amount of capitalized development costs was performed by determining the recoverable value of the CGU to which they were attributed and testing it for impairment. No write-downs were required as a result of this test.

12. Equity investments

Equity investments totaled 506 thousand euros at December 31, 2014 (498 thousand euros at December 31, 2013. A breakdown of equity investments is provided below:

(in thousands of euros)	**At December 31, 2013**	**Additions**	**Share of the profit/(loss) of investees accounted for using the equity method**	**Translation differences**	**At December 31, 2014**
Equity investment valued using the equity method:					
DiaSorin Trivitron Healthcare Private Limited	471	322	(365)	51	479
Equity investment valued at cost:					
DiaSorin Deutschland Unterstuetzungskasse GmbH	26	-	-	-	26
Consorzio Sobedia	1	-	-	-	1
Total equity investments	**498**	**322**	**(365)**	**51**	**506**

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

13. Deferred-tax assets and deferred-tax liabilities

Deferred-tax assets amounted to 22,194 thousand euros at December 31, 2014 (20,872 thousand euros at December 31, 2013). They relate to consolidated companies that have deferred-tax assets in excess of deferred-tax liabilities and to consolidation adjustments. Deferred-tax liabilities, which totaled 3,008 thousand euros at December 31, 2014 (3,499 thousand euros at December 31, 2013), relate to consolidated companies that have deferred-tax liabilities in excess of deferred-tax assets. They are shown on the liabilities side of the statement of financial position.
The balance reflects the net deferred-tax assets computed on the consolidation adjustments (mainly from the elimination of unrealized gains on intra-Group transactions) and on temporary differences between the asset and liabilities amounts used to prepare the consolidated financial statements and the corresponding amounts used by the consolidated companies for tax purposes.
Deferred-tax assets were recognized in the financial statements when their future use was deemed to be probable. The same approach was used to recognize the benefit provided by the use of tax loss carryforwards, most of which, under current laws, can be brought forward indefinitely.
Based on the multi-year plans prepared by the Group's management, the Group is expected to generate sufficient taxable income in future years to allow for the full recovery of the abovementioned amounts.
An analysis of deferred-tax assets, net of offsettable deferred-tax liabilities, is provided below:

(in thousands of euros)	**12/31/2014**	**12/31/2013**
Deferred-tax assets	22,194	20,872
Deferred-tax liabilities	(3,008)	(3,499)
Total net deferred-tax assets	**19,186**	**17,373**

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

(in thousands of euros)	**12/31/2014**	**12/31/2013**
Positive changes:		
Amortization/Write-down of goodwill/ intangible assets	2,688	3,719
Provisions for risks	4,069	3,735
Provision for employees benefits	4,392	2,863
Intra-Group profits and other consolidation adjustment	7,418	6,741
Other charges deductible in future years	1,938	2,198
Accumulated deficit	1,869	1,774
Total	**22,374**	**21,030**
Negative changes:		
Depreciation and amortization	(1,285)	(1,582)
DiaSorin Ireland Goodwill	(736)	(989)
Capitalization of development costs	(1,165)	(1,076)
Amortized borrowing costs	(2)	(10)
Total	**(3,188)**	**(3,657)**
Net deferred-tax assets	**19,186**	**17,373**

14. Other non-current assets

Other non-current assets amounted to 2,884 thousand euros at December 31, 2014 (1,860 thousand euros at December 31, 2013). They consist mainly of trade receivable from the Brazilian subsidiary due beyond 12 months.

Current assets

15. Inventories

A breakdown of inventories, which totaled 101,320 thousand euros, is provided below:

(in thousands of euros)	12/31/2014			12/31/2013		
	Gross amount	**Provisions**	**Net amount**	**Gross amount**	**Provisions**	**Net amount**
Raw materials and supplies	30,202	(1,804)	28,398	25,663	(2,103)	23,560
Work in progress	40,834	(2,758)	38,076	37,081	(2,296)	34,785
Finished goods	36,426	(1,580)	34,846	29,666	(1,572)	28,094
Total	**107,462**	**(6,142)**	**101,320**	**92,410**	**(5,971)**	**86,439**

The inventory increase of 14,881 thousand euros compared with December 31, 2013 reflects a procurement policy that calls for bigger inventories at the Group's production facilities in addition to the exchange rates fluctuations.
The table below shows the changes that occurred in the provisions for inventory write-downs:

(in thousands of euros)	**12/31/2014**	**12/31/2013**
Opening balance	**5,971**	**6,366**
Additions for the year	2,105	1,123
Utilizations/Reversals for the year	(2,242)	(1,252)
Translation differences and other changes	308	(266)
Ending balance	**6,142**	**5,971**

16. Trade receivables

Trade receivables which totaled 109,521 thousand euros at December 31, 2014 decreased by 7,921 thousand euros compared with December 31, 2013, following the collection of past-due positions owed by public entities (especially in Italy and Spain). Receivables from public institutions and universities amounted to 42,002 thousand euros (49,987 thousand euros at December 31, 2013).
The table below shows the changes that occurred in the allowance for doubtful accounts amounting to 8,882 thousand euros at December 31, 2014:

(in thousands of euros)	**12/31/2014**	**12/31/2013**
Opening balance	**8,100**	**8,330**
Additions for the year	1,507	904
Utilizations/Reversals for the year	(791)	(694)
Translation differences and other changes	66	(440)
Ending balance	**8,882**	**8,100**

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 2014, the Group's Parent Company receivables totaled 42,927 thousand euros (42,303 thousand euros in 2013).

17. Other current assets

Other current assets totaled 10,291 thousand euros (8,689 thousand euros at December 31, 2013). They included accrued income and prepaid expenses (1,999 thousand euros) for insurance, interest, rentals and government grants, and tax credits for foreign taxes withheld (5,415 thousand euros).

18. Cash and current financial assets

Cash and cash equivalents amounted to 144,855 thousand euros. They consist of balances in banks accounts and short-term bank deposits. At December 31, 2013 this item totaled 105,110 thousand euros. More detailed information is provided in the Statement of Cash Flows above.

Current financial assets amounted to 24,963 thousand euros at December 31, 2014 (34 thousand euros at December 31, 2013). A breakdown is as follows:

(in thousands of euros)	**12/31/2014**	**12/31/2013**
Short and long-term bank deposits	24,963	-
Forward contracts	-	34
Other current financial assets	**24,963**	**34**

This item includes short-term cash investments that do not qualify as cash equivalents, as defined in Paragraph 7 of IAS 7, because the overall term of the securities involved was longer than three months at the date of purchase. In particular, other current financial assets include a 12-month term deposit opened by the U.S. subsidiary (USD 30 million) in 2014; no penalties will be applied in case of prematurely closure and interests will not be paid.
At December 31, 2013 the fair value of the Group's Parent company' forward contracts for sales of foreign currency was positive by 34 thousand euros.

19. Shareholders' equity

Share capital

At December 31, 2014, the fully paid-in share capital consisted of 55,948,257 million common shares, par value of 1 euro each. No changes occurred compared with December 31, 2013.

Additional paid-in capital

Additional paid-in capital totaled 18,155 thousand euros at December 31, 2014 and no changes occurred compared with December 31, 2013.

Statutory reserve

This reserve amounted to 11,190 thousand euros. The appropriation of the 2013 net profit accounts for an amount equal to 9 thousand euros compared with December 31, 2013.

Other reserves and retained earnings

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

(in thousands of euros)	**12/31/2014**	**12/31/2013**	**Change**
Currency translation reserve	12,322	(6,101)	18,423
Reserve for treasury shares	44,045	44,882	(837)
Stock option reserve	4,781	4,222	559
Gains/Losses on remeasurements of defined benefit plans	(7,537)	(3,099)	(4,438)
Retained earnings	307,271	253,349	53,922
IFRS transition reserve	(2,973)	(2,973)	-
Other reserves	342	342	-
Total other reserves and retained earnings	**358,251**	**290,622**	**67,629**
of which minority interest	***204***	***99***	***105***

Currency translation reserve
The increase of 18,423 thousand euros shown in the currency translation reserve at December 31, 2014 is due to the fluctuation of the exchange rate of the US dollar vis-à-vis the Euro. It reflects the foreign exchange differences resulting from the translation at year-end exchange rates of the shareholders' equities of consolidated companies with financial statements denominated in foreign currencies, for a value equal to 18,326 thousand euros. This amount includes 2,200 thousand euros for adjustments to the goodwill allocated to CGUs that operate with currencies different from the euro.
This reserve also includes a gain of 97 thousand euros, net of tax effect (37 thousand euros), for unrealized foreign exchange differences on the indebtedness denominated in foreign currencies held by the Parent Company to hedge its equity investment in the DiaSorin Inc. subsidiary.

Reserve for treasury shares
At December 31, 2014, the reserve for treasury shares amounted to 44,045 thousand euros. This reserve was established pursuant to law (Article 2357 *ter* of the Italian Civil Code) due to purchases of treasury shares made during the year.
The change of 837 thousand euros compared with December 31, 2013 is due to the exercise of some tranche of the 2010 stock option Plan, that included a programme to buy treasury share, The program ended on February 15, 2011 with the purchase of 750,000 common shares at an average price of 33.48 euros per share. Following the exercise of stock options occurred in 2014, DiaSorin S.p.A. holds a total of 1,525,000 treasury shares, equal to 2.73% of the share capital, at December 31, 2014.

Stock option reserve
The balance in the stock option reserve, which amounted to 4,781 thousand euros, refers to the stock option plans in effect at December 31, 2014 (see Note 27). The changes in the reserve that occurred in 2014 included an increase due to the recognition of the overall cost of the stock option Plans (672 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 113 thousand euros as a result of the options exercised throughout 2014.
Gains/Losses on remeasurement of defined-benefit plans

At December 31, 2014 this item, negative by 7,537 thousand euros, includes net losses of the period related to the actuarial assessment of the Group's defined-benefit plans amounting to 4,438 thousand euros, net of tax effect (1,737 thousand euros).

Retained earnings

The increase of 53,922 thousand euros in retained earnings, compared with December 31, 2013, is mainly the net result of:

- the appropriation of the consolidated net profit earned by the Group in 2013 (83,102 thousand euros);
- the distribution of dividends to shareholders approved on April 23, 2013 from the Ordinary Shareholders' Meeting (equal to 0.55 euros per share), amounting to 29,919 thousand euros;
- the exercise of some tranches of the 2010 Stock Option Plan, which resulted both in a positive change of 739 thousand euros and in the sale of treasure shares.

IFRS transition reserve

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

Other reserves

This item includes the consolidation reserve equal to 904 thousand euros, net of the discounted repurchase price of the Chinese subsidiary's minority interest together with the put option right granted to the minority shareholder amounting to 562 thousand euros.

The table below shows a reconciliation of the net result and shareholders' equity of the Group's Parent Company to the corresponding consolidated data at December 31, 2014:

(in thousands of euros)	**Net result in 2014**	**Shareholders' equity at 12/31/14**
Amount in the financial statements of the Parent Company DiaSorin S.p.A.	**56,622**	**357,650**
Difference between the carrying amount of equity investments and the value of the underlying shareholders' equity	-	140,024
Profits/(Losses) of consolidated companies	51,506	-
Elimination of unrealized intra-Group profits, net of the applicable tax effect	(2,559)	(14,101)
Elimination of intra-Group dividends	(21,398)	-
Gain/Loss on "Net investment hedge," after tax effect	(97)	-
Amount in the consolidated financial statements	**84,074**	**483,573**

Non-current liabilities

20. Borrowings and other financial liabilities

Borrowings and other financial liabilities include a long-term portion totaling 210 thousand euros and a current portion amounting to 3,007 thousand euros.
A breakdown of long-term borrowings is as follows (in thousands of euros):

Lender	Currency	Current portion	Non-current portion	Amount due after 5 years	Total
Santander	BRL	9,000	-	-	9,000
	Amount in €	2,795	-		2,795
IMI MIUR	€	209	209	-	418
Finance leases	€	3	1	-	4
TOTAL		**3,007**	**210**	**-**	**3,217**

The table below lists the changes that occurred in the financing facilities that were outstanding at December 31, 2014 (amounts in thousands of euros):

	Balance at 12/31/2013	Repayments	Currency translation differences	Amortized cost effect	Balance at 12/31/14
GE Capital USD	3,095	(3,148)	30	23	-
GE Capital EUR	690	(690)	-	-	-
Santander	2,763	-	32	-	2,795
IMI MIUR	600	(213)	-	31	418
Finance leases	27	(21)	(2)	-	4
Total owed to financial institutions	**7,175**	**(4,072)**	**60**	**54**	**3,217**

In 2014 the Group paid off loans outstanding with GE Capital (amount in USD) and GE Capital (amount in Euro) through the repayment of the last instalment as set out in the repayment plan, for an amount of USD 4,300 thousand euros (equal to 3,148 thousand euros) and 690 thousand euros, respectively.

The IMI–Ministry of Education, University and Research loan was the subject of an agreement executed with INTESA SANPAOLO S.p.A. on July 6, 2006, pursuant to Article 1 of Law No. 346 of August 5, 1988, in connection with a research project involving the "Study of New Automated Immunochemistry Methods."
Interest on this loan is payable semi-annually at a variable rate equal to the six-month Euribor plus a fixed spread of 2%. On the same payment dates, the Company receives an interest grant equal to the reference rate used for subsidized industrial credit that was in effect when the loan agreement was signed and is equal to 5.00% per annum.
The loan has a term of 10 years, including a four-year preamortization period, with repayment in equal semiannual instalments due starting on January 1, 2011.
A portion of this loan amounting to 213 thousand euros was repaid in 2014, in accordance with the amortization plan.
If all or part of the loan is repaid ahead of schedule or if the loan agreement is cancelled pursuant to law or in accordance with the terms of the agreement, DiaSorin is required to pay to the bank a fee equal to 1.00% of any principal amount repaid ahead of schedule.
The loan agreement does not include operating or financial covenants.

In 2014, the Brazilian subsidiary extended its local currency loan to 12 months (for an amount equal to BRL 9,0 million) guaranteed by the Group's Parent Company.

In 2014, in order to mitigate the foreign exchange risk related to fluctuations of the euro/U.S. dollar exchange rate, the Group's Parent Company executed currency forward sales that do not qualify as hedges in accordance with the provisions of IAS 39. Forward contracts totaling US$13 million were outstanding at December 31, 2014, requiring the recognition of a negative fair value of 259 thousand euros.

Other sources of funds

The amount owed to leasing companies reflects obligations under finance leases, which are recognized as borrowings. The balance outstanding is owed by subsidiary in Sweden.

21. Provision for employee severance indemnities and other employee benefits

The balance in this account reflects all of the Group pension plan obligations, other post-employment benefits and benefits payable to employees when certain requirements are met. Group companies provide post-employment benefits to their employees by contributing to external funds and by funding defined-contribution and/or defined-benefit plans.
The manner in which these benefits are provided varies depending on the applicable statutory, tax-related and economic conditions in the countries where Group companies operate. As a rule, benefits are based on each employee's level of compensation and years of service.

Defined-contribution plans

Certain Group companies pay contributions to private funds or insurance companies pursuant to a statutory or contractual obligation or on a voluntary basis. With the payment of these contributions, the companies in question absolve all of their obligations. The liability for contributions payable is included under "Other current liabilities." The cost attributable to each year, which accrues based on the services provided by employees, is recognized as a labour cost of the relevant organizational unit.

In 2014, this cost amounted to 3,133 thousand euros.

Defined-benefit plans

The Group's pension plans that qualify as defined-benefit plans include the provisions for employee severance indemnities in Italy, the Alecta system in Sweden and the U-Kasse pension plan and Direct Covenant system in Germany.
The liability owed under these plans is recognized at its actuarial value using the projected unit credit method; actuarial gains and losses resulting from the determination of these liabilities are credited or charged to equity in the statement of comprehensive income in the year in which they arise.

Other employee benefits

The Group also provides its employees with additional long-term benefits, which are paid when employees reach a predetermined length of service. In these cases, the value of the liability recognized in the financial statements reflects the probability that these benefits will be paid and the length of time for which they will be paid. The liability owed under this plan is recognized at its actuarial value using the projected unit credit method. Actuarial gains and losses resulting from the determination of these items are recognized in the income statement. As a result, the amount of 102 thousand euros was recognized in the income statement in 2014 (89 thousand euros in 2013).

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

(in thousands of euros)	**12/31/2014**	**12/31/2013**	**Change**
Employee benefits			
provided in:			
- Italy	6,144	6,333	(189)
- Germany	22,471	16,959	5,512
- Sweden	3,003	2,412	591
- Other countries	488	495	(7)
Total employee benefits	**32,106**	**26,199**	**5,907**
broken down as follows:			
- Defined-benefit plans			
Provision for employee severance indemnities	*4,793*	*5,049*	*(256)*
Other defined-benefit plans	*25,474*	*19,371*	*6,103*
	30,267	24,420	5,847
- Other long-term benefits	1,839	1,779	60
Total employee benefits	**32,106**	**26,199**	**5,907**

The table below shows a breakdown of the main changes that occurred in the Group's employee benefit plans in 2014 (amounts in thousands of euros):

(in thousands of euros)	**Defined-benefit plans**	**Other benefits**	**Total employee benefits**
Balance at December 31, 2013	**24,420**	**1,779**	**26,199**
Interest expenses	744	5	749
Actuarial Losses/(Gains) recognized in income statement	-	102	102
Actuarial Losses/(Gains) arising from financial assumptions	6,175	-	6,175
Actuarial Losses/(Gains) arising from demographic changes	(22)	-	(22)
Actuarial Losses/(Gains) arising from experience adjust.	22	-	22
Current service cost	428	112	540
Benefits paid	(1,339)	(159)	(1,498)
Currency translation differences and other changes	(161)	-	(161)
Balance at December 31, 2014	**30,267**	**1,839**	**32,106**

The main changes that occurred in 2014 with regard to provision for employee benefit include actuarial losses recognized in Shareholders' equity (6,175 thousand euros) and contributions paid (1,498 thousand euros). The net amount recognized in the 2014 income statement for employee benefits was an expense of 1,391 thousand euros (1,321 thousand euros in 2013).

Actuarial losses/(gains) arising from other employee benefits and current service cost are recognized in the income statement as part of labour costs, allocated to the area to which they correspond. Interest expense is recognized in the income statement as part of Net financial income (expense) (see Note 7). Actuarial losses/(gains) on defined-benefit plans are credited or charged to equity in the statement of comprehensive income in the period in which they arise.

The table below lists the main assumptions used for actuarial computation purposes in the defined benefit plans:

	Pension plans	
	12/31/2014	**12/31/2013**
Discount rate	1.68%	3.18%
Projected wage increases	2.50%	2.83%
Inflation rate	1.75%	2.00%
Average employee turnover rate	5.69%	5.49%

A sensitivity analysis of the defined-benefit obligation to changes in main assumptions is set out below:

(in thousands of euros)		**Provision of employee severance indemnities**	**Other defined-benefit plans**
Discount rate			
	0.8% Increase	(177)	(3,773)
	0.8% Decrease	179	4,893
Projected wage increases			
	0.8% Increase	-	-
	0.8% Decrease	-	-
Inflation rate			
	0.8% Increase	115	3,220
	0.8% Decrease	(111)	(2,655)
Average employee turnover rate			
	10% Increase	(5)	-
	10% Decrease	4	-

22. Other non-current liabilities

Other non-current liabilities, which totaled 4,677 thousand euros (4,727 thousand euros at December 31, 2013) include provisions for risks and charges established in connection with pending or contingent legal disputes and for supplemental severance benefits owed to sales agents.

The table that follows shows the changes that occurred in these provisions:

(in thousands of euros	**12/31/2014**	**12/31/2013**
Opening balance	**3,858**	**3,417**
Additions for the period	876	663
Utilizations/Reversals for the period	(1,065)	(187)
Translation differences and other changes	10	(35)
Ending balance	**3,679**	**3,858**

The provision for supplemental severance benefits owed to sales agents, which amounted to 378 thousand euros at December 31, 2014, was computed in accordance with the provisions of IAS 37, according to which the amount of the provision must be an estimate of the present value of the amounts that will be paid upon termination of the agency relationship to the sales agents entitled to receive these benefits.

