INTERIM REPORT ON OPERATIONS OF THE DIASORIN GROUP AT MARCH 31, 2014
First quarter 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 Shareholdersô Meeting on April 23, 2014.

THE DIASORIN GROUP

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

For over 40 years the Group has been developing, producing and commercializing diagnostic tests that are designed for hospital and private testing laboratories for use in different clinical areas in the market of:

- **immunodiagnostics**
- **molecular diagnostics**

IMMUNODIAGNOSTICS

In the immunodiagnostics market segment, DiaSorin develops, produces and markets immunoreagent kits based on 3 different detection techniques.

Chemiluminescence: CLIA	**Colorimetry: ELISA**	**Radioimmunometry: RIA**
- Introduced in the early 1990s	- Introduced in the early 1980s	- Introduced in the 1960s
- The signal is generated by markers marked with chemiluminescent molecules.	- The signal is generated by colorimetric markers	- The signal is 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 (cartridges capable of working only on the system developed by the particular company- the so-called closed systems).	- 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: variable >4 hours

IMMUNODIAGNOSTICS INSTRUMENTS

DiaSorin supplies its customers with instruments that, when used in combination with reagents, make it possible to carry out the diagnostic investigation automatically

CLIA | **ELISA**

IMMUNODIAGNOSTICS PRODUCTS

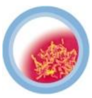
DiaSorin produces reagents that are biological components whose purpose is detecting the presence of specific elements (virus, hormones, etc.) in patientôs blood sample.

These reagents are high technological and innovative products with a high level of specificity that can detect the presence and the type, also in small quantity, of the element to be searched in the patientôs sample.

Through its constant commitment aimed at enriching its offering, DiaSorin exceeded the target of **108 immunodiagnostic products** available on CLIA technology, including **28 specialty** tests, dedicated to the most clinical areas tested in laboratory:

- standing out as the Company with the broadest test **menu on CLIA technology worldwide;**
- confirming its vocation as the **Diagnostics Specialist.**

CLINICAL AREAS

	Infectious Diseases	Since 1970: development of a product portfolio based on ELISA technology. Since 2001: launch of a wide range of products based on CLIA technology. DiaSorin becomes the reference supplier in infectious diseases detection.
	Bone and Mineral	Since 1985: DiaSorin is considered as the reference company in the diagnosis of this clinical area Global Leadership in Vitamin D tests.
	Endocrinology	Since 1968: development of a product portfolio based on RIA technology Competitive positioning thanks to the high number of products available on CLIA technology.
	Hypertension	Competitive positioning thanks to key tests available on CLIA technology (*Aldosterone and Renin*)
	Oncology	Competitive positioning thanks to the high number of test available on CLIA and RIA technologies
	Gastrointestinal Infections	Competitive positioning thanks to the exclusive positioning of tests based on CLIA technology (*Clostridium Difficile Toxin A&B, Clostridium Difficile GDH and Helicobacter Pylori, Escherichia coli and Rotavirus*)

 Autoimmunity		Market leadership through its complete line of tests based on ELISA technology (*rheumatology*, *gastroenterology*, *thrombosis and vacuities diagnosis*) and tests based on CLIA technology
 Brain and Cardiac Damage		Competitive positioning thanks to its products available on CLIA technology

Molecular Diagnostics

In the molecular diagnostics segment, DiaSorin supplies end laboratories with an automated solution to perform the 3 steps required for the final diagnostic result.

Nucleic acids extraction	Amplification	Diagnosis
Extraction process of a small quantity of virus nucleic acid	**Amplification process**, that is to ñmultiplyò the nucleic acid after its extraction	**Diagnostic testing process** using molecular kits.
Extraction technology **of nucleic acids**: ▪ Use of reagents to extract high quality viral RNA and DNA ▪ protocols to be used with a number of biological samples (*plasma, serum, CSF and swabs*), after minimum pretreatment of the sample	**Amplification** technology **Q-LAMP**: ▪ developed to offer all the benefits of LAMP, after a licensing agreement with Eiken Chemical Co. Ltd, but with the addition of real time, fluorescent, multiplexed amplification ▪ single tube RNA amplification without the need for a reverse transcription step	**DiaSorinôs Q-LAMP** diagnostic **testing process**: ▪ performed on proprietary analyzer ▪ fully automated process. ▪ perfect for laboratories that may start with a small number of tests and/or intend to add units as the workload or test portfolio grows

Molecular Diagnostics Instruments

DiaSorin supplies its customers with instruments that, when used in combination with the reagents, make it possible to carry out the diagnostic investigation automatically.

EXTRACTION

Bullet Pro®

AMPLIFICATION AND DIAGNOSTIC PROCESS

Molecular Diagnostics Products

DiaSorinôs molecular diagnostics products can be performed on the following systems:

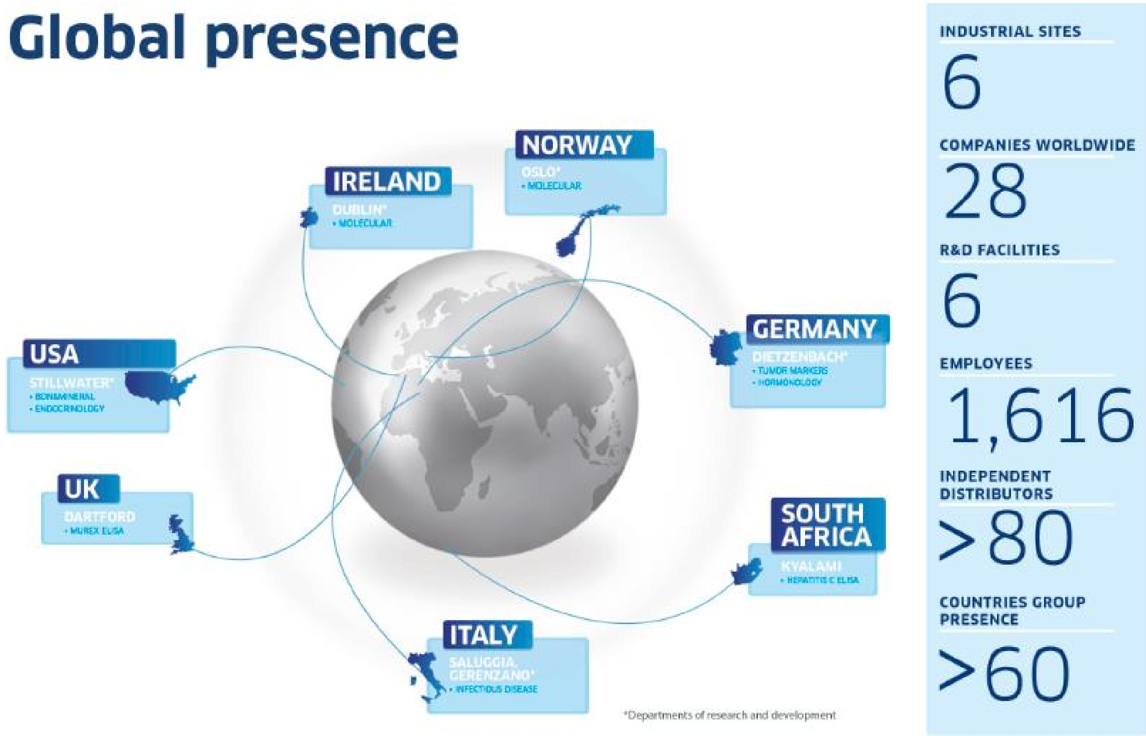
- Bullet Pro: to perform a high number of extractions from different biological samples, as required in big laboratories.
- LIAISON IXT: to extract the nucleic acid from different biological samples, normally it is used in combination with LIAISON IAM amplification system.
- LIAISON IAM: to diagnose and monitor several infectious diseases and Onco-hematology parameters.