Additions for the year of 876 thousand euros refer for the most part to legal and tax disputes. Reversals for the year relate to disputes ended positively.

Current liabilities

23. Trade payables

Trade payables, which totaled 39,311 thousand euros at December 31, 2014 (36,601 at December 31, 2013) represent amounts owed to external suppliers for the purchase of goods and services. There are no amounts due after one year.

24. Other current liabilities

Other current liabilities of 30,573 thousand euros at December 31, 2014 (26,303 at December 31, 2013) consist mainly of amounts owed to employees for additional monthly payments to be paid (20,734 thousand euros), contributions payable to social security and health benefit institutions (2,867 thousand euros) and accruals and deferred charges (2,550 thousand euros).

25. Income taxes payable

The balance of 8,967 thousand euros at December 31, 2014 (7,977 at December 31, 2013) represents the income tax liability for the profit earned in the period (net of estimated payments made equal to 13,176 thousand euros) and amounts owed for other indirect taxes and fees. The analysis of income taxes is provided in note 8.

26. Commitment and contingent liabilities

Guarantees provided

The guarantees that the Group provided to third parties totaled 7,683 thousand euros at December 31, 2014 These guarantees were established to secure lines of credit provided to Group companies (in the amount of 5,230 thousand euros, including 1,872 thousand euros to the Indian Joint Venture) and in connection with defined-contribution pension plans of some subsidiaries (in the amount of 2,247 thousand euros).

Bank sureties provided to third parties, mainly in connection with the submission of bids in response to public calls for tenders, totaled 14,931 thousand euros at December 31, 2014.

Other significant commitments and contractual obligations

Significant contractual commitment include the agreement that DiaSorin S.p.A., the Group's Parent Company, executed with Stratec in connection with the development and production of a new chemiluminescence diagnostic system (LIAISON XL). Specifically with regard to the supply contract, DiaSorin and Stratec entered into an agreement calling for Stratec to manufacture and supply exclusively to DiaSorin the LIAISON XL analyzer. The Group has agreed to purchase a minimum number of analyzers. The projected commitment is deemed to be significantly lower than the normal level of capital investment that would be required for current or future equipment production. As a result, net invested capital is not expected to undergo significant structural changes in the future as a result of this commitment.

Contingent liabilities

The DiaSorin Group operates globally. As a result, it is exposed to the risks that arise from the complex laws and regulations that apply to its commercial and manufacturing activities. The Group believes that, overall, the amounts set aside, for pending legal disputes, in the corresponding provision for risks are adequate.

27. Stock option plans

2010 Plan

On April 27, 2010, the Ordinary Shareholders' Meeting approved the new 2010 Stock Option Plan for senior executives and key employees of DiaSorin S.p.A. and its subsidiaries. The Board of Directors approved an initial tranche of beneficiaries with a grant of 515,000 options by a resolution dated February 14, 2011, a second tranche with a grant of 40,000 options by a resolution dated August 3, 2011, a third tranche with a grant of 50,000 options by a resolution dated November 11, 2011, a fourth tranche with a grant of 70,000 options by a resolution dated December 21, 2011, a fifth tranche with a grant of 60,000 options by a resolution dated March 9, 2012, a sixth tranche with a grant of 10,000 options by a resolution dated November 7, 2012, a seventh tranche with a grant of 5,000 options by a resolution dated March 8, 2013, an eighth tranche with a grant of 5,000 options by a resolution dated May 10, 2013 and a ninth tranche with a grant of 15,000 options by a resolution dated November 8, 2013. Please note that, due some "bad leaver" events 130,000 options from the abovementioned grants were automatically cancelled and, pursuant to the Plan Regulations, became null and void for the previous beneficiaries, becoming available to the Board of Directors for future grants. These free option grants convey to the beneficiaries the right to acquire up to 750,000 common shares at the exercised price, based on a ratio of 1 share for each option granted and exercised, in accordance with the terms and conditions of the 2010 Plan.

The implementation of the program to purchase treasury shares for use in connection with the Company's new stock option plan began on January 17, 2011, in accordance with the terms and conditions authorized by the Shareholders' Meeting of April 27, 2010.
The program was completed on February 15, 2011, resulting in the purchase of 750,000 common shares. The shares were purchased at unit prices that were never lower by more than 15% or higher by more than 15% compared with the closing price of the DiaSorin common shares for the stock market trading session preceding each purchase.

As of December 31, 2014, the Board of Directors had thus granted to executives and key employees of DiaSorin S.p.A. and its subsidiaries a total of 612,165 stock options (net of options not exercised due to good leaver and bad leaver events) valid to acquire through subscription an equal number of shares with par value of 1 euro each; 25,000 stock options have been exercised between November 17 and December 31, 2014 at an average exercise price of 25.04 per share. During the abovementioned period, the average price of the DiaSorin shares was 33.07 euros.

A breakdown of the option grants is as follows:

2010 Plan	**Grant date**	**Number of options exercised**	**Year**
I Tranche	February 14, 2011	425,000	
II Tranche	August 3, 2011	40,000	
III Tranche	November 11, 2011	25,000	2014
		25,000	
IV Tranche	December 21, 2011	70,000	
V Tranche	March 9, 2012	5,050	
VI Tranche	November 7, 2012	10,000	
VIII Tranche	May 10, 2013	2,115	
IX Tranche	November 8, 2013	10,000	
Total		**612,165**	

2014 Plan

On April 23, 2014, the Ordinary Shareholders' Meeting approved the new 2014 Stock Option Plan for senior executives and key employees of DiaSorin S.p.A. and its subsidiaries pursuant to Art. 2357-*ter* of the Italian Civil Code., authorizing the Board of Directors to dispose of DiaSorin treasury shares, reserving them, in the necessary or appropriate amount and under the terms established by the Plan, to serve the Plan itself.

The Board of Directors approved an initial tranche of beneficiaries with a grant of 710,000 options by a resolution dated August 1, 2014, a second tranche with a grant of 5,000 options by a resolution dated November 14, 2014 and a third tranche with a grant of 20,000 options by a resolution dated December 18, 2014. Please note that, due some "bad leaver" events 20,000 options from the abovementioned grants were automatically cancelled and, pursuant to the Plan Regulations, became null and void for the previous beneficiaries, becoming available to the Board of Directors for future grants.

These free option grants convey to the beneficiaries the right to acquire up to 750,000 common shares at the exercised price, based on a ratio of 1 share for each option granted and exercised, in accordance with the terms and conditions of the 2014 Plan.

As of December 31, 2014, the Board of Directors had thus granted to executives and key employees of DiaSorin S.p.A. and its subsidiaries a total of 715,000 stock options (net of options not exercised due to good leaver and bad leaver events), valid to acquire through subscription an equal number of shares with par value of 1 euro each.

A breakdown of the option grants is as follows:

2014 Plan	**Grant date**	**Number of options**
I Tranche	August 1, 2014	690,000
II Tranche	November 14, 2014	5,000
III Tranche	December 18, 2014	20,000
Total		**715,000**

Valuation of stock options

The stock options granted to Directors and employees are measured at their fair value on the grant date in accordance with the method provided in IFRS 2 and the total cost of the plan thus determined is allocated over the vesting period.

The fair value computation method uses a binomial model and is based on the following assumptions:

<u>A – Exercise price</u>

The exercise price was determined in accordance with Article 6.2 of the Plan's Regulations.

<u>B – Stock price</u>

The value assigned to the underlying instrument for stock option valuation purposes is the daily closing price for DiaSorin shares on the grant date.

<u>C – Expected volatility</u>

The expected volatility of the underlying instrument measures the expected fluctuations in price/value over a given period of time. The measure of volatility used in the option pricing model used is the annualized standard deviation of the continuously compounded rates of return on an equity security over a period of time.

<u>D – Employee exit rate</u>

This rate, which reflects the probability that Directors or employees who are the recipients of stock option grants will leave the Company before the vesting date, was deemed to be 0%.

E – Risk-free interest rate

IFRS 2 requires the use of a risk-free interest rate that will be valid over the expected life of the options, with the term expected life meaning the length of time between the grant date and the expected option exercise date.

F – Dividend yield

The value of stock options is also affected by assumptions about the dividend yield, which is the annual dividend paid per share stated as a percentage of the share price.

The table below lists the input data used for stock option valuation purposes:

Tranche	Vesting period (in years)	Exercise Price	Stock Price	Per value per share	Volatility	Employee Exit Rate	Risk Free Rate	Dividend Yield	Stock price reference date	Vesting date
2010 Plan										
I Tranche	1.164383562	€ 34.28	€ 32.30	€ 1.00	30.00%	0.00%	0.4190%	1.700%	12/19/2013	2/17/2014
II Tranche	1.720547945	€ 33.49	€ 32.30	€ 1.00	30.00%	0.00%	0.6540%	1.700%	12/19/2013	9/08/2014
III Tranche	1.912328767	€ 25.04	€ 32.30	€ 1.00	30.00%	0.00%	0.6540%	1.700%	12/19/2013	11/17/2014
IV Tranche	2.065753425	€ 20.59	€ 32.30	€ 1.00	30.00%	0.00%	0.6540%	1.700%	12/19/2013	1/12/2015
V Tranche	2.528767123	€ 22.68	€ 32.30	€ 1.00	30.00%	0.00%	0.9150%	1.700%	12/19/2013	6/29/2015
VI Tranche	2.912328767	€ 27.23	€ 32.30	€ 1.00	30.00%	0.00%	0.9150%	1.700%	12/19/2013	11/16/2015
VII Tranche	3.224657534	€ 28.02	€ 32.30	€ 1.00	30.00%	0.00%	0.9150%	1.700%	12/19/2013	3/10/2016
VIII Tranche	3.490410959	€ 28.12	€ 32.30	€ 1.00	30.00%	0.00%	0.9150%	1.700%	12/19/2013	6/15/2016
IX Tranche	3.906849315	€ 33.50	€ 32.30	€ 1.00	30.00%	0.00%	1.2310%	1.700%	12/19/2013	11/14/2016
2014 Plan										
I Tranche	3.005479452	€ 30.74	€ 29.50	€ 1.00	30.00%	0.00%	0.6408%	1.700%	8/01/2014	8/02/2017
II Tranche	3.002739726	€ 29.67	€ 31.20	€ 1.00	30.00%	0.00%	0.4198%	1.700%	11/14/2014	11/14/2017
III Tranche	3.002739726	€ 32.94	€ 33.40	€ 1.00	30.00%	0.00%	0.3634%	1.700%	12/18/2014	12/18/2017

On December 19, 2013, the Board of Directors voted to extend the exercise terms of all the options that have been granted pursuant to the 2010 Plan to 365 days. All the other conditions remain unchanged. Pursuant to these changes and as required by IFRS2, the incremental fair value deriving from the change in the 2010 Plan amounted to 24 thousand euros. The incremental fair value is recognized in the income statement over the Plan's residual vesting period together with the fair value on the grant date. Based on the assumptions described above, the fair value of the 2010 Plan is equal to 3,991 thousand euros, with a vesting period that goes from February 14, 2011 to November 14, 2016. The fair value per option is as follows (amounts in euros):

2010 PLAN	Number of options on the vesting date	Fair Value per option
I Tranche	425,000	7.507304
II Tranche	40,000	6.736793
III Tranche	25,000	4.510640
IV Tranche	70,000	3.846327
V Tranche	5,050	3.779542
VI Tranche	10,000	5.244234
VIII Tranche	2,115	5.642632
IX Tranche	10,000	6.543593

Based on the assumptions described above, the fair value of the 2014 Plan is equal to 3,586 thousand euros, with a vesting period that goes from August 1, 2014 to December 18, 2017. The fair value per option is as follows (amounts in euros):

2014 PLAN	Number of options on the vesting date	Fair Value per option
I Tranche	690,000	4.972722
II Tranche	5,000	6.237949
III Tranche	20,000	6.198310

The cost attributable to 2014, which amounted to 672 thousand euros, was recognized in the income statement as part of labour costs and general and administrative expenses, with the offsetting entries posted to shareholder's equity.

The exercise of the III tranche under the 2010 Plan during 2014 caused the stock option reserve to decrease by 113 thousand euros.

28. Related-party transactions

In the normal course of business, DiaSorin S.p.A. engages on a regular basis in commercial and financial transactions with its subsidiaries, which are also Group companies. These transactions, which are executed on standard market terms, consist of the supply of goods and services, including administrative, information technology, personnel management, technical support and consulting services, which produce receivables and payables at the end of the year, and financing and cash management transactions, which produce income and expenses.

These transactions are eliminated in the consolidation process and, consequently, are not discussed in this section of the Report.

Employees are also awarded incentive payments tied to the achievement of corporate or personal targets and bonuses predicated on the achievement of a predetermined length of service, and receive additional benefits through a stock option plan. The total cost recognized in the income statement amounted to 672 thousand euros in 2014 (1,463 thousand euros in 2013).
The total cost recognized in the income statement for Directors and strategic executives amounted to 3,036 thousand euros (3,930 thousand euros in 2013).
The compensation payable to senior managers and eligible employees (key management) is consistent with standard market terms for compensation offered to employees with a similar status.

29. Significant events occurring after December 31, 2012 and business outlook

After the year-end, in accordance with the 2010 Stock Option Plan approved by the Shareholders' Meeting on April 27, 2010 n. 460,000 options have been exercised valid to purchase an equivalent number of DiaSorin S.p.A. ordinary shares.
Therefore, as of the date of the Report, ordinary shares held by the Company amounted to n. 1,065,000.

In view of the Group's operating performance after December 31, 2014 and taking into account possible evolutions of the global macroeconomic scenario and the diagnostic sector in particular, management believes that in 2015 DiaSorin will succeed in reporting:

- Revenues: growth between 4% and 5% at CER compared with 2014;

- EBITDA: growth between 4% and 5% at CER compared with 2014;

- LIAISON/LIAISON XL installed base: about 550

30. Non-recurring material extraordinary events and transactions

In 2014, non-recurring material, extraordinary events and transactions occurred.

31. Transactions resulting from atypical and/or unusual activities

Pursuant to Consob Communication No. DEM/6064296 of July 28, 2006, the Company discloses that in 2014 the Group did not execute atypical and/or unusual transactions, as defined in the abovementioned Communication, according to which atypical and/or unusual transactions are transactions that because of the significance/material amount, type of counterparties, subject of the transaction, method used to determine the transfer price and timing of occurrence (in proximity to the end of the reporting period) could give rise to doubts as to: the accuracy/completeness of financial statement disclosures, conflict of interest, safety of the corporate assets and protection of minority shareholders.

32. Translation of financial statements of foreign companies

The table below lists the main exchange rates used to translate into euros the 2014 financial statements of foreign companies:

Currency	Average exchange rate for the year		Exchange rate at December 31,	
	2014	2013	12/31/2014	12/31/2013
U.S. dollar	1.3285	1.3281	1.2141	1.3791
Brazilian real	3.1211	2.8687	3.2207	3.2576
British pound	0.8061	0.8493	0.7789	0.8337
Swedish kronor	9.0985	8.6515	9.3930	8.8591
Swiss Franc	1.2146	1.2311	1.2024	1.2276
Czech koruna	27.5359	25.9797	27.7350	27.4270
Canadian dollar	1.4661	1.3684	1.4063	1.4671
Mexican peso	17.6550	16.9641	17.8679	18.0731
Israeli shekel	4.7449	4.7948	4.7200	4.7880
Chinese yuan	8.1857	8.1646	7.5358	8.3491
Australian dollar	1.4719	1.3777	1.4829	1.5423
South African rand	14.4037	12.8330	14.0353	14.5660
Norwegian kroner	8.3544	7.8067	9.0420	8.3630

ANNEX I: LIST OF EQUITY INVESTMENTS WITH THE SUPPLEMENTAL DISCLOSURES REQUIRED BY CONSOB COMMUNICATION NO. DEM/6064293

	Head office location	Currency	Share Capital (*)	Net profit/loss for the year (*)	Shareholders' equity in latest approved financial statements (*)	Value per share or partnership interest	% interest held directly	No. Of shares or partnership interest held
Equity investments consolidated line by line								
DiaSorin S.A/N.V.	Bruxelles (Belgium)	**EUR**	1,674,000	2,848,456	4,071,537	6,696	99.99%	249
DiaSorin Ltda	San Paolo (Brazil)	**BRL**	30,380,977	(14,210,312)	13,235,431	1	99.99%	30,380,976
DiaSorin S.A.	Antony (France)	**EUR**	960,000	(639,751)	8,984,696	15.3	99.99%	62,492
DiaSorin Iberia S.A.	Madrid (Spain)	**EUR**	1,453,687	84,278	1,934,068	6.01	99.99%	241,877
DiaSorin Ltd	Oldbury (UK)	**GBP**	500	133,608	556,366	1	100.00%	500
DiaSorin Inc.	Stillwater (USA)	**USD**	1	56,133,400	166,342,900	0,01	100.00%	100
DiaSorin Canada Inc	Mississauga (Canada)	**CAD**	200,000	114,600	709,900	N/A	-	100 Class A common shares
DiaSorin Mexico S.A de C.V.	Mexico City (Mexico)	**MXP**	63,768,473	5,217,408	35,732,141	1	99.99%	49,999
DiaSorin Deutschland GmbH	Dietzenbach (Germany)	**EUR**	275,000	3,761,732	8,706,245	275,000	100.00%	1
DiaSorin AB	Solna (Sweden)	**SEK**	5,000,000	1,464,536	14,295,368	100	100.00%	50,000
DiaSorin Ltd	Rosh Haayin (Israel)	**ILS**	100	3,841,000	27,136,000	1	100.00%	100
DiaSorin Austria GmbH	Wien (Austria)	**EUR**	35,000	182,354	1,555,940	35,000	100.00%	1
DiaSorin Czech s.r.o.	Prague (Czech Republic)	**CZK**	200,000	(5,966,000)	39,687,000	200,000	100.00%	1
DiaSorin Diagnostics Ireland Limited	Dublin (Ireland)	**EUR**	3,923	248,963	4,515,607	0,01	100.00%	392,282
DiaSorin Ireland Limited	Dublin (Ireland)	**EUR**	163,202	467,850	31,317,809	1,20	-	136,002
DiaSorin I.N.UK Limited	Dublin (Ireland)	**EUR**	7,826,072	599,236	12,299,332	0,01	-	782,607,110
DiaSorin South Africa (PTY) Ltd	Johannesburg (South Africa)	**ZAR**	101	37,691,054	108,867,067	1	100.00%	101
DiaSorin Australia (Pty) Ltd	Sydney (Australia)	**AUD**	3,300,000	(287,992)	2,470,520	33,000	100.00%	100
DiaSorin Ltd	Shanghai (China)	**RMB**	1,211,417	16,895,632	24,635,870	1	80.00%	96,000
DiaSorin Switzerland AG	Risch (Switzerland)	**CHF**	100,000	4,233	184,639	100	100.00%	1,000

Company	Head office location	Cur-rency	Share capital (*)	Net profit/ (loss) for the year(*)	Shareholder's equity in latest approved financial statements (*)	Par value per share or partner-ship interest	% interest held directly	No. Of shares or partnership interests held
Equity investment valued using the equity method								
DiaSorin Trivitron Healthcare Private Limited	Chennai (India)	**INR**	196,989,500	(68,156,680)	87,235,396	10	-	10,046,464
Equity investment valued at cost								
DiaSorin Deutschland Unterstuetzungskasse GmbH	Dietzenbach (Germany)	**EUR**	25,565	1,095,616	3,396,855	1	-	1
Consorzio Sobedia	Saluggia (Italy)	**EUR**	5,000	(1,292)	3,709	N/A	20.00%	1

(*)Amounts stated in the local currency

ANNEX II: DISCLOSURE REQUIRED PURSUANT TO ARTICLE 149-DUODECIES OF THE CONSOB ISSUERS' REGULATIONS

(in thousands of euros)	**Party providing the service**	**Client**	**Fee attributable to 2014**
Independent Auditing	Deloitte & Touche S.p.A.	DiaSorin S.p.A. – Group's Parent Company	120
	Deloitte network	DiaSorin S.p.A. – Group's Parent Company	26
	Deloitte network	Subsidiaries	502
Certification services	Deloitte & Touche S.p.A.	DiaSorin S.p.A. – Group's Parent Company	4
Other services	Deloitte network	Subsidiaries	20
Total			**672**

CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS
Pursuant to Article 81-ter of Consob Regulation no. 11971 of May 14, 1999, as amended

1. We, the undersigned, Carlo Rosa, in my capacity as Chief Executive Officer, and Luigi De Angelis, in my capacity as Corporate Accounting Documents Officer, of the issuer DiaSorin S.p.A.,

attest that,

insofar as the provisions of Article 154-*bis,* Sections 3 and 4, of Legislative Decree No. 58 of February 24, 1998 are concerned, the administrative and accounting procedures applied to prepare the 2014 consolidated financial statements are:

a) adequate in light of the Company's characteristics; and

b) were applied effectively.

2. Moreover, we attest that:

2.1 the consolidated financial statements at December 31, 2014:

a) were prepared in accordance with the applicable international accounting principles recognized by the European Union, pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and Council dated July 19, 2002;

b) are consistent with the data in the supporting documents and accounting records;

c) are suitable for the purpose of providing a truthful and fair representation of the balance sheet, operating performance and financial position of the issuer and of all of the companies included in the scope of consolidation;

2.2 the Report on Operations provides a reliable analysis of the Group's performance and result from operations and of the status of the issuer and of all of the companies included in the scope of consolidation, together with a description of the main risks and uncertainties to which they are exposed.

Saluggia, March 3, 2015

Signed:

Carlo Rosa	Luigi De Angelis
Chief Executive Officer	Corporate Accounting Documents Officer

STATUTORY FINANCIAL STATEMENTS OF DIASORIN S.P.A. AT DECEMBER 31, 2014 AND AT DECEMBER 31, 2013

INCOME STATEMENT

(in euros)	**2014**	**2013**
Net revenues	253,006,627	229,776,391
Cost of sales	(137,272,780)	(120,975,350)
Gross Profit	**115,733,847**	**108,801,041**
Sales and marketing expenses	(26,842,521)	(26,913,088)
Research and development costs	(12,854,575)	(11,196,122)
General and administrative expenses	(24,722,515)	(24,348,887)
Other operating income /(expenses)	1,480,383	177,596
Non-recurring amount	*(1,129,984)*	-
Operating result (EBIT)	**52,794,619**	**46,520,540**
Net financial income /(expense)	21,485,895	52,429,996
Result before taxes	**74,280,514**	**98,950,536**
Income taxes	(17,658,061)	(17,114,535)
Net Result	**56,622,453**	**81,836,001**

Pursuant to Consob Resolution No. 15519 of July 27, 2006, the impact of related-party transactions on the income statement of DiaSorin S.p.A. is shown in a separate income statement schedule provided later in this Report

COMPREHENSIVE INCOME STATEMENT

(in thousands of euros)	**2014**	**2013**
Net profit for the year (A)	**56,622**	**81,836**
Other comprehensive gains/(losses) that will not be reclassified in gain/loss of the period:		
Gains/(losses) on remeasurement of defined-benefit plans	(313)	(117)
Total comprehensive gains/losses that will not be reclassified in gain/loss of the period (B1)	**(313)**	**(117)**
Other comprehensive gains/(losses) that will be reclassified in gain/loss of the period:		
Gains/(losses) from translation of financial statements of foreign branches	412	(48)
Total comprehensive gains/(losses) that will be reclassified in gain/loss of the period (B2)	**412**	**(48)**
TOTAL COMPREHENSIVE GAINS/(LOSSES), NET OF TAX EFFECT (B1)+(B2)=(B)	**99**	**(165)**
TOTAL COMPREHENSIVE GAINS/(LOSSES) (A)+(B)	**56,721**	**81,671**

STATEMENT OF FINANCIAL POSITION

(in euros)	**12/31/2014**	**12/31/2013**
ASSETS		
Non-current assets		
Property, plant and equipment	30,026,669	27,100,025
Goodwill	31,851,695	31,851,695
Other intangibles	28,450,602	30,844,348
Equity investments	94,231,548	93,993,823
Deferred-tax assets	6,199,196	7,527,523
Other non-current assets	14,362,057	16,525,773
Total non-current assets	**205,121,767**	**207,843,187**
Current assets		
Inventories	69,720,464	55,989,504
Trade receivables	46,611,864	52,477,686
Trade receivables from Group companies	37,759,482	31,274,120
Financial receivables from Group companies	12,075,801	23,618,645
Other current assets	4,086,213	3,891,055
Other current financial assets	-	33,984
Cash and cash equivalents	68,032,665	33,663,254
Total current assets	**238,286,489**	**200,948,248**
TOTAL ASSETS	**443,408,256**	**408,791,435**

Pursuant to Consob Resolution No. 15519 of July 27, 2006, the impact of related-party transactions on the statement of financial position of DiaSorin S.p.A. is shown in a separate statement of financial position schedule provided later in this Report.

STATEMENT OF FINANCIAL POSITION *(continued)*

(in euros)	**12/31/2014**	**12/31/2013**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Shareholders' equity		
Share capital	55,948,257	55,948,257
Additional paid-in capital	18,155,103	18,155,103
Statutory reserve	11,189,651	11,180,651
Other reserves and retained earnings	259,780,193	207,311,752
Treasury shares	(44,044,853)	(44,881,979)
Net profit for the year	56,622,453	81,836,001
Total shareholders' equity	**357,650,804**	**329,549,785**
Non-current liabilities		
Long-term borrowings	209,339	409,905
Provisions for employee severance indemnities and other employee benefits	6,144,082	6,333,445
Other non-current liabilities	2,017,869	2,339,780
Total non-current liabilities	**8,371,290**	**9,083,130**
Current liabilities		
Trade payables	29,754,881	27,499,047
Trade payables due to Group companies	10,024,570	6,876,213
Current portion of medium/long term payables	209,339	3,975,123
Payables due to Group companies	17,797,918	12,903,615
Other current liabilities	13,881,860	12,427,411
Other financial liabilities	258,996	-
Income taxes payable	5,458,598	6,477,111
Total current liabilities	**77,386,162**	**70,158,520**
TOTAL LIABILITIES	**85,757,452**	**79,241,650**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**443,408,256**	**408,791,435**

Pursuant to Consob Resolution No, 15519 of July 27, 2006, the impact of related-party transactions on the statement of financial position of DiaSorin S.p.A. is shown in a separate statement of financial position schedule provided later in this Report.

STATEMENT OF CASH FLOWS

(in thousands of euros)	**2014**	**2013**
Cash flow from operating activities		
Net profit for the year	56,622	81,836
Adjustments for:		
- Income taxes	17,658	17,115
- Depreciation and amortization	11,598	10,992
- Financial expense (income)	(21,486)	(52,430)
- Additions to/Utilizations of provisions for risks	244	(87)
- (Gains)/Losses on sales of non-current assets	(70)	(12)
- Additions to/(Reversals of) provisions for employee severance indemnities and other employee benefits	186	157
- Changes in shareholders' equity reserves:		
- Stock options reserve	672	1,115
- Cumulative translation adjustment from operating activities	23	293
- Change in other non-current assets/liabilities	(635)	(332)
Cash flow from operating activities before changes in working capital	**64,812**	**58,647**
(Increase)/Decrease in current receivables	(823)	(2,960)
(Increase)/Decrease in inventories	(13,699)	(4.262)
Increase/(Decrease) in trade payables	5,354	(1,054)
(Increase)/Decrease in other current items	663	578
Cash from operating activities	**56,307**	**50,949**
Income taxes paid	(16,730)	(16,053)
Paid/ collected interests	(26)	(1,697)
Net cash from operating activities	**39,551**	**33,199**
Investments in intangibles	(1,161)	(1,566)
Investments in property, plant and equipment	(11,176)	(10,679)
Equity investments	-	(243)
Proceeds from divestments of non-current assets	526	758
Cash used in ordinary investing activities	**(11,811)**	**(11,730)**
(Repayment of)/Proceeds from loans and other financial liabilities	(4,051)	(7,997)
Increase/(Decrease) of financial positions with Group companies	10,305	1,316
Increase in share capital/additional paid-in capital	-	2,273
(Purchase)/Sale of treasury shares	626	-
Dividends paid	(29,919)	(72,257)
Dividends received from Group companies	29,718	45,133
Foreign exchange translation differences	(49)	847
Cash from financing activities	**6,630**	**(30,685)**
Change in net cash and cash equivalents	**34,370**	**(9,216)**
CASH AND CASH EQUIVALENTS OPENING BALANCE	**33,663**	**42,879**
CASH AND CASH EQUIVALENTS CLOSING BALANCE	**68,033**	**33,663**

(*)Pursuant to Consob Resolution No, 15519 of July 27, 2006, the impact of related-party transactions on the statement of cash flows of DiaSorin S.p.A. is shown in a separate statement of statement of cash flows schedule provided later in this Report.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(in thousands of euros)	**Share capital**	**Additional paid-in capital**	**Statutory reserve**	**Stock option reserve**	**Reserve for treasury shares**	**Currency translation reserve**	**Other reserves and retained earnings**	**Treasury shares**	**Net profit (loss) of the period**	**Total shareholders' equity**
Shareholders' equity at 12/31/2012	**55,863**	**15,967**	**11,168**	**2,211**	**44,882**	**(19)**	**92,623**	**(44,882)**	**92,382**	**270,195**
Appropriation of previous year's profit	-	-	13	-	-	-	92,369	-	(92,382)	-
Dividend distribution	-	-	-	-	-	-	(27,177)	-	-	**(27,177)**
Share capital increase	85	2,188	-	-	-	-	-	-	-	**2,273**
Stock options and other changes	-	-	-	2,011	-	-	577	-	-	**2,588**
Translation adjustment financial statements foreign branch	-	-	-	-	-	(48)	-	-	-	**(48)**
Gains/Losses on remeasurement of defined benefit plans, net of tax	-	-	-	-	-	-	(117)	-	-	**(117)**
Net profit of the period	-	-	-	-	-	-	-	-	**81,836**	**81,836**
Shareholders' equity at 12/31/2013	**55,948**	**18,155**	**11,181**	**4,222**	**44,882**	**(67)**	**158,275**	**(44,882)**	**81,836**	**329,550**
Appropriation of previous year's profit	-	-	9	-	-	-	81,827	-	(81,836)	-
Dividend distribution	-	-	-	-	-	-	(29,919)	-	-	**(29,919)**
Stock options and other changes	-	-	-	559	-	-	113	-	-	**672**
Translation adjustment financial statements foreign branch	-	-	-	-	-	412	-	-	-	**412**
Gains/Losses on remeasurement of defined benefit plans, net of tax	-	-	-	-	-	-	(313)	-	-	**(313)**
Sale of treasury shares					(837)		626	837		**626**
Net profit of the period	-	-	-	-	-	-	-	-	**56,622**	**56,622**
Shareholders' equity at 12/31/2014	**55,948**	**18,155**	**11,190**	**4,781**	**44,045**	**345**	**210,609**	**(44,045)**	**56,622**	**357,650**

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

(in thousands of euros)	**Note**	**2014**	***amount with related parties***	**2013**	***amount with related parties***
Net Revenues	(1)	253,007	132,413	229,776	113,826
Cost of sales	(2)	(137,273)	(34,747)	(120,975)	(29,254)
Gross profit		**115,734**		**108,801**	
Sales and marketing expenses	(3)	(26,842)	(2,057)	(26,913)	(2,080)
Research and development costs	(4)	(12,855)	49	(11,196)	1,073
General and administrative expenses	(5)	(24,723)	(3,471)	(24,349)	(4,250)
Other operating income (expense)	(6)	1,480	1,970	178	1,462
Non-recurring amount		(1,130)		-	
Operating result (EBIT)		**52,794**		**46,521**	
Net financial income (expense)	(7)	21,486	22,033	52,430	55,778
Result before taxes		**74,280**		**98,951**	
Income taxes	(8)	(17,658)		(17,115)	
Net Result		**56,622**		**81,836**	
Basic earnings per share	(9)	**1.04**		**1.51**	
Diluted earnings per share	(9)	**1.04**		**1.50**	

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

(in thousands of euros)	**Note**	**12/31/2014**	***amount with related parties***	**12/31/2013**	***amount with related parties***
ASSETS					
Non-current assets					
Property, plant and equipment	(10)	30,027		27,100	
Goodwill	(11)	31,851		31,851	
Other intangibles	(11)	28,452		30,845	
Equity investments	(12)	94,232		93,994	
Deferred-tax assets	(13)	6,199		7,528	
Other non-current assets	(16)	14,362	14,315	16,526	16,526
Total non-current assets		*205,123*		*207,844*	
Current assets					
Inventories	(14)	69,720		55,990	
Trade receivables	(15)	84,371	37,759	83,752	31,274
Financial receivables	(16)	12,076	12,076	23,619	23,619
Other current assets	(17)	4,085		3,890	
Other current financial assets	(20)	-		34	
Cash and cash equivalents	(18)	68,033		33,663	
Total current assets		*238,285*		*200,948*	
TOTAL ASSETS		**443,408**		**408,792**	

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

(in thousands of euros)	Note	12/31/2014	*amount with related parties*	12/31/2013	*amount with related parties*
LIABILITIES AND SHAREHOLDERS' EQUITY					
Shareholders' equity					
Share capital	(19)	55,948		55,948	
Additional paid-in capital	(19)	18,155		18,155	
Statutory reserve	(19)	11,190		11,181	
Other reserves and retained earnings	(19)	259,780		207,312	
Treasury shares	(19)	(44,045)		(44,882)	
Net profit for the year		56,622		81,836	
Total shareholders' equity		**357,650**		**329,550**	
Non-current liabilities					
Long-term borrowings	(20)	209		410	
Provisions for employee severance indemnities and other employee benefits	(21)	6,144		6,333	
Other non-current liabilities	(22)	2,018		2,340	
Total non-current liabilities		*8,371*		*9,083*	
Current liabilities					
Trade payables	(23)	39,780	10,025	34,375	6,876
Current financial liabilities	(20)	18,007	17,798	16,879	12,904
Other current liabilities	(24)	13,882	124	12,428	-
Other financial liabilities	(20)	259		-	
Income taxes payable	(25)	5,459		6,477	
Total current liabilities		*77,387*		*70,159*	
TOTAL LIABILITIES		**85,758**		**79,242**	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**443,408**		**408,792**	

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

(in thousands of euros)	**12/31/2014**	*amount with related parties*	**12/31/2013**	*amount with related parties*
Cash flow from operating activities				
Net profit for the year	56,622		81,836	
Adjustments for:				
- Income taxes	17,658		17,115	
- Depreciation and amortization	11,598		10,992	
- Financial expense (income)	(21,486)		(52,430)	
- Additions to/Utilizations of provisions for risks	244		(87)	
- (Gains)/Losses on sales of non-current assets	(70)		(12)	
- Additions to/(Reversals of) provisions for employee severance indemnities and other employee benefits	186		157	
- Changes in shareholders' equity reserves:				
- Stock options reserve	672		1,115	
- Cumulative translation adjustment from operating activities	23		293	
- Change in other non-current assets/liabilities	(635)		(332)	
Cash flow from operating activities before changes in working capital	**64,812**		**58,647**	
(Increase)/Decrease in current receivables	(823)	(6,485)	(2,960)	1,924
(Increase)/Decrease in inventories	(13,699)		(4,262)	
Increase/(Decrease) in trade payables	5,354	3,149	(1,054)	(140)
(Increase)/Decrease in other current items	663	124	578	(302)
Cash from operating activities	**56,307**		**50,949**	
Income taxes paid	(16,730)		(16,053)	
Paid/ collected interests	(26)	1,970	(1,697)	1,462
Net cash from operating activities	**39,551**		**33,199**	
Investments in intangibles	(1,161)		(1,566)	
Investments in property, plant and equipment	(11,176)		(10,679)	
Equity investments	-		(243)	
Proceeds from divestments of non-current assets	526		758	
Cash used in ordinary investing activities	**(11,811)**		**(11,730)**	
(Repayment of)/Proceeds from loans and other financial liabilities	(4,051)		(7,997)	
Increase/(Decrease) of financial positions with Group companies	10,305	10,305	1,316	1,316
Increase in share capital/additional paid-in capital	-		2,273	
(Purchase)/Sale of treasury shares	626			
Dividends paid	(29,919)		(72,257)	
Dividends received from Group companies	29,718	29,718	45,133	45,133
Foreign exchange translation differences	(49)		847	
Cash from financing activities	**6,630**		**(30,685)**	
Change in net cash and cash equivalents	**34,370**		**(9,216)**	
CASH AND CASH EQUIVALENTS OPENING BALANCE	**33,663**		**42,879**	
CASH AND CASH EQUIVALENTS CLOSING BALANCE	**68,033**		**33,663**	

NOTES TO THE FINANCIAL STATEMENTS OF DIASORIN S.P.A. AT DECEMBER 31, 2014 AND DECEMBER 31, 2013

GENERAL INFORMATION

Background information

The DiaSorin Group is specialized in the development, manufacture and distribution of products in the immunodiagnostics and molecular diagnostics. DiaSorin S.p.A., the Group's Parent Company, has its headquarters in Via Crescentino (no building No.), Saluggia (VC) 13040.

The Company owns controlling interests in other companies, which it carried at cost in its financial statements and, consequently, also prepared consolidated financial statements, which provide exhaustive additional information about the balance sheet, financial position and income statement of the Company and the Group.

The income statement and the statement of financial position are presented in euros, while the statement of cash flows, the statements of changes in shareholders' equity and the breakdown of total profit (loss) are presented in thousands of euros. The amounts that appear in the notes to the financial statements are also in thousands of euros.

Principles for the preparation of the statutory financial statements

The 2014 statutory financial statements were prepared in accordance with the International Financial Reporting Standards ("IFRSs"), as issued by the International Accounting Standards Board ("IASB") and adopted by the European Union, and are consistent with the regulations enacted to implement Article 9 of Legislative Decree No. 38/2005.

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

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

The financial statements were prepared in accordance with the historical cost and going concern principles.

The preparation of financial statements in accordance with the IFRSs requires the use of estimates for some material amounts. In addition, the Company's management is required to make judgments and assumptions as to how the Company's accounting policies should be applied in certain areas. The areas of the financial statements that require the greatest attention or are especially complex and, consequently, involve the most significant estimated amounts are discussed in a separate Note later in this Report.

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

Financial statement presentation format

The financial statements are presented in accordance with the following formats:

- In the income statement, costs are broken down by function. This income statement format, also known as a "cost of sales" income statement, is more representative of the Group's business than a presentation with expenses broken down by nature because it is consistent with internal reporting and business management methods and is consistent with international practice in the diagnostic sector;
- In the statement of financial position, current and non-current assets and current and non-current liabilities are shown separately;
- The cash flow statement is presented in accordance with the indirect method.

In the income statement, expense and income amounts generated by extraordinary transactions that are not part of standard operations are shown separately in order to permit a better assessment of the Company's operating performance.

VALUATION CRITERIA AND ACCOUNTING PRINCIPLES

Property, plant and equipment

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

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

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

The depreciation rates used are as follows:

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

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

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

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

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

Intangible assets

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

Intangible assets with an indefinite useful life

Goodwill

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

For impairment test purposes, goodwill is allocated to the cash generating units (CGUs) or groups of CGUs that are expected to benefit from the synergies resulting from such aggregation.

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

Intangible assets with a finite life

Development costs

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

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

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

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

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

Other intangibles

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

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

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

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

Impairment of assets

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

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

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

When the recoverable amount of an individual asset cannot be estimated, the Company estimates the recoverable amount of the CGU to which the asset belongs.

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

Equity investments in subsidiaries

As required by IFRS 5, equity investments in subsidiaries, joint ventures and affiliated companies that are not classified as held-for-sale assets (or included in discontinuing operations classified as held-for-sale assets) are recognized in accordance with the historical cost method. Specifically, the Company recognizes income on equity investments only if it receives from the investee company dividends generated subsequent to acquisition and only for the amount of the dividends. Dividends received in excess of the earnings generated subsequent to acquisition are treated as proceeds from the sale of equity investments and are deducted from the cost of the equity investment.