A GLOBAL PRESENCE

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

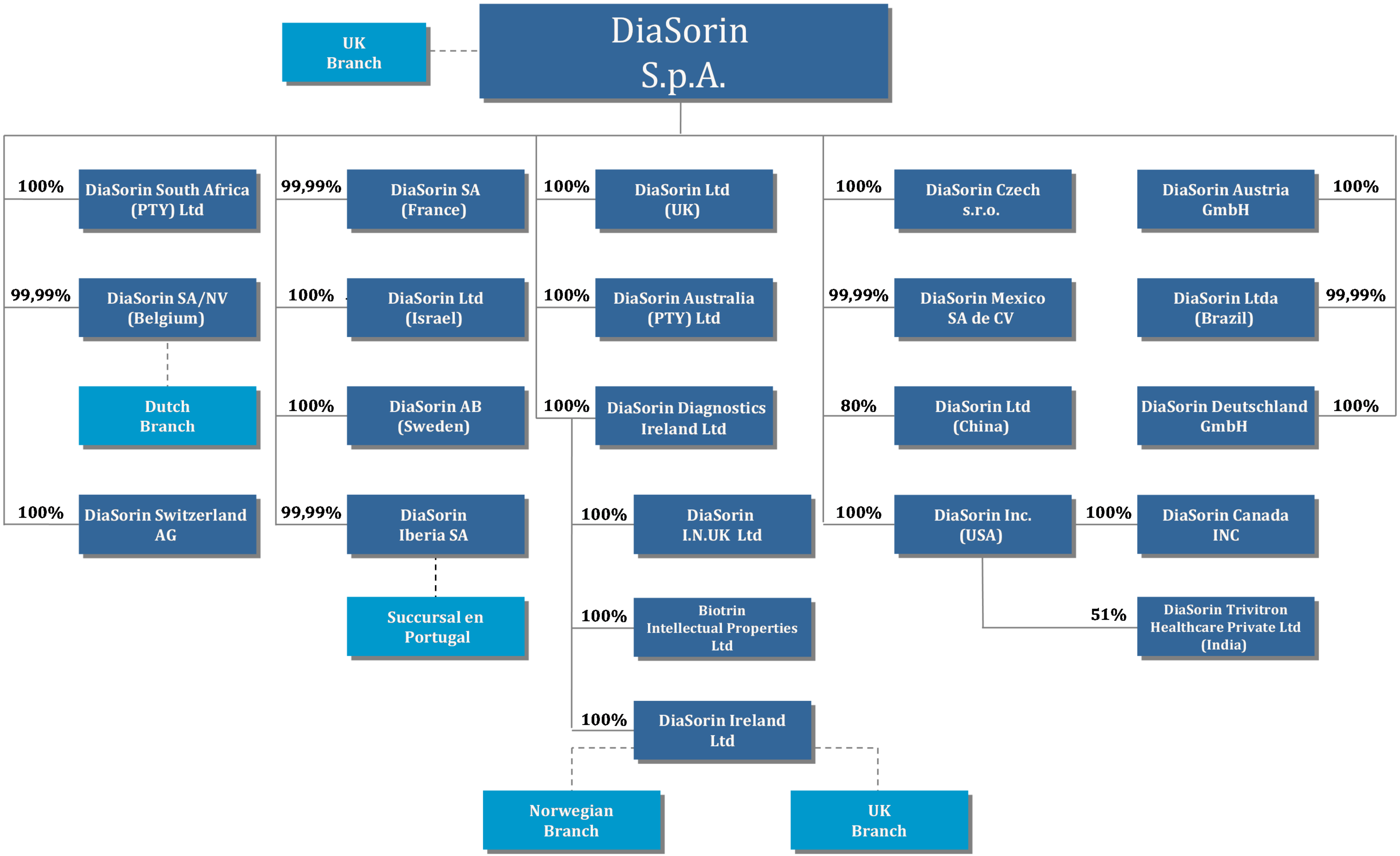
The Groupôs manufacturing organization consists of several facilities located in Europe, USA and Africa:

Saluggia Italy	At the Groupôs Parent Companyôs headquarters
Stillwater USA	At the headquarters of DiaSorin Inc.
Dietzenbach Germany	At the headquarters of DiaSorin Deutschland GmbH
Dublin Ireland	At the headquarters of DiaSorin Ireland Ltd
Dartford UK	At the headquarters of DiaSorin S.p.A-UK Branch
Kyalami South Africa	At the headquarters of DiaSorin South Africa (Pty) Ltd



In Europe, United States, Mexico, Brazil, China, Australia and Israel, the DiaSorin Group sells its products mainly through its marketing companies 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.

STRUCTURE OF THE DIASORIN GROUP AT MARCH 31, 2014



CONSOLIDATED FINANCIAL HIGHLIGHTS

Income statement *(in thousands of euros)*	**1st quarter 2014**	**1st quarter 2013**
Net revenues	105,915	105,839
Gross profit	71,754	72,048
EBITDA (1)	38,587	41,580
Operating result (EBIT)	31,348	34,182
Net profit for the period	19,702	20,526

Statement of financial position *(in thousands of euros)*	**3/31/2014**	**12/31/2013**
Capital invested in non-current assets	209,064	208,902
Net invested capital	309,148	316,166
Net financial position	125,056	97,969
Shareholdersô equity	434,204	414,135

Cash flow statement *(in thousands of euros*	**1st quarter 2014**	**1st quarter 2013**
Net cash flow for the period	5,339	(19,189)
Free cash flow (2)	27,543	25,240
Capital expenditures	8,437	6,749
Number of employees	1,616	1,585

(1) Looking at the data on the Table, the Board of Directors defines EBITDA as the ñoperating result (EBIT)ò before amortization of intangibles and depreciation of property, plant and equipment

(2) Free cash flow is the cash flow from operating activities, counting utilizations for capital expenditures but before interest payments and acquisitions of companies and business operations.

INTERIM REPORT ON OPERATIONS

Foreword

This interim report on operations at March 31, 2014 (hereinafter referred to as the ñQuarterly Reportò) was prepared in accordance with international accounting principles (International Accounting Standards - IAS and International Financial Reporting Standards - IFRS) and the corresponding interpretations (Standing Interpretations Committee - SIC and International Financial Reporting Interpretations Committee - IFRIC) published by the International Accounting Standards Boards (IASB). More specifically, it is being presented in condensed form, in accordance with the international accounting principle that governs interim financial reporting (IAS 34), as adopted by the European Union, and complies with the requirements of Article 154-*ter*, Sections 2 and 3, of Legislative Decree No. 58 of February 24, 1998.