Whenever financial statements are prepared, the Company determines whether there are indications that the value of these investments may have been impaired. If such indications exist, an impairment test is carried out to determine if the carrying amount of the investments corresponds to their fair value. Any impairment loss is recognized only to the extent that the recoverable value is lower than the carrying amount of the asset. If, subsequent to the recognition of the impairment loss, there are indications that the loss no longer exists or has decreased, the value of the investment is reinstated to reflect the loss reduction.
Once the carrying amount of an equity investment has been written off, any additional losses suffered by the investee company are recognized as a liability if the Parent Company has a legal or implied obligation to cover such additional losses of the investee company.

The book value of equity investments is increased to take into account stock options awarded to subsidiaries employees and, in accordance with IFRS 2, it is treated as a capital contribution to the subsidiaries in question.

Inventories

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

Receivables and payables

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

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

Cash and cash equivalents

They consist of cash and cash equivalents, short-term bank deposits, shares in liquidity funds and other money market securities readily converted into cash and subject to an insignificant risk of changes in value.

Factoring of receivables

The Company engages in the factoring of its receivables. The receivables assigned through such transactions are removed from the statement of financial position if all of the risks and benefits inherent in the ownership of the receivables are transferred to the factor.

Shareholders' equity

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

Treasury shares
When the Company and its subsidiaries purchase Company shares, the consideration paid is deducted from the shareholders' equity attributable to the Company's shareholders, until the shares are retired or sold. No gain or loss is recognized in the income statement when treasury shares are bought, sold, issued or retired. When these shares are subsequently reissued, the consideration received, net of taxes, is added to the shareholders' equity attributable to the Company's shareholders.

Employee benefits

Pension plans
Defined-benefit pension plans, which include the severance benefits payable to employees pursuant to Article 2120 of the Italian Civil Code, are based on the length of the working lives of employees and the wages earned by employees over a predetermined period of service. The liability that represents the benefits owed to employees under defined-benefit plans is recognized at its actuarial value.
The recognition of defined-benefit plans requires the use of actuarial techniques to estimate the amount of the benefits accrued by employees in exchange for the work performed during the current year and in previous years. The resulting benefit must then be discounted to determine the present value of the Company's obligation. The determination of the present value of the Company's obligation is made by an independent actuary, using the projected unit credit method. This method treats each period of service provided by an employee to a company as an individual accrual unit. The actuarial liability must be quantified exclusively on the basis of the seniority achieved as of the date of valuation. Consequently, the total liability is prorated based on a ratio between the years of service accrued as of the valuation reference date and the total seniority that an employee is expected to have achieved when the benefit is paid. Moreover, this method requires taking into account future wage increases due for any reason (inflation, career moves, labour contract renewals, etc.) until the end of the employment relationship.
The cost of defined-benefit plans accrued during the year, which is reflected in the income statement as part of labour costs, is equal to the sum of the average present value of the accrued benefits of current employees for service provided during the year and their annual vested interest in the present value of the Company's obligations at the beginning of the year, computed by discounting future outlays by the same rate as that used to estimate the Company's liability at the end of the previous year. The annual discount rate used for these computations was the same as the year-end market rate for zero-coupon bonds with a maturity equal to the average residual duration of the liability. Actuarial gains and losses

reflecting changes in the actuarial assumptions or experience adjustments are credited or charged to equity in the statement of comprehensive income for the period in which they arise. If the amount is recorded on the balance sheet as an asset, it is limited to the present value of economic benefits available in the form of refunds or reductions in future contributions to the plan.
Starting on January 1, 2007, the Italian Budget Law and the related implementation decrees introduced significant changes to the rules that govern the Provision for employee severance indemnities ("PESI"), which include the right of employees to decide the destination of future accrued PESI amounts. Specifically, new PESI flows may be directed to selected pension investments or retained at the employer company, which will then deposit its PESI contribution in a treasury account at the Italian social security administration (abbreviated as INPS in Italian).
In light of these changes, the PESI should now be viewed as a defined-benefit plan only insofar as the amounts vested before January 1, 2007 are concerned and as a defined-contribution plan after January 1, 2007. The accounting impact of implementing the new rules is described in Note 21.

Equity-based compensation plans

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

Provisions for risks and charges

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

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

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

Income taxes

Income taxes include both current and deferred taxes.

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

Taxable income is different from reported income because it does not include positive and negative components that will be taxable or deductible in subsequent years and those items that will never be taxable or deductible. The liability for current taxes is computed using the tax rates in force on the date of the financial statements or the tax rate that will be in force when the asset is realized or the liability settled, if they are known.

Deferred-tax assets and liabilities are the taxes that the Company expects to pay or recover on temporary differences between the values attributed to assets and liabilities for reporting purposes and the corresponding tax-related values used to compute taxable income, computed in accordance with the balance sheet liability method. As a rule, deferred-tax liabilities are recognized for all taxable temporary differences, while deferred-tax assets are recognized only insofar as the Company deems it probable that, in the future, it will generate sufficient taxable income to use the deductible temporary differences. The tax benefit produced by carrying forward tax losses is recognized if and to the extent that it is probable that, in the future, the Company will have sufficient taxable income to offset these losses.

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

Deferred taxes are computed at the tax rate in force on the closing date of the financial statements or at the tax rate that will be in force when the asset is realized or the liability settled. Deferred taxes are charged directly to income, except for those attributable to items recognized directly in equity, in which case the corresponding deferred taxes are also recognized in equity.

Financial liabilities

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

Financial Derivatives

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

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

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

Revenue recognition

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

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

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

Interest income

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

Dividends

Dividends received from investee companies are recognized in the income statement when the right to receive payment is established and only if they are derived from the distribution of earnings generated subsequent to the acquisition of the investee company.

Dividend distributions are recognized when the right of the Company's shareholders to receive payment is established, which generally occurs when the Shareholders' Meeting approves the dividend distribution resolution. The dividend distribution is recognized as a liability in the financial statements for the period during which the dividend distribution is approved by the Shareholders' Meeting.

Government grants

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

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

Cost of sales

Cost of sales represents the cost incurred to produce or purchase the goods and merchandise sold by the Company. It includes all of the costs incurred to purchase and process materials and the overhead directly attributable to production.
Overhead includes depreciation of the property, plant and equipment and the amortization of the intangible assets used for production purposes, as well as inventory write-downs. Cost of sales also includes freight paid to deliver products to customers.

Research and development costs

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

Interest expense

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

Earnings per share

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

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

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

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

Related parties

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

New accounting principles

On December 16, 2011, the IASB issued some amendments to IAS 32 – *Financial Instruments: Presentation,* clarifying how certain criteria for offsetting financial assets and liabilities provided in IAS 32 should be applied. These amendments are applicable retrospectively as of the reporting period beginning on or after January 1, 2014. The Group applied the accounting principle as of January 1, 2014 and its adoption had no impact on the financial statement items included in this Report.

On 29 May 2013, the IASB issued an amendment to IAS 36 - *Recoverable Amount Disclosures for Non-Financial Assets* addressing the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less cost of disposal. The amendments are effective retrospectively for annual periods as of 1 January 2014. The Group applied the accounting principle as of January 1, 2014 and its adoption had no impact on the financial statement items included in this Report.

On 27 June 2013, the IASB issued narrow scope amendments to IAS 39 - *Financial Instruments: Recognition and Measurement* entitled *"Novation of Derivatives and Continuation of Hedge Accounting"*. The amendments will allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met. Similar relief will be included in IFRS 9 - *Financial Instruments*. The amendments are effective retrospectively for annual periods beginning on or after 1 January 2014. The Group applied the accounting principle as of January 1, 2014 and its adoption had no impact on the financial statement items included in this Report.

Accounting principles and amendments not yet applicable and not early adopted by the Group's Parent Company

On 20 May 2013, the IASB issued the IFRIC Interpretation 21 - *Levies,* an interpretation of IAS 37 - *Provisions, Contingent Liabilities and Contingent Assets*. IFRIC 21 addresses when an entity should recognize a liability to pay levies imposed by government, other than taxes that are within the scope of other standards (i.e. IAS 12 – *Income Taxes*). IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. The principle shall be applied retrospectively for the financial years starting at the latest from 17 June 2014 or later.

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

On December 12, 2013 the IASB issued the Annual Improvements to IFRSs 2010–2012 Cycle and Annual Improvements to IFRSs 2011–2013 Cycle. The most important topics addressed in these amendments are, among others, the definition of vesting conditions in IFRS 2 – Share based payment, the identification and disclosure of a related party transaction that arises when a management entity provides key management personnel service to a reporting entity in IAS 24 – Related Party disclosures, the extension of the exclusion from the scope of IFRS 3 – Business Combinations to all types of joint arrangements (as required by IFRS 11- Joint arrangements) and to clarify the application of certain exceptions in IFRS 13 – Fair value Measurement. Amendments shall be applied at the latest from 1 February 2015 or later.

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

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

- On May 28, 2014, the IASB issued IFRS 15 – *Revenue from contracts with customers* - that will supersede IAS 18 *Revenue* and IAS 11 *Construction Contracts*, as well as the interpretations of IFRIC 13 *Customer Loyalty Programs*, IFRIC 15 *Agreements for the Construction of Real Estate*, IFRIC 18 *Transfers of Assets from Customers* and SIC 31 *Revenues-Barter Transactions Involving Advertising Services*. The new revenue model will apply to all contracts with customers except for those within the scope of IAS/IFRS concerning leases, insurance contracts and financial instruments. The core principle of the revenue recognition standard is delivered as follows:

    - identify the contract with the customer;
    - identify the performance obligations in the contract;
    - determine the transaction price;
    - allocate the transaction price to the performance obligations in the contracts;
    - recognize revenue when (or as) the entity satisfies a performance obligation.

These amendments are effective for annual periods beginning from January 1, 2017, with early application permitted.

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

- On August 12, 2014, the IASB issued amendments to IAS 27 - *Equity Method in Separate Financial Statements*. The amendments reinstate the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements. The amendments are effective for annual periods beginning on or after 1 January 2016, with earlier application being permitted.

- On September 11, 2014, the IASB issued amendments to IFRS 10 and IAS 28 *Sales or Contribution of Assets between an Investor and its Associate or Joint Venture*. The amendments set out that on a sale/ contribution of assets or subsidiary to a joint venture or associate the extent of any gain or loss recognized in the transferor/transferring company depends on whether the transferred/conferred assets or subsidiary constitute a business. The amendments are effective for annual periods beginning on or after 1 January 2016, with earlier application being permitted.

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

- 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 the amendments concern how line items can be aggregated or disaggregated in the statement of financial position and in the notes on the basis of their materiality. Lastly, the amendments give guidance on use of subtotals in the financial statements tables. The amendments are effective for annual periods beginning on or after 1 January 2016.

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

ANALYSIS OF FINANCIAL RISKS

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

		12/31/2014			12/31/2013		
(in thousands of euros)	Note	**Carrying value**	**Receivables**	**Held for trading**	**Carrying value**	**Receivables**	**Held for trading**
Other non-current financial assets	(16)	14,362	14,362	-	16,526	16,526	-
Total non-current financial assets		***14,362***	***14,362***	***-***	***16,526***	***16,526***	***-***
Trade receivables	(15)	46,612	46,612	-	52,478	52,478	-
Intercompany trade receivables	(15)	37,759	37,759	-	31,274	31,274	-
Other current assets	(17)	4,085	4,085	-	3,890	3,890	-
Other current financial assets	(20)	-	-	-	34	-	34
Intercompany financial receivables	(16)	12,076	12,076	-	23,619	23,619	-
Cash and cash equivalents	(18)	68,033	68,033	-	33,663	33,663	-
Total current financial assets		***168,565***	***168,565***	***-***	***144,958***	***144,924***	***34***
Total financial assets		**182,927**	**182,927**	**-**	**161,484**	**161,450**	**34**

		12/31/2014			12/31/2013		
(in thousands of euros)	Note	**Carrying value**	**Liabilities at amortised cost**	**Held for trading**	**Carrying value**	**Liabilities at amortised cost**	**Held for trading**
Long-term borrowings	(20)	209	209	-	410	410	-
Total non-current financial liabilities		***209***	***209***	***-***	***410***	***410***	***-***
Trade payables	(23)	29,755	29,755	-	27,499	27,499	-
Intercompany trade payables	(23)	10,025	10,025	-	6,876	6,876	-
Intercompany financial liabilities	(20)	17,798	17,798	-	12,904	12,904	-
Current portion of long-term debt	(20)	209	209	-	3,975	3,975	-
Other non current financial liabilities	(20)	259	-	259	-	-	-
Total current financial liabilities		***58,046***	***57,787***	***259***	***51,254***	***51,254***	***-***
Total financial liabilities		**58,255**	**57,996**	**259**	**51,664**	**51,664**	**-**

Risks related to fluctuations in foreign exchange and interest rates

The Group's Parent Company is exposed to the interest rate risk in connection with variable-rate financial liabilities. Given the composition and the amount of the Company's debt exposure, a change in interest rates would not have a material impact on its result.

The Group's Parent Company is exposed to the market risk caused by fluctuations in foreign exchange rates because it operates at the international level and executes transactions involving different foreign exchange and interest rates. A fluctuation of 5 percentage points in foreign currencies other that the euro would have an impact on the income statement equal to about 0.9 million euros.

Credit risk

The Parent Company's receivables present a low level of risk since most of these receivables are owed by public institutions for which the risk of non-collection is not significant. An analysis of trade receivables shows that about 54% is not overdue, 13% is less than 90 days past due and the remaining 33% is more than 90 days past due.

Past due receivables are covered by an allowance for doubtful accounts amounting to 4,971 thousand euros. In addition, in order to bridge the gap between contractual payment terms and actual collection times, the Company assigns its receivables to factors without recourse.

Liquidity risk

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

Commercial Risk

The DiaSorin Group is subject, especially in the Vitamin D segment, to the commercial risk caused by increased competition and the market entry of such aggressive competitors as Siemens, Abbot and Roche.
The strategy of protecting major customers by extending long-term contracts, the ability of doubling the hourly rate of determinations offered by the LIAISON XL, and growing demand in countries where dosage is still not very frequent ensure that DiaSorin will continue to play a leading role in the future of this market.

ITEMS THAT INVOLVE THE USE OF SIGNIFICANT ASSUMPTIONS AND ESTIMATES

The preparation of financial statements in accordance with the IFRS requires the use of estimates for some material amounts. In addition, management is required to make judgments and assumptions as to how accounting policies should be applied in certain areas.
The process of drafting financial statements involves the use of estimates and assumptions about future events. These estimates represent the best assessment possible on the date of the financial statements. However, because of their very nature, they could produce material changes in balance sheet amounts in future years.
Estimates are updated on an on-going basis and are based on past experience, all other known factors and the occurrence of future events that are reasonably expected to take place. The main items affected by estimates are reviewed below.

Allowance for doubtful accounts

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

Provision for inventory write-downs

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

Useful life of development costs

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

Impairment of non-current assets

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

Pension plans and other post-employment benefits

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

Stock option plans

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

Contingent liabilities

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

DESCRIPTION AND MAIN CHANGES

Income statement

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

Insofar as a classification of expenses by nature is concerned, depreciation and amortization totaled 11,598 thousand euros in 2014 (10,992 thousand euros in 2013), broken down as follows:

(in thousands of euros)	**2014**	**2013**
Depreciation of property, plant and equipment	7,789	7,355
Amortization of intangibles	3,809	3,637
Total	**11,598**	**10,992**

Depreciation of property, plant and equipment includes 4,839 thousand euros attributable to equipment held by customers (4,606 thousand euros in 2013), which in the income statement by destination is part of the cost of sales. An additional 2,483 thousand euros representing depreciation of plant and machinery and manufacturing and distribution equipment is included among production expenses.

The amortization of intangible assets is recognized mainly as part of general and administrative expenses (1,405 thousand euros) research and development costs (1,381 thousand euros).
Amortization of intangibles was allocated as follows:

(in thousands of euros)	**2014**	**2013**
Cost of sales	372	274
Sales and marketing expenses	651	667
Research and development costs	1,381	1,419
General and administrative expenses	1,405	1,277
Total	**3,809**	**3,637**

Labour costs amounted to 42,565 thousand euros (40,375 thousand euros in 2013).
A breakdown is as follows:

(in thousands of euros)	**2014**	**2013**
Wages and salaries	30,809	28,430
Social security contributions	8,272	8,026
Severance indemnities paid	1,919	1,814
Cost of stock option plan	434	1,115
Other labour costs	1,131	990
Total	**42,565**	**40,375**

The income statement also reflects the impact of stock option costs, which totaled 434 thousand euros in 2014, compared with 1,115 thousand euros in 2013.

The table below shows the average number of employees of DiaSorin S.p.A. in each category:

	2014	2013
Factory staff	71	70
Office staff	532	529
Executives	27	26
Total	**630**	**625**

1. Net revenues

Net revenues, which are generated mainly through the sale of diagnostic kits, totaled 253,007 thousand euros in 2014, up 10.1% compared with 2013. A breakdown of revenues by geographic region is provided below:

(in thousands of euros)	2014	2013
Revenues from third customers – Italy	**69,529**	**67,094**
Revenues from third customers – International	**51,065**	**48,856**
Asia Pacific	24,509	21,306
Europe and Africa	16,715	16,599
Central and South America	9,841	10,951
Intercompany revenues	**132,413**	**113,826**
Europe and Africa	69,347	57,478
Asia Pacific	24,517	20,546
North America	24,498	17,593
Central and South America	14,051	18,209
Total	**253,007**	**229,776**

In 2014, net revenues included 2,051 thousand euros in technical support and equipment rental fees (2,149 thousand euros in 2013). Revenues from sales to public institutions and universities amounted to 50,515 thousand euros (47,849 thousand euros in 2013).

2. Cost of sales

In 2014, the cost of sales amounted to 137,273 thousand euros including 34,747 thousand euros from related-party transactions, as against 120,975 thousand euros in 2013. The cost of sales includes 4,284 thousand euros for royalties paid for the use of patents applied to manufacture products (4,484 thousand euros in 2013) and 2,769 thousand euros for distributing products to end customers (2,957 thousand euros in 2013). An amount of 4,839 thousand euros relates to depreciation of equipment held by customers (4,606 thousand euros in 2013).

3. Sales and marketing expenses

Sales and marketing expenses decreased to 26,842 thousand euros in 2014, as against 26,913 thousand euros in 2013. This item consists mainly of marketing costs incurred to promote and distribute DiaSorin products costs attributable to the direct and indirect sales force and the cost of the technical support offered together with the Company-owned equipment provided to customers under gratuitous loan contracts. The total includes 2,057 thousand euros generated by related-party transactions (2,080 thousand euros in 2013).

4. Research and development costs

In 2014, research and development costs totaled 12,855 thousand euros (11,196 thousand euros in 2013), include all of the research and development outlays that were not capitalized, including the costs incurred to register the products offered for sale and meet quality requirements.
This item also includes the amortization of previously capitalized development costs, amounting to 1,289 thousand euros (1,334 thousand euros in 2013).
In 2014, the Group's Parent Company capitalized new development costs amounting to 261 thousand euros, compared with 505 thousand euros in 2013.

5. General and administrative expenses

General and administrative expenses, which totaled 24,723 thousand euros (24,349 thousand euros in 2013) reflect costs incurred for corporate management activities, Group administration, finance and control, information technology, corporate organization, and insurance. The total amount includes 3,471 thousand euros from related-party transactions (4,250 thousand euros in 2013). The remuneration of the Board of Directors, excluding the Company's employees, amounted to 886 thousand euros (895 thousand euros in 2013). The remuneration of competence of the Statutory Auditors amounted to 100 thousand euros (100 thousand euros in 2013).

6. Other operating income (expenses)

Net other operating income of 1,480 thousand euros in 2014 (net operating income of 178 thousand euros in 2013), include operating income and expenses 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, previous year income and charges).

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

(in thousands of euros)	**2014**	**2013**
Other operating income		
Reversals of unused provisions	384	-
Intra-Group services	6,023	5,703
Trade-related foreign exchange gains	1,861	665
Previous year and miscellaneous operating income	1,644	1,398
Total other operating income	**9,912**	**7,766**
Other operating expenses		
Additions to provisions for risks and charges	(883)	(919)
Taxes other than income taxes	(316)	(260)
Intra-Group services	(4,053)	(4,241)
Trade-related foreign exchange losses	(1,268)	(981)
Non-recurring expenses	(1,130)	-
Previous year and miscellaneous operating expenses	(782)	(1,187)
Total other operating expenses	**(8,432)**	**(7,588)**
Net other operating income (expenses)	**1,480**	**178**

Non-recurring expenses, equal to 1,130 thousand euros, relates to the functional reorganization of some company areas occurred in 2014.

In 2014, other net operating expenses include positive translation adjustment of 593 thousand euros on commercial items compared with a negative translation adjustment of 316 thousand euros in 2013, as a result of the exchange rates fluctuation in the periods under comparison.
The total includes net unrealized foreign exchange gains of 113 thousand euros and net realized foreign exchange gains of 480 thousand euros.

7. Financial income (expenses)

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

(in thousands of euros)	**2014**	**2013**
Interest and other financial expenses	(1,674)	(2,469)
- amount with related parties	*(1)*	*(2)*
Fair value measurement of financial instruments	(293)	(229)
Interest and other financial income	1,865	944
- amount with related parties	*636*	*633*
Dividends received from subsidiaries	21,398	55,147
Net translation differences	190	(963)
Net financial income (expense)	**21,486**	**52,430**

In 2014 net financial income totaled 21,486 thousand euros, compared with net financial income of 52,430 thousand euros in 2013. The downward trend between periods under comparison is due to lower amount of dividends received from subsidiaries, that was partly offset by the gain on foreign exchange differences, lower factoring fees and the interests income on the collection of past-due positions as of December 31, 2014.

A breakdown of dividends received form subsidiaries is as follows:

(in thousands of euros)	**2014**	**2013**
DiaSorin Inc.	10,983	41,582
DiaSorin South Africa (PTY) Ltd	1,274	4,046
DiaSorin Deutschland GmbH	4,173	3,521
DiaSorin S.A/N.V. (Belgium)	1,900	2,000
DiaSorin Ltd (Israel)	800	1,500
DiaSorin Ltd (China)	1,468	1,498
DiaSorin S.A. (France)	800	1,000
Total dividends received	**21,398**	**55,147**

Interest and other financial expense include 1,185 thousand euros in factoring transaction fees (1,852 thousand euros in 2013).

The net gain on foreign exchange differences amounted to 190 thousand euros in 2014 (a net loss of 963 thousand euros in 2013) and is mainly attributable to gains on dividends received from the U.S. and South African subsidiaries (588 thousand euros) and the Euro exchange rate differences in the intercompany financing disbursed by the Group's Parent company to the Australian subsidiary in the local currency (143 thousand euros), together with the financial balances of subsidiaries that use currencies different from that of the Group's Parent Company.

Currency sale operations led to a negative fair value equal to 293 thousand euros in 2014 compared with a negative fair value of 229 thousand euros in 2013.
Furthermore 892 thousand euros related to interests accrued on the collection of past-due positions owed by public entities in 2014.

8. Income taxes

The income tax expense recognized in the income statement amounted to 17,658 thousand euros (17,115 thousand euros in 2013) broken down as follows:

(in thousands of euros)	**2014**	**2013**
Current income taxes:		
- Local taxes (IRAP)	2,572	2,394
- Corporate income taxes (IRES)	12,567	10,931
Other income taxes (non-deductible taxes/ taxes of previous years)	1,269	2,188
Deferred taxes	1,250	1,602
IRAP amount	*123*	*179*
Total income taxes	**17,658**	**17,115**

Other income taxes include not deductible withholding taxes incurred abroad on dividends received from subsidiaries (1,269 thousand euros in 2014 as against 1,982 thousand euros in 2013).
A reconciliation of the theoretical tax rate to the effective tax rate (without taking into account the IRAP, which is unusual in nature) is provided below:

(in thousands of euros)	**2014**	**2013**
Profit before taxes	74,280	98,951
Theoretical tax rate	*27.5%*	*27.5%*
Theoretical income taxes	20,427	27,211
Permanent differences	(6,733)	(14,857)
Total income taxes	**13,694**	**12,354**
Effective tax rate	**18.4%**	**12.5%**

The effective tax rate was 18.4% in 2014, due mainly to permanent differences concerning dividends received from subsidiaries.

9. Earnings per share

Basic earnings per share amounted to 1.04 euros in 2014 (1.51 euros in 2013), while diluted earnings per share totaled 1.04 euros in 2014 (1.50 euros in 2013). 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 (54,400,819 in 2014 and 54,357,490 in 2013).
The dilutive effect of the stock option plans adopted by DiaSorin S.p.A., excluding the tranches awarded at a price higher than the average price of the DiaSorin common shares in 2014 is not significant.

Statement of financial position

Non-current assets

10. Property, plant and equipment

The tables below show the changes that occurred in the original cost of property, plant and equipment in 2014 and 2013:

(in thousands of euros)	**At December 31, 2013**	**Additions**	**Divestments**	**Translation differences**	**Reclassifi-cations and other changes**	**At December 31, 2014**
Land	659	-	-	-	-	659
Buildings	6,351	17	(13)	-	-	6,355
Plant and machinery	15,310	636	(136)	129	566	16,505
Manufacturing and distribution equipment	55,346	5,564	(2,297)	68	(800)	57,881
Other assets	5,029	386	(10)	210	-	5,615
Advances and tangible in progress	2,814	4,573	(21)	10	(1,519)	5,857
Total property, plant and equipment	**85,509**	**11,176**	**(2,477)**	**417**	**(1,753)**	**92,872**

(in thousands of euros)	**At Decembe r 31, 2012**	**Additions**	**Divestments**	**Translatio n difference s**	**Reclassifi-cations and other changes**	**At Decembe r 31, 2013**
Land	659	-	-	-	-	659
Buildings	6,239	25	-	-	87	6,351
Plant and machinery	12,222	1,112	(9)	(31)	2,016	15,310
Manufacturing and distribution equipment	51,445	7,006	(1,791)	(25)	(1,289)	55,346
Other assets	4,779	323	(14)	(59)	-	5,029
Advances and tangible in progress	4,347	2,213	(344)	(7)	(3,395)	2,814
Total property, plant and equipment	**79,691**	**10,679**	**(2,158)**	**(122)**	**(2,581)**	**85,509**

The following changes occurred in the corresponding accumulated depreciation accounts in 2014 and 2013:

(in thousands of euros)	**At December 31, 2013**	**Depreciation**	**Divestments**	**Translation differences**	**Reclassifi-cations and other changes**	**At December 31, 2014**
Buildings	4,732	83	(5)	-	-	4,810
Plant and machinery	9,463	1,023	(95)	98	-	10,489
Manufacturing and distribution equipment	42,043	6,299	(1,908)	26	(1,501)	44,959
Other assets	2,171	384	(10)	42	-	2,587
Total property, plant and equipment	**58,409**	**7,789**	**(2,018)**	**166**	**(1,501)**	**62,845**

(in thousands of euros)	**At December 31, 2012**	**Depreciation**	**Divestments**	**Translation differences**	**Reclassifi-cations and other changes**	**At December 31, 2013**
Buildings	4,385	347	-	-	-	4,732
Plant and machinery	8,812	687	(8)	(28)	-	9,463
Manufacturing and distribution equipment	39,070	6,006	(1,392)	(7)	(1,634)	42,043
Other assets	1,870	315	(12)	(5)	3	2,171
Total property, plant and equipment	**54,137**	**7,355**	**(1,412)**	**(40)**	**(1,631)**	**58,409**

A breakdown of the net carrying value of property, plant and equipment at December 31, 2014 and 2013 is provided below:

(in thousands of euros)	At December 31, 2013	Additions	Depreciation	Divestments	Translation differences	Reclassifi-cations and other changes	At December 31, 2014
Land	659	-	-	-	-	-	659
Buildings	1,619	17	(83)	(8)	-	-	1,545
Plant and machinery	5,847	636	(1,023)	(41)	31	566	6,016
Manufacturing and distribution equipment	13,303	5,564	(6,299)	(389)	42	701	12,922
Other assets	2,858	386	(384)	-	168	-	3,028
Advances and tangible in progress	2,814	4,573	-	(21)	10	(1,519)	5,857
Total property, plant and equipment	**27,100**	**11,176**	**(7,789)**	**(459)**	**251**	**(252)**	**30,027**

(in thousands of euros)	At December 31, 2012	Additions	Depreciation	Divestments	Translation differences	Reclassifi-cations and other changes	At December 31, 2013
Land	659	-	-	-	-	-	659
Buildings	1,854	25	(347)	-	-	87	1,619
Plant and machinery	3,410	1,112	(687)	(1)	(3)	2,016	5,847
Manufacturing and distribution equipment	12,375	7,006	(6,006)	(399)	(18)	345	13,303
Other assets	2,909	323	(315)	(2)	(54)	(3)	2,858
Advances and tangible in progress	4,347	2,213	-	(344)	(7)	(3,395)	2,814
Total property, plant and equipment	**25,554**	**10,679**	**(7,355)**	**(746)**	**(82)**	**(950)**	**27,100**

The depreciation expense recognized in 2014 was computed in a manner that reflects fairly the actual wear and tear and economic/technical obsolescence of the assets.
Equipment held by customers that requires extraordinary maintenance is depreciated at 33% rate from the moment the maintenance is completed.
With regard to the equipment held by customers under gratuitous loan agreements, the depreciation of these assets amounted to 4,839 thousand euros (4,606 thousand euros in 2013).

11. Goodwill and other intangibles

The tables that follow show how the original cost of the intangible assets changed in 2014 and 2013:

(in thousands of euros)	At December 31, 2013	Additions	Divestments and other changes	At December 31, 2014
Goodwill	37,061	-	-	37,061
Development costs	15,336	261	-	15,597
Concessions, licenses and trademarks	32,940	644	223	33,807
Industrial patents and intellectual property rights	9,091	256	28	9,375
Advances and other intangibles	98	-	6	104
Total intangibles	**94,526**	**1,161**	**257**	**95,944**

(in thousands of euros)	At December 31, 2012	Additions	Divestments and other changes	At December 31, 2013
Goodwill	37,061	-	-	37,061
Development costs	14,831	505	-	15,336
Concessions, licenses and trademarks	31,539	782	619	32,940
Industrial patents and intellectual property rights	8,523	238	330	9,091
Advances and other intangibles	55	41	2	98
Total intangibles	**92,009**	**1,566**	**951**	**94,526**

The following changes occurred in the corresponding accumulated amortization accounts in 2014 and 2013:

(in thousands of euros)	**At December 31, 2013**	**Amortization for the year**	**Divestments and other changes**	**At December 31, 2014**
Goodwill	5,210	-	-	5,210
Development costs	6,988	1,289	-	8,277
Concessions, licenses and trademarks	13,503	1,852	-	15,355
Industrial patents and intellectual property rights	6,084	653	-	6,737
Advances and other intangibles	45	15	2	62
Total intangibles	**31,830**	**3,809**	**2**	**35,641**

(in thousands of euros)	**At December 31, 2012**	**Amortization for the year**	**Divestments and other changes**	**At December 31, 2013**
Goodwill	5,210	-	-	5,210
Development costs	5,654	1,334	-	6,988
Concessions, licenses and trademarks	11,851	1,652	-	13,503
Industrial patents and intellectual property rights	5,444	640	-	6,084
Advances and other intangibles	34	11	-	45
Total intangibles	**28,193**	**3,637**	**-**	**31,830**

A breakdown of the net carrying value of intangible assets at December 31, 2014 and 2013 is provided below:

(in thousands of euros)	**At December 31, 2013**	**Additions**	**Amortization for the year**	**Divestments and other changes**	**At December 31, 2014**
Goodwill	31,851	-	-	-	31,851
Development costs	8,348	261	(1,289)	-	7,320
Concessions, licenses and trademarks	19,437	644	(1,852)	223	18,452
Industrial patents and intellectual property rights	3,007	256	(653)	28	2,638
Advances and other intangibles	53	-	(15)	4	42
Total intangibles	**62,696**	**1,161**	**(3,809)**	**255**	**60,303**

(in thousands of euros)	**At December 31, 2012**	**Additions**	**Amortization for the year**	**Divestments and other changes**	**At December 31, 2013**
Goodwill	31,851	-	-	-	31,851
Development costs	9,177	505	(1,334)	-	8,348
Concessions, licenses and trademarks	19,688	782	(1,652)	619	19,437
Industrial patents and intellectual property rights	3,079	238	(640)	330	3,007
Advances and other intangibles	21	41	(11)	2	53
Total intangibles	**63,816**	**1,566**	**(3,637)**	**951**	**62,696**

Goodwill

Goodwill totaled 31,851 thousand euros at December 31, 2014. Upon first-time adoption of the IFRSs, the Company chose to avail itself of the option provided in IFRS 1 (Appendix B, Section B2, g (i)). Accordingly, it recognized as goodwill the residual amount shown for this item in the financial statements at January 1, 2005 prepared in accordance with Italian accounting principles, written down to eliminate the capitalization of development costs previously included in the value of goodwill.

The goodwill recognized in the financial statements is the goodwill attributed upon absorption to Byk Diagnostica S.r.l. and the value of the goodwill generated upon the merger of DiaSorin S.p.A. into Biofort S.p.A., net of the allocation of research and development costs carried out upon first-time adoption of the IFRSs, and the acquisition of the Murex business operations in 2010.

The balance in this account did not change in 2014.

As explained in the "Accounting Principles" section of this Report, goodwill is not amortized. Instead, its value is written down when impairment losses occur. The Company assesses the recoverability of goodwill at least once a year, even if there are no indications that its value may have been impaired. The Company verifies annually the recoverability of goodwill and other intangibles with indefinite useful lives.

The recoverability of the recognized amounts was tested by comparing the net carrying amount of the individual CGUs (Carrying Amount) with their recoverable value (value in use). The recoverable amount is the present value of future cash flows that are expected to arise from the continuing use of the assets belonging to each Cash Generating Unit, both for the period of explicit flows, and at the end of the time horizon of the forecast (under so-called method of perpetuity).

For carrying out the impairment test at December 31, 2014 the calculation of cash flows occurred estimating the present value of future cash flows (2015-2017), that arise from data related to 2015 budget and taking into account the projections made for 2016 and 2017. These projections have been estimated on the basis of the data related to 2015 budget, laid out by the Group Management and developed on the basis of the assumptions reflecting those contained in the aforementioned budget.

In computing the present value of future cash flows, the Company used a discount rate that reflects the weighted average cost of capital (WACC), which consists of the weighted average of the cost of capital and of debt. The discount rate used was determined on an after-tax basis in accordance with the determination of cash flows and takes into account the specific risks associated with the countries where the Company operates. The discount rate applied was 8.61%.

The planning time horizon used was 3 years. For subsequent years, a terminal value (perpetual return) has been applied, using a growth rate (the "g" rate) of 2%, representative of what management believes may represent an average rate of growth projected for the sector.

In addition, the Company performed a sensitivity analysis for changes in the basic assumptions of the impairment test, WACC and the g rate. More specifically the discount rate WACC increased to 1 percentage point and the growth rate "g" decreased to 0.5%.

The impairment tests performed showed that there was no need to adjust the carrying value of goodwill and other intangibles in the financial statements of DiaSorin S.p.A.

Development costs

At December 31, 2014, capitalized development costs amounted to 7,320 thousand euros (8,348 thousand euros at December 31, 2013). In 2014, additions totaled 261 thousand euros and refer to the development of LIAISON XL technology products. They are amortized on a straight-line basis over the length of their useful life, which management estimates at 10 years.
The recoverability of the net carrying amount of capitalized development projects was tested by determining the recoverable value of the CGUs to which they were allocated and testing the CGUs for impairment. The impairment tests performed showed that no write-down was required.

Concessions, licenses and trademarks

At December 31, 2014, this item totaled 18,452 thousand euros (19,437 thousand euros at December 31, 2013). It consists mainly of the trademark and knowhow acquired in 2010 in connection with the Murex transaction.

12. Equity investments

Equity investments totaled 94,232 thousand euros at December 31, 2014 (93,994 thousand euros at December 31, 2013). The table that follows lists the Company's equity investments and shows the changes that occurred in 2014:

Company	Head office location	12/31/2013	Change	12/31/2014
DiaSorin S.A/N.V.	Bruxelles (Belgium)	1,145	-	1,145
DiaSorin Ltda	San Paolo (Brazil)	9,757	5	9,762
DiaSorin S.A.	Antony (France)	1,966	50	2,016
DiaSorin Iberia S.A.	Madrid (Spain)	3,595	-	3,595
DiaSorin Ltd	Oldbury (UK)	572	-	572
DiaSorin Inc.	Stillwater (USA)	31,726	79	31,805
DiaSorin Mexico S.A de C.V.	Mexico City (Mexico)	3,296	-	3,296
DiaSorin Deutschland GmbH	Dietzenbach (Germany)	5,062	47	5,109
DiaSorin AB	Solna (Sweden)	4,819	-	4,819
DiaSorin Ltd	Rosh Haayin (Israel)	-	-	-
DiaSorin Austria GmbH	Vienna (Austria)	1,035	-	1,035
DiaSorin Czech s.r.o.	Prague (Czech Republic)	2,126	-	2,126
DiaSorin Diagnostics Ireland Limited	Dublin (Ireland)	22,503	43	22,546
DiaSorin South Africa (PTY) Ltd	Johannesburg (South Africa)	3,777	14	3,791
DiaSorin Australia (Pty) Ltd	Sydney (Australia)	2,275	-	2,275
DiaSorin Ltd	Shanghai (China)	96	-	96
DiaSorin Switzerland AG	Risch (Switzerland)	243	-	243
Consorzio Sobedia	Saluggia (Italy)	1	-	1
Total equity investments		**93,994**	**238**	**94,232**

The increase in equity investments value in DiaSorin S.A., DiaSorin Inc., DiaSorin Deutschland GmbH, DiaSorin Diagnostics Ireland Limited, DiaSorin South Africa (PTY) Ltd and DiaSorin Ltda, equal to 238 thousand euros, represents the expense for the period recognized in equity and related to stock options awarded to subsidiaries employees.

The carrying amount of the equity investments has been tested for impairment. To determine the value in use the Company computed the present value of the future cash flows (2015-2017) that arise from data related to 2015 budget and taking into account the projections made for 2016 and 2017. These projections have been estimated on the basis of the data related to 2015 budget, laid out by the Group Management and developed on the basis of the assumptions reflecting those contained in the aforementioned budget.

In computing the present value of future cash flows, the Company used a discount rate that reflects the weighted average cost of capital (WACC) for each equity investment that consists of the weighted average of the cost of capital and of debt. The discount rate used was determined on an after-tax basis

in accordance with the determination of cash flows and takes into account the specific risks associated with the countries where the Company operates.
The growth rate of the terminal value, equal to 2% for each equity investment, is representative of what management believes may represent a minimum growth rate for sector and countries where the equity investment operates.

The carrying amount of the equity investments in DiaSorin S.p.A separate financial statements showed no indications of impairment at December 31, 2014.

Later on results have been tested for sensitivity analysis to assess the recoverability assuming a worsening of assumption in the impairment test. Specifically, the discount rate was up to one percentage points and terminal growth rate decreased to 0.5%.

The comparison between the recoverable value and the carrying amount showed no impairment occurred even assuming a worsening of WACC and g rate variables.

A list of the equity investments held by the Group's Parent Company is provided below.