The accounting principles applied to prepare this consolidated quarterly report are consistent with those used for the annual consolidated financial statements at December 31, 2013, except as otherwise stated in the Notes to the Interim Consolidated Financial Statements.

This quarterly report was not audited.

Key events in the first quarter of 2014

In January, the Group extended its master agreement with LabCorp to expand DiaSorinôs LIAISON XL menu offering. The company added 15 new assays to the current menu and launched the new molecular diagnostic test for the detection and quantification of Cytomegalovirus (CMV) on human fluid samples, available on the market outside of the United States and Canada. The new IAM CMV is the fifth test used on the LIAISON IAM and strengthens DiaSorinôs position as Specialist leader in the Molecular Diagnostic market. The new molecular diagnostic test is of primary importance because it detects and quantifies clinically relevant subtypes of CMV in human plasma, urine and cerebrospinal fluid. These features make the test a valuable tool for the diagnosis and monitoring of CMV infection in transplant recipients and other immunocompromised individuals as well as for the diagnosis of maternal and foetal CMV infection in early pregnancy and for monitoring CMV infection in affected babies. Cytomegalovirus (CMV) is a DNA virus belonging to the herpes virus family. CMV infection is common throughout the world with a seroprevalence of around 60% in the human population.

Again in January, the Group announced it obtained all the marketing approvals for Hepatitis, Retrovirus and Syphilis assays on its LIAISON XL platform for the Chinese market. DiaSorin becomes the Company with the most complete offering for infectious diseases on a single platform in this market, by adding new tests to those already approved. Concerning the market in China, estimates show a value of around $ 160 million, with a growth of approximately 20% per year in CLIA technology. In this frame, DiaSorin strives to expand its footprint targeting the diagnostic lab activity of Hepatitis and HIV testing and aims at consolidating its positioning in the Chinese market.

In February, the Group announced it launched the LIAISON Rotavirus test for the qualitative detection of Rotavirus in stool specimens, available in the market outside the US and UK only. The new LIAISON Rotavirus is the fifth test launched on the LIAISON Stool menu, in addition to the other tests already brought to the market (C. Difficile Toxin A&B, C. Difficile GDH, H. pylori, EHEC).

Lastly, the Group launched its new LIAISON N-TACT PTH Gen II assay, for the quantitative determination of intact human parathyroid hormone (PTH) in human serum and plasma. The LIAISON N-TACT PTH Gen II assay is a redevelopment of DiaSorin existing N-TACT PTH assays and employs specific polyclonal antibodies to assist in diagnosis of disorders of calcium metabolism. This assay is an addition to the current DiaSorin LIAISON Bone and Mineral menu on CLIA technology.

The foreign exchange market

In the foreign exchange market during the first quarter of 2014, the average exchange rate of the euro gained value against almost all currencies used by the Group compared with the same period in 2013. Particularly, the euro appreciated in value vis-à-vis the U.S. dollar (+4 percentage points), the South African rand (+26 percentage points), the Australian dollar (+20 percentage points) and the Brazilian real (+23 percentage points).

The exchange rates impacted significantly on the Groupọs operating performance of the periods under comparison.

The table below provides a comparison of the average and end-of-period exchange rates for periods under comparison regarding the main currencies used by the Group (Source: the Bank of Italy).

Currency	**Average exchange rates**		**Exchange rates at**	
	1st quarter 2014	**1st quarter 2013**	**3/31/2014**	**3/31/2013**
U.S. dollar	1.3696	1.3206	1.3788	1.2805
Brazilian real	3.2400	2.6368	3.1276	2.5703
British pound	0.8279	0.8511	0.8282	0.8456
Swedish kronor	8.8569	8.4965	8.9483	8.3553
Swiss Franc	1.2237	1.2284	1.2194	1.2195
Czech koruna	27.4422	25.5655	27.4420	25.7400
Canadian dollar	1.5107	1.3313	1.5225	1.3021
Mexican peso	18.1299	16.7042	18.0147	15.8146
Israeli shekel	4.7892	4.8969	4.8095	4.6679
Chinese yuan	8.3576	8.2209	8.5754	7.9600
Australian dollar	1.5275	1.2714	1.4941	1.2308
South African rand	14.8866	11.8264	14.5875	11.8200
Norwegian krone	8.3471	7.4290	8.2550	7.5120

REVIEW OF THE GROUPôS OPERATING PERFORMANCE AND FINANCIAL POSITION

OPERATING PERFORMANCE IN THE FIRST QUARTER OF 2014

In the first quarter 2014, **revenues** totaled **105,915 thousand euros** (105,839 thousand euros in the first quarter of 2013). Net revenues increased by 3.1% at constant exchange rate, despite the unstable macroeconomic scenario in Europe and in Latin America areas where the Group operates through distributors. As previously stated, the Euro appreciated against almost all currencies used by the Group, with a negative impact on the Groupôs revenues equal to 3.2 million euros compared with the same period in 2013.

The first quarter of 2014 was characterized by the outstanding performance of CLIA products, net of Vitamin D, with a 21.4% growth at constant exchange rates (19% at current exchange rates) that offset the downward trend in sales of Vitamin D and reagents used on dated RIA and ELISA technology. Noteworthy is the growth in the clinical areas of Tumor Markers, Infectious Disease, Prenatal Screening, Parvovirus and the new HIV and Viral Hepatitis assays line.

The **gross profit** totaled **71,754 thousand euros**, compared with 72,048 thousand euros in 2013. The ratio of gross profit to revenues was equal to 67.7% (68.1% in 2013).

Operating expenses amounted to 39,477 thousand euros, increasing by 1,083 thousand euros compared with the first quarter of 2013 (+2.8%), mainly as a result of the increase in the sale force related to the immunodiagnostics business and the technical support for the growing LIAISON and LIAISON XL installed base number worldwide.

Other operating expenses/income were negative by 929 thousand euros in the first quarter of 2014, as against a positive value of 528 thousand euros in the first quarter of 2013. The variation is attributable to the exchange rate changes (a positive translation adjustment of 360 thousand euros related to commercial items recorded in the first quarter of 2014 as against a positive translation adjustment of 1,269 thousand euros in the same period in 2013) and to expenses to complete the reorganization and simplify the Norwegian branch structure.

In the first quarter of 2014**, EBITDA** amounted to **38,587 thousand euros** (41,580 thousand euros in 2013). EBITDA incidence to revenues decreased from 39.3% in the first quarter of 2013 to 36.4% in the first quarter of 2014. The decrease of 2,993 thousand euros, is mainly due to the translation effects, equal to 1.1 million euros in the first quarter of 2014, and higher operating expenses together with non-recurring costs for the Norwegian branch reorganization.

EBIT amounted to **31,348 thousand euros** (34,182 thousand euros in the first quarter of 2013) equal to 29.6% of revenues, down by 2.7 percentage points compared with the same period in 2013.

In the first quarter of 2014**, net financial expenses** totaled **459 thousand euros**, compared with net financial expenses of 1,052 thousand euros in the first quarter of 2013, as a result of the fair value of the Groupôs financial instruments at the end of the quarter (6 thousand euros in 2014 compared with a negative fair value equal to 680 thousand euros in the same period of 2013).