Company	Head Office location	Currency	Share capital (*)	Net profit/(loss) for the year (*)	Shareholders' equity in latest approved financial statements (*)	Value per share or partnership interest	% interest held directly	no. of share held	Equity investment in EURO
Equity investments consolidated line by line									
DiaSorin S.A/N.V.	Bruxelles (Belgium)	**EUR**	1,674,000	2,848,456	4,071,537	6,696	99.99%	249	1,145,001
DiaSorin Ltda	Sao Paolo (Brazil)	**BRL**	30,380,977	(14,210,312)	13,235,431	1	99.99%	30,380,976	9,762,385
DiaSorin S.A.	Antony (France)	**EUR**	960,000	(639,751)	8,984,696	15.3	99.99%	62,492	2,015,498
DiaSorin Iberia S.A.	Madrid (Spain)	**EUR**	1,453,687	84,278	1,934,068	6.01	99.99%	241,877	3,594,802
DiaSorin Ltd	Oldbury (UK)	**GBP**	500	133,608	556,366	1	100.00%	500	572,500
DiaSorin Inc.	Stillwater (USA)	**USD**	1	56,133,400	166,342,900	0.01	100.00%	100	31,805,186
DiaSorin Mexico S.A de C.V.	Mexico City (Mexico)	**MXP**	63,768,473	5,217,408	35,732,141	1	99.99%	49,999	3,295,932
DiaSorin Deutschland GmbH	Dietzenbach (Germany)	**EUR**	275,000	3,761,732	8,706,245	275,000	100.00%	1	5,108,135
DiaSorin AB	Solna (Sweden)	**SEK**	5,000,000	1,464,536	14,295,368	100	100.00%	50,000	4,818,667
DiaSorin Ltd	Rosh Haayin (Israel)	**ILS**	100	3,841,000	27,136,000	1	100.00%	100	18
DiaSorin Austria GmbH	Wien (Austria)	**EUR**	35,000	182,354	1,555,940	35,000	100.00%	1	1,035,000
DiaSorin Czech s.r.o.	Prague (Czech Republic)	**CZK**	200,000	(5,966,000)	39,687,000	200,000	100.00%	1	2,125,931
DiaSorin Diagnostics Ireland Limited	Dublin (Ireland)	**EUR**	3,923	248,963	4,515,607	0.01	100.00%	392,282	22,545,704
DiaSorin South Africa (PTY) Ltd	Johannesburg (South Africa)	**ZAR**	101	37,691,054	108,867,067	1	100.00%	101	3,791,384
DiaSorin Australia (Pty) Ltd	Sydney (Australia)	**AUD**	3,300,000	(287,992)	2,470,520	33,000	100.00%	100	2,274,990
DiaSorin Ltd	Shanghai (China)	**RMB**	1,211,417	16,895,632	24,635,870	1	80.00%	96,000	96,000
DiaSorin Switzerland AG	Risch (Switzerland)	**CHF**	100,000	4,233	184,639	100	100.00%	1,000	243,415
Investments in other companies									
Consorzio Sobedia	Saluggia (Italy)	**EUR**	5,000	(1,292)	3,709	N/A	20,00%	1	1,000

(*)Amounts stated in local currencies

13. Deferred-tax assets

Deferred-tax assets amounted to 6,199 thousand euros (7,528 thousand euros at December 31, 2013). They are recognized in the financial statements when their future use is deemed probable. The balance reflects the deferred-tax assets computed on the temporary differences between the asset and liabilities amounts used to prepare the consolidated financial statements and the corresponding amounts used by the consolidated companies for tax purposes. A more detailed description of the temporary differences tax effect that generates deferred-tax assets is provided below:

(in thousands of euros)	**12/31/2014**	**12/31/2013**
Positive changes:		
Amortization/write-down of goodwill/intangible assets	3,484	4,197
Provisions for risks	2,301	2,462
Provisions for employee	545	410
Other charges deductible in future years	880	851
Unrealized exchange differences	-	311
Total	**7,210**	**8,231**
Negative changes:		
Amortization	(866)	(693)
Unrealized exchange differences	(143)	-
Amortized borrowing costs	(2)	(10)
Total	**(1,011)**	**(703)**
Net deferred-tax assets	**6,199**	**7,528**

Current assets

14. Inventories

A breakdown of inventories, which totaled 69,720 thousand euros, is as follows:

(in thousands of euros)	**12/31/2014**			**12/31/2013**		
	Gross amount	**Provisions**	**Net amount**	**Gross amount**	**Provisions**	**Net amount**
Raw materials and supplies	17,687	(1,053)	16,634	12,269	(1,026)	11,243
Work in progress	33,089	(1,261)	31,828	30,368	(1,308)	29,060
Finished goods	22,038	(780)	21,258	16,104	(417)	15,687
Total	**72,814**	**(3,094)**	**69,720**	**58,741**	**(2,751)**	**55,990**

Inventories increased by 13,730 thousand euros, compared with December 31, 2013, due to bigger stocks of strategic materials as a results of products expected to grow in volumes in 2015. The higher inventories were impacted by the supply of finished goods due to the switch to the drop shipment model of the German subsidiary.

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

(in thousands of euros)	**12/31/2014**	**12/31/2013**
Opening balance	**2,751**	**3,509**
Additions for the period	862	251
Utilizations/reversals for the period	(543)	(986)
Translation differences and other changes	24	(23)
Ending balance	**3,094**	**2,751**

15. Trade receivables

Trade receivables of 84,371 thousand euros at December 31, 2014 (including 37,759 thousand euros from related-party transactions).
Trade receivables owed by public institutions amounted to 19,127 thousand euros at December 31, 2014. Trade receivables were in line compared with December 31, 2013, despite a growth in revenues, resulting from actions to recover debts and benefit from public funds aimed at paying off the National Health System debts.
The allowance for doubtful accounts amounted to 4,971 thousand euros. A comparison with December 31, 2013 is provided below:

(in thousands of euros)	12/31/2014	12/31/2013
Opening balance	**4,723**	**4,547**
Additions for the year	377	419
Utilizations for the year	(129)	(243)
Ending balance	**4,971**	**4,723**

In order to bridge the gap between contractual payment terms and actual collection terms, the Group uses factoring transactions to assign its receivables without recourse. In 2014, the receivables assigned by the Group's Parent Company amounted to 42,927 thousand euros (42,303 thousand euros in 2013).

16. Financial receivables and other non-current financial assets

The balance of 26,438 thousand euros refers to transactions executed within the context of the centralized cash management system managed by the Group's Parent Company (9,771 thousand euros) and includes the current portion (2,305 thousand euros) and the non-current portion (14,315 thousand euros) of loans provided to Group companies, as shown below (amount stated in thousands of euros):

Subsidiary	Balance at December 31, 2013	Disbursement	Repayments	Currency translation differences	Balance at December 31, 2014
DiaSorin Czech sro	352	1,442	(352)	-	1,442
DiaSorin Ireland Ltd	5,200	-	-	-	5,200
DiaSorin Iberia sa	4,500	-	(1,000)	-	3,500
DiaSorin Australia Pty	3,650	-	(315)	143	3,478
DiaSorin Ltda (Brazil)	3,000	-	-	-	3,000
Total	**16,702**	**1,442**	**(1,667)**	**143**	**16,620**

In 2014 the DiaSorin Czech subsidiary took out a loan to help its commercial development. The loan amounted to CZK 40 million and the subsidiary has, concomitantly, discharged the loan of 352 thousand euros.
As of December 31, 2014, all existing loans have variable interest rates (benchmark: six-months interbank rates for currencies in which loans are expressed) with a spread in line with market conditions applicable to the lending operation.

17. Other current assets

Other current assets of 4,085 thousand euros (3,890 thousand euros at December 31, 2013) consist mainly of accrued income and prepaid expenses, for insurance and rentals and taxes withheld on dividends the Group's Parent Company received from foreign subsidiaries.

18. Cash and current financial assets

Cash and cash equivalents amounted to 68,033 thousand euros. They consist of balances in banks accounts and short-term bank deposits. At December 31, 2013 this item totaled 33,663 thousand euros. More detailed information is provided in the financial statements above.

19. Shareholders' equity

Share capital

At December 31, 2014, the fully paid-in share capital consisted of 55,948,257 million common shares, par value of 1 euro each. No change occurred compared with December 31, 2013.

Additional paid-in capital

At December 31, 2014, additional paid-in capital totaled 18,155 thousand euros compared with December 31, 2013.

Statutory reserve

This reserve amounted to 11,190 thousand euros. The appropriation of the previous year's net profit, which added 9 thousand euros to this reserve, accounts for the increase compared with the end of 2013.

Other reserves and retained earnings

A breakdown is as follows:

(in thousands of euros)	**12/31/2014**	**12/31/2013**	**change**
Currency translation reserve	345	(67)	412
Reserve for treasury shares	44,045	44,882	(837)
Stock option reserve	4,781	4,222	559
Gains/Losses on remeasurement of defined-benefit plans	(1,056)	(743)	(313)
Reserve for equity investments revaluation	229	229	-
Retained earnings	210,430	157,783	52,647
IFRS transition reserve	1,006	1,006	-
Total other reserves and retained earnings	**259,780**	**207,312**	**52,468**

Currency translation reserve
The change of 412 thousand euros shown in the currency translation reserve at December 31, 2014 is due to the translation into euros of the U.K. Branch balances and to unrealized foreign exchange differences on the indebtedness denominated in foreign currencies held by the Parent Company to hedge its equity investment in the U.K. Branch, which were positive 519 thousand euros, net of the tax effect (equal to 197 thousand euros).
Reserve for treasury shares

At December 31, 2014, the reserve for treasury shares amounted to 44,045 thousand euros. This reserve was established pursuant to law (Article 2357 *ter* of the Italian Civil Code) due to purchases of treasury shares made during the prior years.
The change equal to 837 thousand euros compared with December 31, 2013, is the result of the exercise of some tranches of the 2010 Stock Option Plan for which the Company implemented a program to buy treasury share. The program ended on February 15 2011, with the purchase of no. 750,000 common shares at an average price of 33.48 euros per share.
Following the exercise of stock options occurred in 2014, DiaSorin S.p.A. holds a total of 1,525,000 treasury shares, equal to 2.73% of the share capital, at December 31, 2014.

Stock option reserve
The balance in the stock option reserve, which amounts to 4,781 thousand euros, refers to the stock option plans in effect at December 31, 2014 (see Note 27). The changes in the reserve that occurred in 2014 included an increase due to the recognition of the overall cost of the stock option Plans (434 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 113 thousand euros as a result of the options exercised throughout 2014.
The reserve includes expense for the period related to stock options awarded to subsidiaries employees and recognized as increase in equity investments value (238 thousand euros).

Gains/Losses on remeasurement of defined-benefit plans

At December 31, 2014 this item, negative by 1,056 thousand euros, includes net losses of the period related to the actuarial assessment of the Group's defined-benefit plans amounting to 313 thousand euros, net of tax effect (118 thousand euros).

Retained earnings
The increase of 52,647 thousand euros in retained earnings, compared with December 31, 2013, is mainly the net result of:

- the appropriation of the net profit earned in 2013 (81,827 thousand euros);
- the distribution of dividends to shareholders approved on April 23, 2014 from the Ordinary Shareholders' Meeting (equal to 0.55 per share) amounting to 29,919 thousand euros;
- the exercise of some tranches of the 2010 Stock Option Plan, which resulted both in a positive change of 739 thousand euros and, consequently, in the sale of treasury shares.

IFRS transition reserve

The IFRS transition reserve was established on January 1, 2006, upon first-time adoption of the IFRSs as an offset to the adjustments recognized to make the financial statements prepared in accordance with Italian accounting principles consistent with IFRS requirements, net of the applicable tax effect (as required by and in accordance with IFRS 1). This reserve has not changed since it was first established.

The table below, which complements the disclosures provided above, shows which components of shareholders' equity are available for other uses and the applicable utilization options:

(in thousands of euros)		
Description	**Amount**	**Utilization options (*)**
Share capital	55,948	
Additional paid-in capital (**)	18,155	A,B
Earnings reserves	11,190	
consisting of:		
Statutory reserve	*11,190*	B
Other reserves:		
Reserve for treasury shares	44,045	
Other reserves and retained earnings	172,172	A,B,C

(*) Utilization options

A: to increase share capital
B: to cover losses
C: to distribute dividends to shareholders

(**)The additional paid-in capital may be distributed only after the statutory reserve reaches an amount equal to one-fifth of the share capital

Non-current liabilities

20. Borrowings

Borrowings included a long-term portion totaling 209 thousand euros and a current portion amounting to 18,007 thousand euros.

A breakdown of long-term borrowings is as follows (amount stated in thousands of euros):

Lender	Currency	Current portion	Non-current portion	Amount due after 5 years	Total
IMI MIUR	€	209	209	-	418
Total owed to financial institution		**209**	**209**	**-**	**418**
Group's centralized cash management system/Intra-Group loans	€	17,798	-	-	17,798
TOTAL		**18,007**	**209**	**-**	**18,216**

The table below lists the financing facilities owed to outside lenders that were outstanding at December 31, 2013 and the changes that occurred during the year:

Lender	Balance at 12/31/13	Repayments	Currency translation differences	Amortized cost effect	Balance at 12/31/14
GE Capital USD	3,095	(3,148)	30	23	-
GE Capital EUR	690	(690)	-	-	-
IMI MIUR	600	(213)	-	31	418
Total owed to financial institutions	**4,385**	**(4,051)**	**30**	**54**	**418**

In 2014 the Group paid off loans outstanding with GE Capital (amount in USD) and GE Capital (amount in Euro) through the repayment of the last instalment as set out in the repayment plan, for an amount of USD 4,300 thousand (equal to 3,148 thousand euros) and 690 thousand euros, respectively.

The IMI–MIUR loan was the subject of an agreement executed with INTESA SANPAOLO S.p.A. on July 6, 2006, pursuant to Article 1 of Law No. 346 of August 5, 1988, in connection with a research project involving the "Study of New Automated Immunochemistry Methods."
Interest on this loan is payable semi-annually at a variable rate equal to the six-month Euribor plus a fixed spread of 2%. On the same payment dates, the Company receives an interest grant equal to the reference rate used for subsidized industrial credit that was in effect when the loan agreement was signed and is equal to 5.00% per annum.
The loan has a term of 10 years, including a four-year preamortization period, with repayment in equal semiannual instalments due starting on January 1, 2011.
A portion of this loan amounting to 213 thousand euros was repaid in 2014, in accordance with the amortization plan.
If all or part of the loan is repaid ahead of schedule or if the loan agreement is cancelled pursuant to law or in accordance with the terms of the agreement, DiaSorin is required to pay to the bank a fee equal to 1.00% of any principal amount repaid ahead of schedule.
The loan agreement does not include operating or financial covenants.

In 2014, in order to mitigate the foreign exchange risk related to fluctuations of the euro/U.S. dollar exchange rate, the Group's Parent Company executed currency forward sales not classified as hedging instruments in accordance with the provisions of IAS 39. Forward contracts totaling US$ 13 million were outstanding at December 31, 2014, requiring the recognition of a negative fair value of 259 thousand euros (positive fair value of 34 thousand euros at December 31, 2013).

21. Provision for employee severance indemnities and other employee benefits

The balance in this account reflects all of the Company's pension plan obligations, other post-employment benefits and benefits payable to employees when certain requirements are met. The Company provides post-employment benefits to its employees through defined-contribution and/or defined-benefit plans.
As a rule, benefits are based on each employee's level of compensation and years of service. The Company's obligations refer to the employees currently on its payroll.

Defined-contribution plans

When defined-contribution plans are used, the Company pays contributions to public or private insurance institutions pursuant to a statutory or contractual obligation or on a voluntary basis. With the payment of these contributions, the Company absolves all of its obligations.
The liability for contributions payable on the date of the financial statements is included under "Other current liabilities." The cost attributable to each year, which accrues based on the services provided by employees, is recognized as a labour cost of the relevant organizational unit.
In 2014, this cost amounted to 1,719 thousand euros (1,575 thousand euros in 2013).

Defined-benefit plans

The Company's pension plan that qualifies as a defined-benefit plan is the plan covered by the provision for employee severance indemnities accrued until December 31, 2006. The liability is recognized at its actuarial value using the projected unit credit method. Any resulting actuarial gains or losses are credited or charged to equity in the statement of comprehensive income in the period in which they arise.

Other employee benefits

The Company also provides its employees with additional long-term benefits, which are paid when employees reach a predetermined length of service. In these cases, the value of the liability recognized in the financial statements reflects the probability that these benefits will be paid and the length of time for which they will be paid. The liability owed under this plan is recognized at its actuarial value using the projected unit credit method. Please note that any resulting actuarial gains or losses recorded on the basis of these employees' benefits are recognized in the income statement. The amount recognized in 2014 was 102 thousand euros (89 thousand euros in 2013).

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

(in thousands of euros)	**12/31/2014**	**12/31/2013**	**Change**
Defined-benefit plans:			
Employee Severance Indemnities	*4,793*	*5,049*	*(256)*
Other Defined-benefit plans	*-*	*-*	*-*
	4,793	5,049	(256)
-Other long-term benefits	1,351	1,284	67
Total employee benefits	**6,144**	**6,333**	**(189)**

The "Provision for employee severance indemnities" reflects the Company's liability under the relevant Italian law (recently amended with the enactment of Law No. 296/06) for employee severance benefits vested up to December 31, 2014, which will be paid to employees at the end of their employment. Under certain specific conditions, advances may be disbursed to employees while still employed. This system constitutes a non-financed defined-benefit plan, since virtually all of the benefits have vested, except for inflation adjustments.

The table below shows a breakdown of the main changes that occurred in the Group's employee benefit plans in 2014:

(in thousands of euros)	**Defined-benefit plans**	**Other benefits**	**Total employee benefits**
Balance at 12/31/2013	**5,049**	**1,284**	**6,333**
Interest expenses	20	5	25
Actuarial Losses/(Gains) recognized in income statement	-	102	102
Actuarial Losses/(Gains) arising from financial assumptions	428	-	428
Actuarial Losses/(Gains) arising from experience adjust	3	-	3
Current service cost	-	83	83
Benefits paid	(707)	(123)	(830)
Balance at 12/31/2014	**4,793**	**1,351**	**6,144**

The main changes in provisions for employee benefits encompass actuarial loss (431 thousand euros) charged to equity and contribution paid (830 thousand euros). The net amount recognized in the 2014 income statement for employee benefits was an expense of 210 thousand euros (198 thousand euros in 2013).

Actuarial losses/(gains) relating to other benefits and current service cost are recognized in the income statement as part of Labour costs, allocated to the area to which they correspond. Interest expense is recognized in the income statement as part of net financial income (expense) (see Note 7).
Actuarial losses/(gains) relating to defined-benefit plan are credited or charged to equity in the statement of comprehensive income in the period in which they arise.

The table below lists the main assumptions used for actuarial computation purposes for the defined-benefit plans:

	Pension plans	
	12/31/2014	**12/31/2013**
Discount rate	0.60%	1.75%
Projected wage increases	3.50%	4.00%
Inflation rate	1.50%	2.00%
Average employee turnover rate	7.77%	7.30%

A sensitivity analysis on the change of main assumptions is set out below.

(in thousand of euros)		**Employee severance indemnities**
Discount rate		
	0.5% Increase	(177)
	0.5% Decrease	179
Projected wage increases		
	0.5% Increase	-
	0.5% Decrease	-
Inflation rate		
	0.5% Increase	115
	0.5% Decrease	(111)
Average employee turnover rate		
	10% Increase	(5)
	10% Decrease	4

22. Other non-current liabilities

Other non-current liabilities of 2,018 thousand euros (2,340 thousand euros at December 31, 2013) include provisions for risks and charges established in connection with pending or contingent legal disputes, and a provision for supplemental severance benefits owed to sales agents.

The table below lists the provisions for risks and charges and shows the changes that occurred in 2014:

(in thousands of euros)	12/31/2014			12/31/2013		
	Provision for risks on legal disputes	**Provision for supplemental severance benefits to sales agents**	**Total**	**Provision for risks on legal disputes**	**Provision for supplemental severance benefits to sales agents**	**Total**
Balance at the beginning of the year	**2,035**	**305**	**2,340**	**1,535**	**225**	**1,760**
Additions for the year	505	130	**635**	500	108	**608**
Utilizations/Reversals for the year	(900)	(57)	**(957)**	-	(28)	**(28)**
Balance at the end of the year	**1,640**	**378**	**2,018**	**2,035**	**305**	**2,340**

The contingent liability funded by the provision for supplemental severance benefits owed to sales agents, which amounted to 378 thousand euros at December 31, 2014, was computed in accordance with the provisions of IAS 37, according to which the amount of the provision must be an estimate of the present value of the amounts that will be paid upon termination of the agency relationship to the sales agents entitled to receive these benefits.

Current liabilities

23. Trade payables

Trade payables, which totaled 39,780 thousand euros at December 31, 2014 (34,375 thousand euros at December 31, 2013) include 10,025 thousand euros owed to related parties. There are no amounts due after five years.

24. Other current liabilities

Other current liabilities of 13,882 thousand euros at December 31, 2014 (12,428 thousand euros at December 31, 2013) consist mainly of amounts owed to employees for additional monthly payments to be paid, contributions payable to social security and health benefit institutions.

25. Taxes payable

The balance of 5,459 thousand euros (6,477 thousand euros at December 31, 2013) represents the liability for the year for income taxes and other direct and indirect taxes, net of estimated payments made in 2014 (13,176 thousand euros) and includes the amount owed to the revenue administration for deferred VAT payable, amounting to 3,357 thousand euros.

26. Commitments and contingent liabilities

Guarantees provided and received

The guarantees that the Parent Company provided to third parties totaled 7,391 thousand euros at December 31, 2014. These guarantees were established to secure lines of credit provided to Group companies (in the amount of 5,144 thousand euros) and in connection with defined-contribution pension plans of some subsidiaries (in the amount of 2,247 thousand euros).

At December 31, 2014, bank sureties provided to third parties totaled 14,931 thousand euros, mainly in connection with the submission of bids in response to public calls for tenders.

Other significant commitments and contractual obligations

DiaSorin S.p.A., the Group's Parent Company, and Stratec executed a series of agreements in connection with the development and production of the new, fully automated, chemiluminescence diagnostic system called LIAISON XL. The supply contract signed by DiaSorin and Stratec calls for the latter to manufacture and supply exclusively to DiaSorin the LIAISON XL analyser. The Group has agreed to purchase a minimum number of analyzers. The projected annual commitment is deemed to be significantly lower than the normal level of capital investment that would be required for current or future equipment production. As a result, net invested capital is not expected to undergo significant structural changes in the future as a result of this commitment.

Contingent liabilities

As a global company, the Group's Parent Company is exposed to the risks that arise from the complex laws and regulations that apply to its commercial and manufacturing activities. With regard to pending legal disputes, the Company believes that, overall, the amounts set aside in the corresponding provision for risks are adequate.
It should be noted that in 2011 the Company was subject to a tax audit and Directors supported by their fiscal advisors, believed the risk of negative outcome to be remote.

27. Stock option plans

2010 Plan

On April 27, 2010, the Ordinary Shareholders' Meeting approved the new 2010 Stock Option Plan for senior executives and key employees of DiaSorin S.p.A. and its subsidiaries.
The Board of Directors approved an initial tranche of beneficiaries with a grant of 515,000 options by a resolution dated February 14, 2011, a second tranche with a grant of 40,000 options by a resolution dated August 3, 2011, a third tranche with a grant of 50,000 options by a resolution dated November 11, 2011, a fourth tranche with a grant of 70,000 options by a resolution dated December 21, 2011, a fifth tranche with a grant of 60,000 options by a resolution dated March 9, 2012, a sixth tranche with a grant of 10,000 options by a resolution dated November 7, 2012, a seventh tranche with a grant of 5,000 options by a resolution dated March 8, 2013, an eighth tranche with a grant of 5,000 options by a resolution dated May 10, 2013 and a ninth tranche with a grant of 15,000 options by a resolution dated November 8, 2013. Please note that, due to some "bad leaver" events, 130,000 options from the abovementioned grants were automatically cancelled and, pursuant to the Plan Regulations, became null and void for the previous beneficiaries, becoming available to the Board of Directors for future grants.
These free option grants convey to the beneficiaries the right to acquire up to 750,000 common shares at the exercised price, based on a ratio of 1 share for each option granted and exercised, in accordance with the terms and conditions of the 2010 Plan.

The implementation of the program to purchase treasury shares for use in connection with the Company's new stock option plan began on January 17, 2011, in accordance with the terms and conditions authorized by the Shareholders' Meeting of April 27, 2010.
The program was completed on February 15, 2011, resulting in the purchase of 750,000 common shares. The shares were purchased at unit prices that were never lower by more than 15% or higher by

more than 15% compared with the closing price of the DiaSorin common shares for the stock market trading session preceding each purchase.

As of December 31, 2014, the Board of Directors had thus granted to executives and key employees of DiaSorin S.p.A. and its subsidiaries a total of 612,165, stock options (net of options not exercised due to good leaver and bad leaver events), valid to acquire through subscription an equal number of shares with par value of 1 euro each, out of which 25,000 exercised between November 17 and December 31, 2014 at an exercise price of EUR 25.04 per share. In the above period the average share price was equal to EUR 33.07.

A breakdown of the option grants is as follows:

2010 Plan	**Grant date**	**Number of options**	**Parent Company's options**	**Exercised in**
I Tranche	February 14, 2011	425,000	365,000	
II Tranche	August 3,2011	40,000	10,000	
III Tranche	November 11, 2011	25,000	25,000	2014
		25,000	25,000	
IV Tranche	December 21, 2011	70,000	40,000	
V Tranche	March 9, 2012	5,050	-	
VI Tranche	November 11, 2012	10,000	-	
VIII Tranche	May 10, 2013	2,115	-	
IX Tranche	November 8, 2013	10,000	-	
Total		**612,165**	**465,000**	

2014 Plan

On April 23, 2014, the Ordinary Shareholders' Meeting approved the new 2014 Stock Option Plan for senior executives and key employees of DiaSorin S.p.A. and its subsidiaries, pursuant to Art. 2357-*ter* of the Italian Civil Code, authorizing the Board of Directors to dispose of DiaSorin treasury shares, reserving them, in the necessary or appropriate amount and under the terms established by the Plan, to serve the Plan itself.

The Board of Directors approved an initial tranche of beneficiaries with a grant of 710,000 options by a resolution dated August 1, 2014, a second tranche with a grant of 5,000 options by a resolution dated November 14, 2014 and a third tranche with a grant of 20,000 options by a resolution dated December 18, 2014. Please note that, due some "bad leaver" events 20,000 options from the abovementioned grants were automatically cancelled and, pursuant to the Plan Regulations, became null and void for the previous beneficiaries, becoming available to the Board of Directors for future grants.
These free option grants convey to the beneficiaries the right to acquire up to 750,000 common shares at the exercised price, based on a ratio of 1 share for each option granted and exercised, in accordance with the terms and conditions of the 2014 Plan.

As of December 31, 2014, the Board of Directors had thus granted to executives and key employees of DiaSorin S.p.A. and its subsidiaries a total of 715,000 stock options (net of options not exercised due to good leaver and bad leaver events), valid to acquire through subscription an equal number of shares with par value of 1 euro each.

A breakdown of the option grants is as follows:

Plan 2014	Grant date	Number of options	Parent Company's options
I Tranche	August 1, 2014	690,000	510,000
II Tranche	November 14, 2014	5,000	-
III Tranche	December 18, 2014	20,000	20,000
Total		**715,000**	**530,000**

Valuation of stock options

The stock options granted to Directors and employees are measured at their fair value on the grant date in accordance with the method provided in IFRS 2 and the total cost of the plan thus determined is allocated over the vesting period.
The fair value computation method uses a binomial model and is based on the following assumptions:

<u>A – Exercise price</u>

The exercise price was determined in accordance with Article 6.2 of the Plan's Regulations.

<u>B – Stock price</u>

The value assigned to the underlying instrument for stock option valuation purposes is the daily closing price for DiaSorin shares on the grant date.

<u>C – Expected volatility</u>

The expected volatility of the underlying instrument measures the expected fluctuations in price/value over a given period of time. The measure of volatility used in the option pricing model used is the annualized standard deviation of the continuously compounded rates of return on an equity security over a period of time.

<u>D – Employee exit rate</u>

This rate, which reflects the probability that Directors or employees who are the recipients of stock option grants will leave the Company before the vesting date, was deemed to be 0%.

<u>E – Risk-free interest rate</u>

IFRS 2 requires the use of a risk-free interest rate that will be valid over the expected life of the options, with the term expected life meaning the length of time between the grant date and the expected option exercise date.

<u>F – Dividend yield</u>

The value of stock options is also affected by assumptions about the dividend yield, which is the annual dividend paid per share stated as a percentage of the share price.

The table below lists the input data used for stock option valuation purposes:

Tranche	Vesting period (in years)	Exercise Price	Stock Price	Par value per share	Volatility	Employee Exit Rate	Risk Free Rate	Dividend Yield	Stock price reference date	Vesting date
2010 Plan										
I Tranche	1.164383562	€ 34.28	€ 32.30	€ 1.00	30.00%	0.00%	0.4190%	1.700%	12/19/2013	2/17/2014
II Tranche	1.720547945	€ 33.49	€ 32.30	€ 1.00	30.00%	0.00%	0.6540%	1.700%	12/19/2013	9/8/2014
III Tranche	1.912328767	€ 25.04	€ 32.30	€ 1.00	30.00%	0.00%	0.6540%	1.700%	12/19/2013	11/17/2014
IV Tranche	2.065753425	€ 20.59	€ 32.30	€ 1.00	30.00%	0.00%	0.6540%	1.700%	12/19/2013	1/12/2015
V Tranche	2.528767123	€ 22.68	€ 32.30	€ 1.00	30.00%	0.00%	0.9150%	1.700%	12/19/2013	6/29/2015
VI Tranche	2.912328767	€ 27.23	€ 32.30	€ 1.00	30.00%	0.00%	0.9150%	1.700%	12/19/2013	11/16/2015
VII Tranche	3.224657534	€ 28.02	€ 32.30	€ 1.00	30.00%	0.00%	0.9150%	1.700%	12/19/2013	3/10/2016
VIII Tranche	3.490410959	€ 28.12	€ 32.30	€ 1.00	30.00%	0.00%	0.9150%	1.700%	12/19/2013	6/15/2016
IX Tranche	3.906849315	€ 33.50	€ 32.30	€ 1.00	30.00%	0.00%	1.2310%	1.700%	12/19/2013	11/14/2016
2014 Plan										
I Tranche	3.005479452	€ 30.74	€ 29.50	€ 1.00	30.00%	0.00%	0.6408%	1.700%	8/1/2014	8/2/2017
II Tranche	3.002739726	€ 29.67	€ 31.20	€ 1.00	30.00%	0.00%	0.4198%	1.700%	11/14/2014	11/14/2017
III Tranche	3.002739726	€ 32.94	€ 33.40	€ 1.00	30.00%	0.00%	0.3634%	1.700%	12/18/2014	12/18/2017

On December 19, 2013, The Board of Directors voted to extend the exercise terms of all the options that have been granted pursuant to the 2010 Plan to a period not exceeding 365 days. All the other conditions remain unchanged. Pursuant to these changes and as required by IFRS 2, the incremental fair value deriving from the change in the 2010 Plan amounted to 24 thousand euros. The incremental fair value is recognized in the income statement over the Plan's vesting period together with the fair value on the grant date. The fair value of the 2010 Plan measured on the basis of the abovementioned assumptions was equal to 3,991 thousand euros, with a vesting period that goes from February 14, 2011 to November 14, 2016 and a fair value per stock option as follows (amounts in euros):

2010 PLAN	No. of options at the vesting date	Parent Company's options	Fair Value per option
I Tranche	425,000	365,000	7.507304
II Tranche	40,000	10,000	6.736793
III Tranche	25,000	25,000	4.510640
IV Tranche	70,000	40,000	3.846327
V Tranche	5,050	-	3.779542
VI Tranche	10,000	-	5.244234
VIII Tranche	2,115	-	5.642632
IX Tranche	10,000	-	6.543593

The fair value of the 2014 Plan measured on the basis of the abovementioned assumptions was equal to 3,586 thousand euros, with a vesting period that goes from August 1, 2014 to December 18, 2017 and a fair value per stock option as follows (amounts in euros):

2014 PLAN	No. of options at the vesting date	Parent Company's options	Fair Value per option
I Tranche	690,000	510,000	4.972722
II Tranche	5,000	-	6.237949
III Tranche	20,000	20,000	6.198310

The cost attributable to 2014, which amounted to 434 thousand euros, was recognized in the income statement as part of labour costs and general and administrative expenses, with the offsetting entries posted to shareholder's equity.

The 2014 expense for stock options awarded to subsidiaries employees, equal to 238 thousand euros, is recognized as in increase in equity investments value with the offsetting entries posted to shareholder's equity.

The exercise of the III tranche under the 2010 Plan during 2014 caused the stock option reserve to decrease by 113 thousand euros.

28. Related-party transactions

In the normal course of business, DiaSorin S.p.A. engages on a regular basis in commercial and financial transactions with its subsidiaries, which are also Group companies. These transactions, which are executed on standard market terms, consist of the supply of goods and services, including administrative, information technology, personnel management, technical support and consulting services, which produce receivables and payables at the end of the year, and financing and cash management transactions, which produce income and expenses.

The impact of these transactions on the individual components of financial statements, which was already disclosed in separate income statement and statement of financial position schedules provided for this purpose, is summarized in the tables that follow.

(in thousands of euros)	Net revenues		Cost of sales		General & Administrative		Sales & Marketing		Research & Development		Other income /(expense)		Finncial income/(expense)	
Counterparty	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
DiaSorin S.A. - France	13,457	13,579	(142)	(375)	-	1	22	32	-	-	296	363	800	1,000
Diasorin Iberia S.A.	6,278	5,356	(14)	(15)	(160)	(161)	2	29	-	-	199	215	115	166
DiaSorin S.A./N.V - Benelux	9,088	8,768	(8)	(85)	-	1	2	42	-	-	296	291	1,900	2,000
DiaSorin Ltd - UK	-	-	-	-	-	32	36	-	-	-	2	4	-	-
DiaSorin Diagnostics Ireland Limited	1,911	1,505	(375)	(479)	-	80	242	185	41	1,008	454	351	175	135
DiaSorin IN.UK Ltd	6,289	5,456	(29)	(55)	11	-	2	18	-	-	315	289	78	83
DiaSorin GmbH - Germany	23,231	16,862	(13,796)	(15,801)	26	(4)	21	43	-	-	(3,117)	(3,188)	4,173	3,532
DiaSorin GmbH - Austria	2,824	661	(11)	-	-	-	-	8	-	-	65	24	-	-
DiaSorin AG - Switzerland	1,376	432	6	(9)	-	-	-	-	-	-	24	-	-	-
DiaSorin AB - Sweden	-	-	-	-	-	-	-	7	-	-	6	6	-	-
DiaSorin Czech s.r.o.	2,234	2,039	(28)	(4)	-	-	1	4	-	-	87	101	5	5
DiaSorin Inc. - USA	24,482	17,593	(20,418)	(12,225)	(124)	(57)	11	1	-	65	2,260	2,148	10,985	41,584
DiaSorin Ltda - Brazil	10,409	14,894	(182)	-	33	2	-	(134)	-	-	44	49	78	7
DiaSorin SA de CV - Mexico	3,658	3,316	(60)	-	-	-	(937)	(719)	-	-	90	79	-	-
DiaSorin Ltd - Israel	2,364	2,477	(3)	(9)	-	-	1	5	-	-	111	118	800	1,500
DiaSorin Ltd - China	20,636	16,764	-	-	-	-	(1,328)	(1,474)	5	-	(7)	(147)	1,468	1,498
DiaSorin Trivitron Healthcare Private Limited	1,167	982	-	-	(234)	(223)	(73)	(63)	-	-	(31)	(29)	-	-
DiaSorin Ltd - South Africa	295	342	407	(132)	13	-	(59)	(65)	-	-	709	618	1,274	4,046
DiaSorin Ltd - Australia	2,714	2,800	(94)	(65)	-	9	-	1	3	-	167	170	182	222
Total Group companies	**132,413**	**113,826**	**(34,747)**	**(29,254)**	**(435)**	**(320)**	**(2,057)**	**(2,080)**	**49**	**1,073**	**1,970**	**1,462**	**22,033**	**55,778**
Executives with strategic responsibilities	-	-	-	-	(2,150)	(3,035)	-	-	-	-	-	-	-	-
Directors	-	-	-	-	(886)	(895)	-	-	-	-	-	-	-	-
Other related parties	-	-	-	-	(3,036)	(3,930)	-	-	-	-	-	-	-	-
Total Group companies and other related parties	**132,413**	**113,826**	**(34,747)**	**(29,254)**	**(3,471)**	**(4,250)**	**(2,057)**	**(2,080)**	**49**	**1,073**	**1,970**	**1,462**	**22,033**	**55,778**

(in thousands of euros)	**Trade receivables**		**Current financial receivables**		**Non-current financial receivables**		**Trade payables**		**Current financial payables**		**Other current liabilities**	
Counterparty	**12/31/2014**	**12/31/2013**	**12/31/2014**	**12/31/2013**	**12/31/2014**	**12/31/2013**	**12/31/2014**	**12/31/2013**	**12/31/2014**	**12/31/2013**	**12/31/2014**	**12/31/2013**
DiaSorin S.A. - France	2,256	2,396	-	-	-	-	(22)	(175)	(3,310)	(3,196)	-	-
Diasorin Iberia S.A.	1,127	1,078	1,769	5,484	3,500	4,500	(167)	(207)	-	-	-	-
DiaSorin S.A./N.V - Benelux	1,549	1,549	-	-	-	-	(1)	(4)	(4,281)	(3,168)	-	-
DiaSorin Ltd - UK	12	6	-	-	-	-	-	-	(112)	(112)	-	-
DiaSorin Diagnostics Ireland Limited	685	818	3,027	4,017	3,800	5,200	(225)	(184)	-	-	-	-
DiaSorin IN.UK Ltd	1,110	932	6,375	4,013	-	-	(1)	(23)	(3,462)	(1,194)	-	-
DiaSorin GmbH - Germany	3,397	3,074	-	-	-	-	(3,719)	(2,932)	(3,652)	(2,753)	-	-
DiaSorin GmbH - Austria	565	273	-	140	-	-	-	-	(479)	-	-	-
DiaSorin AG - Switzerland	380	164	-	-	-	-	-	(10)	(112)	(92)	-	-
DiaSorin AB - Sweden	1	-	-	-	-	-	-	(12)	(2,390)	(2,389)	-	-
DiaSorin Czech s.r.o.	528	1,490	288	176	1,154	176	-	(6)	-	-	-	-
DiaSorin Inc. - USA	6,034	3,061	-	9,789	-	-	(4,443)	(2,301)	-	-	-	-
DiaSorin Ltda - Brazil	8,838	7,472	-	-	3,000	3,000	(359)	(178)	-	-	-	-
DiaSorin SA de CV - Mexico	1,951	1,862	-	-	-	-	(417)	(159)	-	-	-	-
DiaSorin Ltd - Israel	1	(4)	-	-	-	-	-	-	-	-	-	-
DiaSorin Ltd - China	7,352	4,580	-	-	-	-	(406)	(441)	-	-	-	-
DiaSorin Trivitron Healthcare Private Limited	347	358	-	-	-	-	(126)	(118)	-	-	-	-
DiaSorin Ltd - South Africa	345	837	-	-	-	-	(41)	(119)	-	-	-	-
DiaSorin Ltd - Australia	1,281	1,328	617	-	2,861	3,650	(98)	(7)	-	-	-	-
Total Group companies	**37,759**	**31,274**	**12,076**	**23,619**	**14,315**	**16,526**	**(10,025)**	**(6,876)**	**(17,798)**	**(12,904)**	**-**	**-**
Executives with strategic responsibilities	-	-	-	-	-	-	-	-	-	-	-	-
Directors	-	-	-	-	-	-	-	-	-	-	(124)	-
Other related parties	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(124)**	**-**
Total Group companies and other related parties	**37,759**	**31,274**	**12,076**	**23,619**	**14,315**	**16,526**	**(10,025)**	**(6,876)**	**(17,798)**	**(12,904)**	**(124)**	**-**

29. Transactions resulting from atypical and/or unusual activities

In 2014, there were no transactions resulting from atypical and/or unusual activities, as defined in the Consob Communication dated July 28, 2006 (see the definition provided in the Financial Statement Presentation Format section of this Report).