Income taxes totaled **11,187 thousand euros** (12,604 thousand euros in the first three months of 2013), the tax rate decreased from 38% in the first quarter of 2013 to 36.2% in the first three months of 2014, due mainly to lower amount of non-deductible taxes withheld on dividends the Groupôs Parent Company received from foreign subsidiaries in the periods under comparison.

The **net profit** for the first three months of 2014 amounted to **19,702 thousand euros**, equal to18.6% of revenues, compared with a net profit of 20,526 thousand euros in the same period of 2013.

CONSOLIDATED INCOME STATEMENT				
(in thousands of euros)	**1st quarter 2014 (*)**	**as a% of revenues**	**1st quarter 2013 (*)**	**as a% of revenues**
Sales and service revenues	105,915	100.0%	105,839	100.0%
Cost of sales	(34,161)	32.3%	(33,791)	31.9%
Gross profit	**71,754**	**67.7%**	**72,048**	**68.1%**
Sales and marketing expenses	(21,750)	20.5%	(20,581)	19.4%
Research and development costs	(5,936)	5.6%	(6,010)	5.7%
General and administrative expenses	(11,791)	11.1%	(11,803)	11.2%
Total operating expenses	**(39,477)**	**37.3%**	**(38,394)**	**36.3%**
Other operating income (expense)	(929)	0.9%	528	0.5%
EBIT	**31,348**	**29.6%**	**34,182**	**32.3%**
Net financial income (expense)	(459)	0.4%	(1,052)	1.0%
Profit before taxes	**30,889**	**29.2%**	**33,130**	**31.3%**
Income taxes	(11,187)	10.6%	(12,604)	11.9%
Net profit	**19,702**	**18.6%**	**20,526**	**19.4%**
EBITDA (1)	**38,587**	**36.4%**	**41,580**	**39.3%**

(*) Unaudited data.

(1) The Company defines EBITDA as the ñresult from operationsò before amortization of intangibles and depreciation of property, plant and equipment. EBITDA, which the Company uses to monitor and assess the Groupôs 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 Groupôs operating performance. Because the composition of EBITDA is not governed by the reference accounting principles, the computation criterion used by the Group could be different from the criterion used by other operators and/or groups and, consequently, may not be comparable.

Net revenues

In the first quarter 2014, **revenues** totaled **105,915 thousand euros** (105,839 thousand euros in the first quarter of 2013). Net revenues increased by 3.1% at constant exchange rate and resulted to be in line at current exchange rate, compared with the first quarter of 2013. In the first three months of 2014, the Euro appreciated against almost all currencies used by the Group, with a negative impact on the Groupôs revenues equal to 3.2 million euros compared with the same period last year.
Revenues include sales generated from molecular business, equal to 667 thousand euros, mainly through customers acquired together with NorDiag business in 2012.

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

i) 21.4% increase in CLIA technology product line at constant exchange rates (+19% at current exchange rates) net of Vitamin D, as a result of the LIAISON XL platform success and new products launched on the market (today amounting to 108 tests);

ii) 7.2% slowdown in Vitamin D sales at constant exchange rates (-10.7% at current exchange rates) compared with the first quarter of 2013, reflecting lower selling price following the introduction of competing products: noteworthy is the growth in volumes compared with the first quarter of 2013. Net of the effect resulting from the price reduction granted to LabCorp in the US, sales decreased by less than 6% at constant exchange rates, compared with the first quarter of 2013. Vitamin D revenues continued to increase in some important markets of the Group, such as Italy, Germany and Brazil;

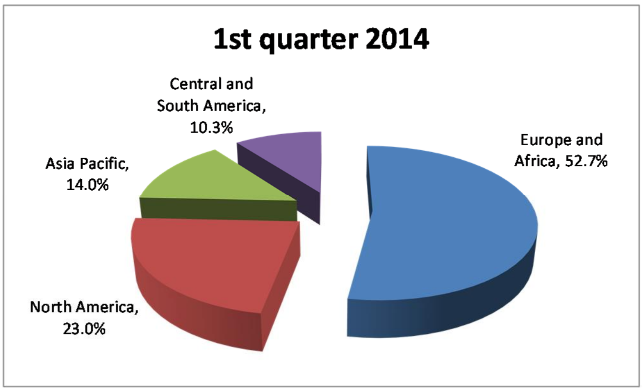
iii) 6% fall in instruments and consumables sales at constant exchange rates (-9% at current exchange rates), mainly as a result of extraordinary sales in Brazil and Spain in the first quarter of 2013;

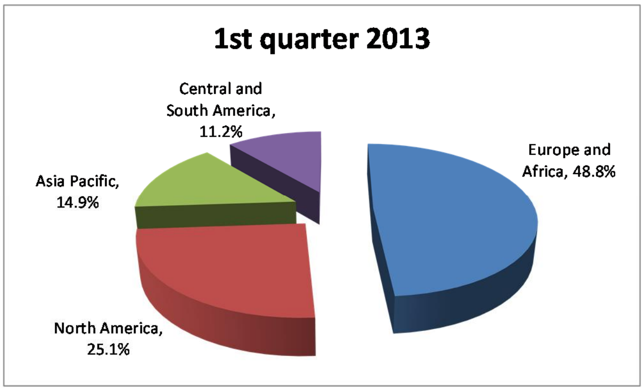
iv) growth in the installed base: in the first quarter of 2014, 159 new instruments have been placed, extending the overall number of installed instruments to 5,431 units. Liaison XL new placements amounted to 155, including 11 in the validation phase at customers facilities.

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 in the first quarter of 2014.

(in thousands of euros)	**1st quarter 2014**	**1st quarter 2013**	**% Change at current exchange rates**	**% Change at constant exchange rates**
Europe and Africa	55,874	51,617	+8.2%	+8.4%
North America	24,356	26,641	-8.6%	-5.2%
Asia Pacific	14,813	15,736	-5.9%	-1.7%
Central and South America	10,872	11,845	-8.2%	+4.9%
Total	**105,915**	**105,839**	**+0.1%**	**+3.1%**





Europa and Africa

Europe and Africa sales region generated revenue for a year-over-year growth rate of 8.4 percentage points at constant exchange rate (+8.2% at current exchange rate), totaling 55,874 thousand euros. Specifically:

i) growth in revenue in the Italian market (+7.5%) driven by the good performance of Hepatitis and Endocrinology assays line. Constant growth in Vitamin D sales (+19.3%) and Infectious Diseases panel (+11.6%);

ii) growth in the German market (+16.6%), with a constant growth on a sequential basis. The subsidiary recorded higher sales of new products (Stool testing and Endocrinology), Vitamin D (+15.7%) and Infectious Diseases panel (+17.2%);

iii) Sales slowdown in the French market (-10.2%) due mainly to the Vitamin D performance. Net of these specialty products, sales of CLIA reagents increased by 20.1 percentage points compared with the first quarter of 2013;

iv) Good performance of network served through distributors, up by 29.2% compared with the first quarter of 2013.