ANNEX III: DISCLOSURE REQUIRED PURSUANT TO ARTICLE 149-DUODECIES OF THE CONSOB'S ISSUERS' REGULATIONS

(in thousands of euros)	**Party providing the service**	**Fee attributable to 2014**
Independent Auditing	Deloitte & Touche S.p.A.	120
	Deloitte Network	26
Certification services	Deloitte & Touche S.p.A.	4
Total		**150**

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

1. We, the undersigned, Carlo Rosa, in my capacity as Chief Executive Officer, and Luigi De Angelis, in my capacity as Corporate Accounting Documents Officer, of the issuer DiaSorin S.p.A.,

attest that,

insofar as the provisions of Article 154-*bis*, Sections 3 and 4, of Legislative Decree No. 58 of February 24, 1998 are concerned, the administrative and accounting procedures applied to prepare the 2014 statutory financial statements are:

a) adequate in light of the Company's characteristics; and

b) were applied effectively.

2. Moreover, we attest that:

2.1 the statutory financial statements at December 31, 2014:

a) were prepared in accordance with the applicable international accounting principles recognized by the European Union, pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and Council dated July 19, 2002;

b) are consistent with the data in the supporting documents and accounting records;

c) are suitable for the purpose of providing a truthful and fair representation of the balance sheet, operating performance and financial position of the issuer;

2.2 the Report on Operations provides a reliable analysis of the Group's performance and result from operations and of the status of the issuer, together with a description of the main risks and uncertainties to which they are exposed.

Saluggia, March 3, 2015

Signed:

Carlo Rosa	Luigi De Angelis
Chief Executive Officer	Corporate Accounting Documents Officer

REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE SHAREHOLDERS' MEETING OF DIASORIN S.p.A

(pursuant to Article 153 of Legislative Decree No. 58/98
and Article 2429, Section 3, of the Italian Civil Code)

Dear Shareholders:
In 2014, the Board of Statutory Auditors performed its oversight activities within the deadlines required by current laws, the Consob regulations and the principles of conduct recommended by the National Board of Certified Public Accountants and Accounting Experts.

OVERVIEW OF THE ACTIVITIES OF THE BOARD OF STATUTORY AUDITORS AND RESULTS ACHIEVED
Consistent with the requirements of Article 149 of the Uniform Financial Code and pursuant to Article 2403 of the Italian Civil Code, the activities of the Board of Statutory Auditors were organized so as to monitor the following:
- Compliance with the law and the Company's Articles of Incorporation;
- Compliance with the principles of sound management;
- Effectiveness of the Company's organization;
- Effectiveness of the Company's internal control system;
- Reliability of the accounting system in presenting fairly the results from operations;
- Manner in which the Corporate Governance Code that the Company has agreed to abide by is being concretely implemented;
- The comprehensiveness of the instructions provided to Group companies to comply with the notification obligations envisaged by law (pursuant to Art. 114, Section 2 of the Uniform Financial Code).

The Board of Statutory Auditors also verified that the Company was in compliance with the requirements of the regulations concerning "Market Abuse", the handling of insider information and the procedure adopted by the company.
In 2014, the Board of Statutory Auditors held seven meetings on an ongoing basis. Minutes of the meetings recording the oversight and control activities performed were drawn up on each occasion. In addition, the Board of Statutory Auditors attended the meetings held by the Control and Risks Committee, the Board of
Directors and the Shareholders' Meeting held in 2014.

COMPLIANCE WITH THE LAW AND THE COMPANY'S ARTICLES OF INCORPORATION
Its attendance at meetings held by the Control and Risks Committee and by the Board of Directors, the information it received and the controls it performed enabled the Board of Statutory Auditors to determine that the Company is operating in compliance with the relevant laws and regulations and in accordance with its Bylaws. Specifically, the provisions that govern the activities of the corporate governance bodies and the Company's operations, tax and social security laws and the recommendations of regulatory authorities are constantly monitored by Company employees with adequate professional skills in each area, who provide guidance for the correct implementation of these provisions, using as necessary the support of expert professionals in the various fields.

COMPLIANCE WITH THE PRINCIPLES OF SOUND MANAGEMENT
The conduct of the Company's operations, which is monitored on an ongoing basis, is designed to protect and safeguard the Company's assets and create value. At its meetings, the Board of Directors analyses in- depth and discusses in detail the following issues:

- Operating and financial results for each reporting period and forecast data;
- Material transactions and any investment, acquisition and divestiture proposals, assessing the risks involved and carrying out in-depth reviews of competitive scenarios, target markets, cost fairness, impact of the transactions on the Group and consistency and compatibility of the transactions with the
  Company's available resources;
- Any transactions with related parties, consistent with the procedure adopted by the Company;
- Significant transactions with subsidiaries and their performance.

The Board of Statutory Auditors is not aware of transactions that are egregiously imprudent, reckless or in conflict with the resolutions of the Shareholders' Meeting or detrimental to the interest of the Company and its Shareholders.
The Company's senior management and the rest of its organization implement the resolutions of the Board of Directors in a consistent manner.
At the operating level, the Board of Statutory Auditors obtained information, requested relevant documents and met with the executives responsible for management control, the Independent Auditors, the Internal Auditing Department, the Corporate Legal Affairs Department and the Oversight Board established pursuant to Legislative Decree No. 231/2011. As a result, it was able to assess the effectiveness and efficiency of the
Company's operating activities and of the reliability and continuity of the controls implemented to ensure that any corrective action is taken promptly.

EFFECTIVENESS OF THE COMPANY'S ORGANIZATION

The Board of Statutory Auditors reviewed organization charts, levels of responsibility, the proxy system and the flow of management instructions in order to assess the overall ability of the organization to provide effective strategic and management guidance and exercise the required technical, technological, commercial and accounting control over the Group's operations. The Board of Statutory Auditors reviewed the powers of attorney granted by the Company and found them to be clear and appropriate.
The Board of Statutory Auditors was able to ascertain that the offices responsible for this function obtain useful information promptly and reliably, both from the Parent Company and the subsidiaries, and respond with adequate and effective actions. The procedures used for this purpose and the instructions provided for management control purposes are sufficient to carry out this activity effectively.

EFFECTIVENESS OF THE COMPANY'S SYSTEM OF INTERNAL CONTROL

The oversight activities performed to assess the effectiveness of the Company's organization and its compliance with the principles of sound management enabled the Board of Statutory Auditors to form an opinion about the system of internal control adopted by the Company and the Group.
The Control and Risks Committee, which is comprised of two independent Directors and one non-executive Director, met three times in 2014. The entire Board of Statutory Auditors attended these meetings. Moreover, without prejudice to the central control role assigned to the Board of Statutory Auditors by the Uniform Code on Statutory Independent Auditing, it is worth noting that the Board of Statutory Auditors and the Control and Risks Committee concluded that the coordination with the control entity is being achieved through the attendance of Committee meeting by all members of the Board of Statutory Auditors. With regard to the above, the Board of Statutory Auditors and the Control and Risks Committee in 2014 addressed jointly the following issues: the financial disclosure process, the effectiveness of the internal control system, the internal auditing process and risks management, the independent statutory auditing of the financial statements and the independence of the Independent Auditors.

The Internal Audit Officer working in concert with the Control and Risks Committee, plans regularly scheduled activities and carries out the required audits. The Audit Reports are made known to the Control and Risks Committee, the Board of Statutory Auditors and the Board of Directors.
In view of the activities carried out and the company's structure, the Board of Statutory Auditors found the
Company's internal control system to be effective.
Your Company adopted the organization and management model required by Legislative Decree No. 231/2001 with regard to the administrative liability of legal entities and appointed the Oversight Board with the task to monitor and supervise the correct functioning and compliance with the Model following its updating. More specifically, a harmonization process of the Model had to be implemented in 2014 to adjust the General Section and the Special Sections that were progressively included in the document. Moreover the Oversight Board is considering updating the Model on the basis of recently introduced offences.
The information flow from the Board of Statutory Auditors to the Oversight Board and vice-versa is an ongoing basis under the presence of Mr Roberto Bracchetti as Chairman of both control organs.
The Oversight Board prepared its reports on a timely basis, as required pursuant to the model, and reported no questionable issues and/or specific problems.

RELIABILITY OF THE ACCOUNTING SYSTEM IN PRESENTING FAIRLY THE RESULTS FROM OPERATIONS

Relying in part on the support of outside specialists, the Accounting Documents Officer prepared a manual of the accounting and financial procedures necessary to ensure a fair presentation of the results of the
Company's operations.
Insofar as the accounting system is concerned, which was reviewed to assess its ability to present fairly the results of the Company's operations, ensure that the accounting records are updated in a timely fashion and are accurately maintained and produce official supporting documents showing compliance with tax and social security requirements, the Independent Auditors raised no issues either in special-purpose reports or at regular meetings with the Board of Statutory Auditors.

COMPENSATION OF DIRECTORS PERFORMING SPECIAL FUNCTIONS AND INCENTIVE PLAN FOR THE CHIEF EXECUTIVE OFFICER, GENERAL MANAGER AND EXECUTIVES WITH STRATEGIC RESPONSIBILITIES

The Board of Statutory Auditors, insofar as issues under its jurisdiction are concerned, reviewed the proposals made, based on the input of the Compensation Committee, with regard to the structure of the compensation of Directors who perform special functions.
In reference to Strategic Executives, the Board of Statutory Auditors noted that the current compensation system is based on the award of compensation that includes a fixed component and a variable component tied to the economic results achieved at the Group level, including some on a long-term basis, the attainment of specific targets set in accordance with recommendations by the Compensation Committee, in addition to the Company's stock options plans granted to employees.

MANNER IN WHICH THE CORPORATE GOVERNANCE CODE THAT THE COMPANY HAS AGREED TO ABIDE BY IS BEING CONCRETELY IMPLEMENTED

On March 3, 2015, the Company's Board of Directors agreed to adopt the new Corporate Governance Code (version of July 2014), ordering that the necessary steps be taken to incorporate the new elements of the Code.
In this regard, with the shareholders resolutions of December 19, 2012, the company amended its Bylaws to make them consistent with the provisions introduced by Law No. 120 of July 12, 2011 regarding gender balance in composition of the corporate bodies of listed companies and that were promptly adopted both by the Board of Directors and by the Statutory Auditors.

The Board of Statutory Auditors verified that the independent Directors properly applied the criteria for the annual assessment of compliance with the independence requirements.
The Board of Statutory Auditors also verified all its members met the applicable independence requirements. The Board of Statutory Auditors refers to the company annual Corporate Governance Report as of December 31, 2014 approved by the Board of Directors on March 3, 2015, which describes the following:

- The Company's Control and Risks Committee which is comprised of three non-executive Directors (two of whom are independent), met four times in 2014;
- The Company's Compensation Committee, which is comprised of three non-executive Directors (two of whom are independent), met three times in 2014;
- The Nominating Committee, which is comprised of three non-executive Directors (two of whom are independent) met once in 2014;
- The Related-party Committee, which is comprised of three non-executive Directors (all independent) did not meet in 2014;
- In 2014, the Board of Directors completed a self-assessment process regarding the size, composition and activities of the Board and its Committees. The self-assessment process which was evaluated as effective was entrusted to the Nominating Committee and to the Compensation Committee coordinated by the Lead Independent Director;
- Pursuant to Art. 2409-bis of the Italian Civil Code, the independent audit assignment for the years from
  2007 to 2015 was awarded to Deloitte & Touche S.p.A., during the Shareholder' Meeting of February 12, 2007.

INSTRUCTIONS PROVIDED TO GROUP COMPANIES

The Statutory Auditors ascertained that the Parent Company's departments provide appropriate instructions to Group companies with regard to the public disclosures that must be provided pursuant to Article 114 of Legislative Decree No. 58/98, in compliance with the requirements of Article 36 of Consob Resolution No. 16191/2007 ("Market Regulations").

STATUTORY FINANCIAL STATEMENTS AND REPORT ON OPERATIONS

The financial statements of DiaSorin S.p.A. for the year ended December 31, 2014 that are being submitted for your approval were prepared in accordance with the IAS/IFRS accounting principles. They show a net profit of 56,622 thousand euros.
The Board of Directors provided us on a timely basis with the financial statements, consisting of the statement of financial position, an income statement, a statement of cash flows, additional statements, reconciliation and notes to the financial statements. The financial statements include the Report on operations, the Report on Corporate Governance and the Company's Ownership Structure.
The Chief Executive Officer and the Accounting Documents Officer issued the certifications required by Art.
154-bis of the Uniform Financial Code.
The Board of Statutory Auditors met with the Independent Auditors for the specific purpose of obtaining information about the preparation of the statutory financial statements and examining the "Report on the fundamental issues emerging during the statutory audit", pursuant to Art. 19, Section 3, of Legislative Decree n. 39/2010, it verified:

- Significant issues discussed with Management, both with regard to DiaSorin S.p.A and to DiaSorin Group companies;
- No significant deficiencies have been found in the Internal Control System over financial reporting
- The positive outcome of the procedure and analyses the Company carried out for the impairment test, in compliance with IAS 36 recommendations and accounting principles and Deloitte practice used in its audit tasks;
- No facts requiring disclosure were uncovered.

The Independent Auditors provided the Board of Statutory Auditors with their report, which contains no qualifications or requests for additional disclosures and includes an assessment of the consistency of the Report on Operations with the statutory financial statements, as required by Article 14, Section 2, Letter e), of Legislative Decree No. 39/2010.
The Board of Statutory Auditors verified the reasonableness of the valuation processes applied and their consistency with the approach of the international accounting principles, specifically with regard to Goodwill, other Intangible Assets and Equity Investments. In this area, it is worth mentioning that, as required by the
Banca d'Italia/Consob/Isvap Joint Document No. 4 of March 3, 2010, the compliance of the impairment test procedure with the requirements of IAS 36 was formally and autonomously approved by the Board of Directors, following a review of the principles used (using the same method as the previous year), by the Control and Risks Committee. The Board of Statutory Auditors specifies that the process to calculate the recoverability of the amounts relating to goodwill and its assumptions are described in detail in the notes to the financial statements, as required by the accounting principles.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of DiaSorin Group were prepared in accordance with the IAS/IFRS international accounting principles, as published by the International Accounting Standards Board (IASB) and officially approved by the European Union, in effect at December 31, 2013, and are consistent with the regulations enacted to implement Article 9 of Legislative Decree No. 38/2005.
The Independent Auditors provided the Board of Statutory Auditors with their report, which contains no qualifications or requests for additional disclosures and includes an assessment of the consistency of the Report on Operations with the statutory financial statements, as required by Article 14, Section 2, Letter e), of Legislative Decree No. 39/2010.

OTHER INFORMATION

1. Any major operating, financial or asset transactions, carried out by the company are described in detail in the Report on Operations. In 2014, no atypical and/or unusual transactions were executed with outsiders, Group companies or related parties (as defined in the Consob Communication of July 28, 2006).
2. Transactions with related parties consist of commercial and financial transactions with Company's subsidiaries. These transactions are part of the Company's regular operations.
3. In 2014, the Board of Statutory Auditors was not informed of any complaints or statements by third parties, pursuant to Article 2408 of the Italian Civil Code.
4. The Notes annexed to the Company's financial statements and drawn up in accordance with Article 149-duodecies of the Consob Issuers' Regulations, show the fees payable for the 2014 accounting period for auditing services and for entities belonging to the same network.
5. The Board of Statutory Auditors took note that:
   - in accordance with the provisions of Art. 17 Section 4 of Legislative Decree No. 39/2010, the Independent Auditors promptly adopted the rotation procedure for the partner in charge of auditing.
   - Other services provided by Deloitte network to the Group subsidiaries, for a total of 20,000 thousand euros, refers to tax services and audit services for royalties' computation.

   Taking into account the independence declaration issued by Deloitte, as required by Article 17, Section 9, of the Legislative Decree No. 39/2010 and the assignments DiaSorin and the Group's companies entrusted to the Independent Auditors, the Board of Statutory Auditors reckons that no critical elements emerged regarding the independence of the Independent Auditors.
6. In 2014, the Board of Statutory Auditors provided, when necessary, the opinions and observations required pursuant to law.

7. In the course of the oversight activity it carried out during the year, the Board of Statutory Auditors did not uncover any omissions, objectionable actions or serious irregularities. Consequently, no report and proposal to the Shareholders' Meeting pursuant to Article 153 of Legislative Decree No.58/98 is required.

The Board of Statutory Auditors, based on the considerations set forth above and limited to the issues under its jurisdiction, has no objection to the approval of the financial statements at December 31, 2014 and concurs with the motion to appropriate the year's net profit formulated by the Board of Directors.

Saluggia, March 27, 2015

THE BOARD OF STATUTORY AUDITORS
Roberto Bracchetti
Ottavia Alfano
Andrea Caretti

Deloitte.

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AUDITORS' REPORT
PURSUANT TO ARTICLES 14 AND 16
OF LEGISLATIVE DECREE N. 39 OF JANUARY 27, 2010

To the Shareholders of
DIASORIN S.p.A.

1. We have audited the statutory financial statements of DiaSorin S.p.A. as of and for the year ended December 31, 2014, which comprise the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in shareholders' equity, the statement of cash flows and the related notes to financial statements. These financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/2005, are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the Auditing Standards recommended by CONSOB, the Italian Commission for listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

   For the opinion on the prior year's financial statements, the data of which are presented for comparative purposes, reference should be made to our auditor's report issued on March 25, 2014.

3. In our opinion, the statutory financial statements of DiaSorin S.p.A. as of and for the year ended December 31, 2014 comply with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n. 38/2005; accordingly, they give a true and fair view of the financial position of Diasorin S.p.A., and of the results of its operations and its cash flows for the year then ended.

4. The Directors of DiaSorin S.p.A. are responsible for the preparation of the report on operations in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the report on operations and of the specific section on corporate governance with reference to the information reported in compliance with art. 123-bis of Italian Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) in the annual report on corporate governance, with the financial statements, as required by law. For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the report on operations and the information reported in compliance with art. 123-bis of Italian Legislative Decree n. 58/1998 paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) included in the specific section on corporate governance are consistent with the financial statements of DiaSorin S.p.A as of and for the year ended December 31, 2014.

DELOITTE & TOUCHE S.p.A.

Signed by
Giorgio Barbieri
Partner

Turin, Italy
March 23, 2015

This report has been translated into the English language solely for the convenience of international readers

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AUDITOR'S REPORT
PURSUANT TO ARTICLES 14 AND 16
OF LEGISLATIVE DECREE N. 39 OF JANUARY 27, 2010

To the Shareholders of
DIASORIN S.p.A.

1. We have audited the consolidated financial statements of DiaSorin S.p.A. and subsidiaries (the "DiaSorin Group") as of and for the year ended December 31, 2014, which comprise the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in shareholders' equity, the statement of cash flows and the related notes to financial statements. These consolidated financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/2005, are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

2. We conducted our audit in accordance with the Auditing Standards recommended by CONSOB, the Italian Commission for listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

   For the opinion on the prior year's consolidated financial statements, the data of which are presented for comparative purposes, reference should be made to our auditor's report issued on March 25, 2014.

3. In our opinion, the consolidated financial statements of the DiaSorin Group as of and for the year ended December 31, 2014 comply with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n. 38/2005; accordingly, they give a true and fair view of the financial position, of the results of operations and cash flows of the DiaSorin Group for the year then ended.

4. The Directors of DiaSorin S.p.A. are responsible for the preparation of the report on operations in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the report on operations and of the specific section on corporate governance with reference to the information reported in compliance with art. 123-bis of Italian Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) in the annual report on corporate governance, with the consolidated financial statements, as required by law. For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the report on operations and the information reported in compliance with art. 123-bis of Italian Legislative Decree n. 58/1998 paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) included in the specific section on corporate governance are consistent with the consolidated financial statements of the DiaSorin Group as of and for the year ended December 31, 2014.

DELOITTE & TOUCHE S.p.A.

Signed by
Giorgio Barbieri
Partner

Turin, Italy
March 23, 2015

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