North America

In the first quarter of 2014, the North America sales region reported revenues of 24,356 thousand euros, down 5.2% at constant exchange rates compared with the first quarter of 2013 (-8.6% at current exchange rates). This change reflects two opposing phenomena:

i) Excellent performance of CLIA specialties, net of Vitamin D, with a gain of 58.8 percentage points at constant exchange rates (+53.1% at current exchange rates), driven by the success of tests in the Infectious Diseases and Prenatal Screening clinical areas;

ii) downward trend in Vitamin D sales (about -15% at constant exchange rates, -18% at current exchange rates), due both to the bad weather conditions that hit the U.S. East Coast and to the effect of price reduction granted LabCorp. This effect was more than offset by the increase in sales of CLIA products, mainly in the Infectious Diseases clinical area.

Asia Pacific

In the first quarter of 2014, revenues of the Asia Pacific sales region amounted to 14,813 thousand euros, down by 1.7% at constant exchange rates (-5.9% or 923 thousand euros at current exchange rates) compared with the first quarter of 2013.

This situation is the net result of:

i) growth of 5.3 percentage points at constant exchange rates, in line with expectations, in the Chinese market (+3.6% at current exchange rates) as a result of CLIA products performance (up by 23.1%). This trend was impacted by important seasonal events that led to peak sales at the end of 2013 (in view of the Chinese New Year). Noteworthy is the ongoing success of automated LIAISON XL platform, with 18 placements in the first quarter of 2014, totaling 43 LIAISON XL units;

ii) stable sales in the Australian market, net of currency fluctuations (-2.1% at constant exchange rates, -18.5% at current exchange rates), following the growing sales of LIAISON products, net of Vitamin D (+28.9% at constant exchange rates), that offset the decline in Vitamin D sales (-13.4% at constant exchange rates) mainly due to a seasonal effect of the orders;

iii) fall in revenues generated through distributors in markets where the Group does not have a direct presence (-10.3% at current exchange rates), resulting from the scheduling of some big distributorsô orders.

Central and South America

In the first quarter of 2014, the Latin American sales region recorded revenues of 10,872 thousand euros, up 4.9 percentage points at constant exchange rates (-8,2% at current exchange rates) compared with 11,845 thousand euros in the same period of 2013. This change is mainly attributable to:

i) 7.3% growth at constant exchange rates in the Brazilian market (-12.7% at current exchange rates), generated by CLIA sales (+50.3% at constant exchange rates), partly offset by lower instruments and consumables sales (significant non-recurring sales which occurred in the first quarter of 2013). Noteworthy is the good performance of Vitamin D sales, up by 78.9% at constant exchange rates; net of instruments sales, sales generated solely from reagents increased by 21.5% at constant exchange rates;

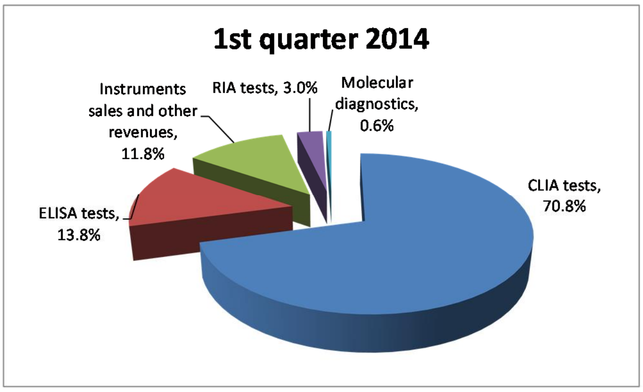
ii) 54.1% growth in Mexican subsidiaryös sales at constant exchange rates (+42% at current exchange rates), as a result of business development of blood banks;

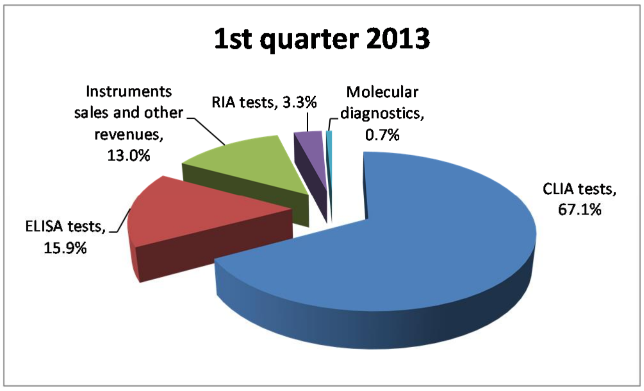
iii) Groupös distributorsö network recorded lower sales, equal to -16.1% compared with the first quarter of 2013. The performance was affected by socio political instability in Venezuela, which is a strategic country in this area.

Breakdown of revenues by technology

The tables that follow show the percentage of the Groupös consolidated revenues contributed by each technology in the first quarter of 2014 and 2013.

% of revenues contributed	**1st quarter 2014**	**1st quarter 2013**
CLIA TESTS	70.8	67.1
ELISA TESTS	13.8	15.9
INSTRUMENTS SALES AND OTHER REVENUES	11.8	13.0
RIA TESTS	3.0	3.3
MOLECULAR DIAGNOSTICS	0.6	0.7
Total	**100.0**	**100.0**





In the first quarter of 2014, the percentage of total revenues provided by CLIA products increased by 3.7 percentage points, as a result of revenue increase in CLIA diagnostic specialties, net of Vitamin D, that fully offset the negative performance of Vitamin D revenues.

The drop in instruments sales (-5.9% at constant exchange rates; -9% at current exchange rates), with a lower percentage on total revenues, equal to 1,2 percentage points, was mainly due to the extraordinary sales in Brazil and Spain in the first quarter 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.

At March 31, 2014, a total of 5,431 LIAISON automated analyzers were installed at facilities operated by direct and indirect Group customers, for an increase of 159 units compared with the installed base at December 31, 2013.

Operating performance

The evaluation of the Groupôs operating performance in the first quarter 2014 is in line with the expectations, even though this result was severely affected by the appreciation of the Euro vis-à-vis the main currencies of interest for the Group compared with the same period in 2013.
The gross profit totaled 71,754 thousand euros, compared with 72,048 thousand euros in 2013, for a slight decrease of 0.4 percentage points or 294 thousand euros. The ratio of gross profit to revenues decreased from 68.1 percentage points in 2013 to 67.7 percentage points in 2014. This trend was mainly due to the stable margins of CLIA products, which more than offset the slowdown in Vitamin D sales entirely due to the price effect.

In the first quarter of 2014, operating expenses amounted to 39,477 thousand euros, up by 2.8 percentage points compared with the same period in 2013. The ratio of operating expenses to total revenues increased from 36.3% to 37.3%, as a result of the expenses related to the technical support (growing installed base) and to the sale force. The foreign exchange market positively impacted the operating expenses for about 1.2 million euros.

Research and development costs totaled 5,936 thousand euros in line with 2013 first quarter results (6,010 thousand euros) and refer mainly to activities concerning the development of new molecular diagnostics products: in 2014, the ratio of research and development costs to revenues amounted to 5.6 percentage points, in line with 2013 data.

In the first quarter of 2014, sales and marketing expenses totaled 21,750 thousand euros, up by 5.7% compared with 2013, due to costs incurred to support the launch of new products and expenses of technical support for the instruments at customers facilities.

In the first three months of 2014, general and administrative expenses totaled 11,791 thousand euros, in line compared with the first quarter of 2013, their ratio to total revenues equal to 11.1 percentage points.

Other operating expenses equal to 929 thousand euros (income equal to 528 thousand euros in the first quarter of 2013), include a positive translation adjustment of 360 thousand euros related to commercial items (positive translation adjustment of 1,269 thousand euros in 2013), as a result of the exchange rates fluctuation in the quarters under comparison. This item includes 395 thousand euros in tax expenses (497 thousand euros in 2013) and 589 thousand euros in additions to provisions for risks and charges (137 thousand euros in 2013), including 460 thousand euros to complete the reorganisation and simplify the Norwegian branch structure.

In the first three months of 2014, EBITDA amounted to 38,587 thousand euros (41,580 thousand euros in 2013), equal to 36.4% of revenues, down when compared to 39.3% of revenues in the first three months of 2013. The decrease of 2,993 thousand euros is the result of the abovementioned translation effects equal to 1.1 million euros, restructuring costs of the Norwegian branch (460 thousand euros) and higher sale, marketing and technical assitance expenses to support the successful expansion of LIAISON and LIAISON XL installed base worlwide. Excluding the molecular business contribution and the exchange rates impact from the periods under comparison, EBITDA would be equal to 38.5 percentage points of revenues (about 40% in the first quarter of 2013).

In the first three months of 2014, EBIT totaled 31,348 thousand euros, equal to 29.6% of revenues (32.3% of revenues in 2013).

Financial income and expense

In the first quarter of 2014, net financial expense totaled 459 thousand euros compared with net financial expense of 1,052 thousand euros in the same period in 2013.

The fair value of the Groupós financial instruments was positive by 6 thousand euros (negative by 680 thousand euros in the first quarter of 2013).

The currency translation effect, which was positive by 96 thousand euros (positive by 225 thousand euros in the first quarter of 2013) related mainly to the Euro exchange rate and to financial balances of subsidiaries that use currencies different from the Groupós Parent Company currency.
Interests and other financial expense included 337 thousand euros in factoring transaction fees (412 thousand euros in the same period of 2013).

Profit before taxes and net profit

The first quarter of 2014 ended with a result before taxes of 30,889 thousand euros, which generated a tax liability of 11,187 thousand euros, down from the same period last year, when the result before taxes and the corresponding tax liability amounted to 33,130 thousand euros and 12,604 thousand euros, respectively.

The tax rate decreased from 38% in the first quarter of 2013 to 36.2% in the first three months of 2014, due mainly to lower amount of non-deductible taxes withheld on dividends the Groupós Parent Company received from foreign subsidiaries; in particular, the impact of the taxes withheld on dividends distributed by foreign subsidiaries amounted to 465 thousand euros in the first quarter of 2014 (734 thousand euros in the same period in 2013).

The net profit for the first three months of 2014 totaled 19,702 thousand euros, equal to 18.6% of revenues, compared with a net profit of 20,526 thousand euros (equal to 19.4% of revenues) in the same period of 2013.

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

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

(in thousands of euros)	**3/31/2014**	**12/31/2013**
Intangible assets	118,562	119,414
Property, plant and equipment	67,522	66,258
Other non-current assets	22,980	23,230
Net working capital	134,627	141,689
Other non-current liabilities	(34,543)	(34,425)
Net invested capital	**309,148**	**316,166**
Net financial position	**125,056**	**97,969**
Shareholdersô equity	**434,204**	**414,135**

At March 31, 2014, non-current assets amounted to 209,064 thousand euros, in line with December 31, 2013 (208,902 thousand euros).

A breakdown of net working capital is provided below:

(in thousands of euros)	**3/31/2014**	**12/31/2013**	**Change**
Trade receivables	115,303	117,442	(2,139)
Ending inventory	88,651	86,439	2,212
Trade payables	(38,364)	(36,601)	(1,763)
Other current assets/liabilities (1)	(30,963)	(25,591)	(5,372)
Net working capital	**134,627**	**141,689**	**(7,062)**

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

Net working capital decreased by 7,062 thousand euros in the first quarter of 2014, due mainly to a fall in trade receivables and to a change in other current liabilities.

Trade receivables decreased by 2,139 thousand euros compared with December 31, 2013, following the collection of past-due positions owed by public entities (especially in Spain).
Ending inventories grew by 2,212 thousand euros compared with December 31, 2013, due to higher inventories at the Groupôs production facilities.
Other current assets/liabilities increased by 5,372 thousand euros, as a result of the amount of income tax payables.

A condensed net financial position schedule is shown below:

(in thousands of euros)	**3/31/2014**	**12/31/2013**
Cash and cash equivalents	110,449	105,110
Liquid assets (a)	**110,449**	**105,110**
Other current financial assets (b)	**21,798**	**34**
Current bank debt	(6,853)	(6,738)
Other current financial liabilities	(14)	(14)
Current indebtedness (c)	**(6,867)**	**(6,752)**
Net current financial assets (d)=(a)+(b)+(c)	**125,380**	**98,392**
Non-current bank debt	(311)	(410)
Other non-current financial liabilities	(13)	(13)
Non-current indebtedness (e)	**(324)**	**(423)**
Net financial position (f)=(d)+(e)	**125,056**	**97,969**

At March 31, 2014 the net consolidated financial position was positive by 125,056 thousand euros for an increase of 27,087 thousand euros compared with December 31, 2013, as a result of the strong cash flow generated from operating activities in the first quarter of 2014. The U.S. subsidiary opened a 12 month term deposit of 30 million dollars.

Shareholdersô equity, which totaled 434,204 thousand euros at March 31, 2014 (414,135 thousand euros at December 31, 2013) includes treasury shares valued at 44,882 thousand euros.

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 of the changes that occurred compared with the corresponding period in 2013, is provided below:

(in thousands of euros)	**1st quarter 2014**	**1st quarter 2013**
Cash and cash equivalents at beginning of period	**105,110**	**104,599**
Net cash from operating activities	34,708	30,098
Cash used for investing activities	(7,319)	(5,219)
Cash used for financing activities	(292)	(44,068)
Change in net cash before investments in financial assets	***27,097***	***(19,189)***
Investments in financial assets	(21,758)	-
Net change in cash	***5,339***	***(19,189)***
Cash and cash equivalents at end of period	**110,449**	**85,410**

The cash flow from operating activities increased from 30,098 in the first quarter of 2013 to 34,708 thousand euros in the same period in 2014. While the income stream (net profit plus depreciation and amortization, additions to provisions and other non-cash items) was lower than in 2013, this shortfall was offset by the positive performance of the working capital dynamics, due to the collection of past-due positions owed by public entities in countries where the Group operates

Tax payments totaled 2,756 thousand euros (1,448 thousand euros in the first quarter of 2013), consisting mainly of income taxes owed by subsidiaries in the United States, France and Germany.

Net cash used in investing activities totaled 7,319 thousand euros, compared with 5,219 thousand euros in the first quarter of 2013. Capital expenditures for medical equipment amounted to 5,192 thousand euros, up from 4,023 thousand euros in the first quarter of 2013. In addition, development costs of 374 thousand euros were capitalized in the first quarter of 2014, compared with development costs of 555 thousand euros in the same period in 2013.

At March 31, 2014, available liquid assets held by the Group totaled 110,449 thousand euros, plus 21,758 thousand euros (USD 30 million) concerning term deposit as at the end of the first quarter of 2014, compared with 105,110 thousand euros at the end of 2013. The free cash flow amounted to 27,543 thousand euros (25,240 thousand euros in the first quarter of 2013).

OTHER INFORMATION

The Group had 1,616 employees at March 31, 2014 (1,606 employees at December 31, 2013).

TRANSACTIONS WITH RELATED PARTY

In the normal course of business, DiaSorin S.p.A. engages on a regular basis in commercial and financial transactions with its subsidiaries, which are also Group companies. These transactions, which are part of the Group's regular operations and are executed on standard market terms, consist of the supply of goods and services, including administrative, information technology, personnel management, technical support and consulting services, which produce receivables and payables at the end of the year, and financing and cash management transactions, which produce income and expenses.

These transactions are eliminated in the consolidation process and, consequently, are not discussed in this section of this Report.

The Group awards additional benefits to several eligible employees of DiaSorin S.p.A. and other Group companies through a stock option plan. The costs incurred in connection with this plan totaled 111 thousand euros in the first three months of 2014 (385 thousand euros in the first three months of 2013).

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

SIGNIFICANT EVENTS OCCURRING AFTER MARCH 31, 2014 AND BUSINESS OUTLOOK

No significant events occurred after March 31, 2014.

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

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

Saluggia, May 9, 2014

On behalf of
the Board of Directors,

Carlo Rosa

Chief Executive Officer

CONSOLIDATED FINANCIAL STATEMENTS OF THE DIASORIN GROUP AT MARCH 31, 2014 AND ACCOMPANYING NOTES

CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	**notes**	**1st quarter 2014**	**1st quarter 2013**
Net revenues	(1)	105,915	105,839
Cost of sales	(2)	(34,161)	(33,791)
Gross profit		**71,754**	**72,048**
Sales and marketing expenses	(3)	(21,750)	(20,581)
Research and development costs	(4)	(5,936)	(6,010)
General and administrative expenses	(5)	(11,791)	(11,803)
Other operating income (expenses)	(6)	(929)	528
EBIT		**31,348**	**34,182**
Net financial income/ (expense)	(7)	(459)	(1,052)
Profit before taxes		**30,889**	**33,130**
Taxes	(8)	(11,187)	(12,604)
Net profit for the period		**19,702**	**20,526**
Broken down as follows:			
Parent Company shareholdersô interests in net result		19,702	20,433
Minority shareholdersô interests in net result		-	93
Basic earnings per share	(9)	**0.36**	**0.37**
Diluted earnings per share	(9)	**0.36**	**0.37**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of euros)	**notes**	**3/31/2014**	**12/31/2013**
ASSETS			
Non-current assets			
Property, plant and equipment	(10)	67,522	66,258
Goodwill	(11)	65,659	65,503
Other intangibles	(11)	52,903	53,911
Equity investments	(12)	541	498
Deferred-tax assets	(13)	21,010	20,872
Other non-current assets	(14)	1,429	1,860
Total non-current assets		*209,064*	*208,902*
Current assets			
Inventories	(15)	88,651	86,439
Trade receivables	(16)	115,303	117,442
Other current assets	(17)	10,496	8,689
Other current financial assets	(18)	21,798	34
Cash and cash equivalents	(18)	110,449	105,110
Total current assets		*346,697*	*317,714*
TOTAL ASSETS		**555,761**	**526,616**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*

(in thousands of euros)	**notes**	**3/31/2014**	**12/31/2013**
LIABILITIES AND SHAREHOLDERSô EQUITY			
Shareholdersô equity			
Share capital	(19)	55,948	55,948
Additional paid-in capital	(19)	18,155	18,155
Statutory reserve	(19)	11,181	11,181
Other reserves and retained earnings	(19)	373,934	290,523
Treasury shares		(44,882)	(44,882)
Net profit for the year attributable to shareholders of the Parent Company		19,702	83,028
Shareholdersô equity attributable to shareholders of the Parent Company		*434,038*	*413,953*
Other reserves and retained earnings attributable to minority interests		166	99
Net profit for the period attributable to minority interests		-	83
Shareholdersô equity attributable to minority interests		*166*	*182*
Total shareholdersô equity		**434,204**	**414,135**
Non-current liabilities			
Long-term borrowings	(20)	324	423
Provisions for employee severance indemnities and other employee benefits	(21)	26,505	26,199
Deferred-tax liabilities	(13)	3,537	3,499
Other non-current liabilities	(22)	4,501	4,727
Total non-current liabilities		*34,867*	*34,848*
Current liabilities			
Trade payables	(23)	38,364	36,601
Other current liabilities	(24)	24,326	26,303
Income taxes payable	(25)	17,133	7,977
Current portion of long-term debt	(20)	6,867	6,752
Total current liabilities		*86,690*	*77,633*
Total liabilities		**121,557**	**112,481**
TOTAL LIABILITIES AND SHAREHOLDERSô EQUITY		**555,761**	**526,616**

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of euros)	**1st quarter 2014**	**1st quarter 2013**
Cash flow from operating activities		
Net profit for the period	19,702	20,526
Adjustment for:		
- Income taxes	11,187	12,604
- Depreciation and amortization	7,239	7,398
- Financial expense/ (income)	459	1,052
- Additions to/ (Utilizations of) provisions for risk	499	10
- (Gains)/Losses on sales of non-current assets	(3)	11
- Additions to/(Reversals of) provisions for employee severance indemnities	211	(83)
- Changes in shareholdersô equity reserves:		
- Stock option reserve	111	385
- Cumulative translation adjustment from operating activities	(166)	266
- Change in other non current-assets/liabilities	35	288
Cash flow from operating activities before changes in working capital	**39,274**	**42,457**
(Increase)/Decrease in receivables included in working capital	2,045	(6,545)
(Increase)/Decrease in inventories	(2,315)	(1,078)
Increase/(Decrease) in trade payables	1,737	(1,424)
(Increase)/Decrease in other current items	(3,123)	(1,503)
Cash from operating activities	**37,618**	**31,907**
Income taxes paid	(2,756)	(1,448)
Interest paid	(154)	(361)
Net cash from operating activities	**34,708**	**30,098**
Investments in intangibles	(760)	(805)
Investments in property, plant and equipment	(7,677)	(5,944)
Investments in subsidiaries	(128)	(109)
Divestments of property, plant and equipment	1,246	1,639
Cash used in investing activities	**(7,319)**	**(5,219)**
(Redemptions)/Collections of loans and other liabilities	(107)	(107)
Investments in current financial Assets with maturity exceeding 3 months over the purchase date	(21,758)	-
Share capital increase/additional paid-in capital	-	958
Dividends distribution	-	(45,080)
Foreign exchange translation differences	(185)	161
Cash used in financing activities	**(22,050)**	**(44,068)**
Change in net cash and cash equivalents	**5,339**	**(19,189)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**105,110**	**104,599**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**110,449**	**85,410**

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERSô 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) of the period	Group interest in share-holdersô equity	Minority interest in equity	Total interest in shareholdersô equity
Shareholdersô 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 yearôs profit	-	-	-	-	-	-	87,396	-	(87,396)	**-**	**-**	**-**
Share capital increase	40	918	-	-	-	-	-	-	-	**958**	**-**	**958**
Stock options and other changes	-	-	-	-	151	-	234	-	-	**385**	**-**	**385**
Translation adjustment	-	-	-	4,032	-	-	-	-	-	**4,032**	**19**	**4,051**
Gains/Losses on remeasurement of defined benefit plans, net of tax	-	-	-	-	-	-	(219)	-	-	**(219)**	**-**	**(219)**
Gains/Losses on ñNet investment hedge,ò net of tax	-	-	-	(215)	-	-	-	-	-	**(215)**	**-**	**(215)**
Net profit of the period	-	-	-	-	-	-	-	-	20,433	**20,433**	**93**	**20,526**
Shareholdersô equity at 3/31/2013	**55,903**	**16,885**	**11,168**	**7,280**	**3,487**	**44,882**	**274,849**	**(44,882)**	**20,433**	**390,005**	**606**	**390,611**
Shareholdersô 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 yearôs profit	-	-	-	-	-	-	83,028	-	(83,028)	**-**	**-**	**-**
Stock options and other changes	-	-	-	-	111	-	-	-	-	**111**	**-**	**111**
Translation adjustment	-	-	-	384	-	-	-	-	-	**384**	**(16)**	**368**
Gains/Losses on remeasurement of defined benefit plans, net of tax	-	-	-	-	-	-	(112)	-	-	**(112)**	**-**	**(112)**
Net profit of the period	-	-	-	-	-	-	-	-	19,702	**19,702**	**-**	**19,702**
Shareholdersô equity at 3/31/2014	**55,948**	**18,155**	**11,181**	**(5,713)**	**4,333**	**44,882**	**330,432**	**(44,882)**	**19,702**	**434,038**	**166**	**434,204**

OTHER COMPONENTS OF THE COMPREHENSIVE INCOME STATEMENT

(in thousands of euros)	**1st quarter 2014**	**1st quarter 2013**
Net profit of the period (A)	**19,702**	**20,526**
Other comprehensive gains/(losses) that will not be reclassified subsequently to gain/(loss) of the period:		
Gains/(losses) on remeasurement of defined benefit plans	(112)	(219)
Total other comprehensive gains/(losses) that will not be reclassified subsequently to gain/(loss) of the period (B1)	**(112)**	**(219)**
Other comprehensive gains/(losses) that will be reclassified subsequently to gain/loss of the period:		
Gains/(losses) on exchange differences on translating foreign operations	368	4,051
Gains/(losses) on net investment hedge	-	(215)
Total other comprehensive gains/(losses) that will be reclassified subsequently to gain/(loss) of the period (B2)	**368**	**3,836**
TOTAL OTHER COMPREHENSIVE GAINS/(LOSSES), NET OF TAX (B1)+(B2)=(B)	**256**	**3,617**
TOTAL COMPREHENSIVE GAINS/(LOSSES) (A)+(B)	**19,958**	**24,143**
Including:		
- amount attributable to Parent Company shareholders	19,974	24,031
- amount attributable to minority interests	(16)	112

NOTES TO THE CONSOLIDATED QUARTERLY REPORT AT MARCH 31, 2014 AND MARCH 31, 2013.

GENERAL INFORMATION AND SCOPE OF CONSOLIDATION

General information

The DiaSorin Group specializes in the development, manufacture and distribution of products in the immunochemistry and infectious immunology product groups. These product classes can also be grouped into a single family called immunodiagnostics. DiaSorin S.p.A., the Groupôs Parent Company, has its headquarters on Via Crescentino (no building number), in Saluggia (VC).

Principles for the preparation of the interim report on operations

This quarterly report was prepared in compliance with the International Financial Reporting Standards (ñIFRSsò), as issued by the International Accounting Standards Board (ñIASBò) and adopted by the European Union. The designation IFRSs also includes the International Accounting Standards (ñIASsò) that are still in effect and all of the interpretations of the International Financial Reporting Interpretations Committee (ñIFRICò).

This quarterly report was prepared in accordance with the requirements of the relevant international accounting standard (IAS 34 - Interim Financial Reporting).
These notes provide information in summary form, in order to avoid duplicating information published previously, as required by IAS 34. Specifically, these notes discuss only those components of the income statement and balance sheet the composition or change in amount of which require comment (due to the amount involved or the type of transaction or because an unusual transaction is involved) in order to understand the Groupôs operating performance, financial performance and financial position.

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

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

The Groupôs activities overall are such as not to undergo significant seasonal or cyclic fluctuations in total sales during the course of the year.

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

In this consolidated quarterly report, all amounts are in thousands of euros unless otherwise stated.

This quarterly report was not audited.

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 will be renamed *Separate Financial Statements* and will govern the accounting treatment of investments in associates in separate financial statements. This new standard builds on existing principles by identifying the concept of control as the determining factor as to whether an entity should be included in the consolidated financial statements of its parent company. 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 financial statement items included in this Report.

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 ï *Investments in Associates* has been amended to include accounting for investments in jointlycontrolled 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 financial statement items included in this Report.

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. 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 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 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.

On 27 June 2013, the IASB issued narrow scope amendments to IAS 39 - *Financial Instruments: Recognition and Measurement* entitled **ñ***Novation of Derivatives and Continuation of Hedge*

*Accounting*ò. 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.

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 ï *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 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.

In addition, at the date of this 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 November 12, 2009, the IASB published IFRS 9 - *Financial Instruments*. This principle was subsequently amended. It is applicable retrospectively as of January 1, 2015 and represents the first part of a multi-phase process aimed at replacing IAS 39 in its entirety and introduces new criteria for the classification and measurement of financial assets and liabilities. Specifically, in the case of financial assets, the new principle uses a unified approach, based on the method applied to manage financial assets and the characteristics of contractual cash flows from the financial assets, to determine the valuation criterion of financial assets, replacing the different rules of IAS 39. As for financial liabilities, the main revision concerns the accounting treatment of changes in the fair value of a financial liability designated as measured at fair value through profit or loss, when changes in fair value are caused by a variation in the liabilityôs credit rating. Under the new principle, these changes must be recognized in other comprehensive profit or loss and are no longer reflected in the income statement.

- On November 21, 2013, the IASB issued narrow scope amendments to IAS 19 - *Employee Benefits* entitled ñ*Defined Benefit Plans: Employee Contributions*ò. The amendments are intended to simplify the accounting treatment for contributions to defined benefit plans from employees or third parties. The amendments are effective retrospectively for annual periods beginning after 1 July 2014. Earlier application is permitted.

- On 12 December 2013, the IASB issued narrow scope amendments to IFRS (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 aggregation of operating segments in IFRS 8 - Operating Segments, the definition of key management personnel in IAS 24 - Related Party disclosures, the extension of the exclusion from scope of IFRS 3 - Business Combinations to all types of joint arrangements (as defined in IFRS 11 - Joint arrangements) and to clarify the application of certain exceptions in IFRS 13- Fair value Measurement.

Financial statement presentation formats

The financial statements are presented in accordance with the following formats:

- In the income statement, costs are broken down by function. This income statement format, also known as a ñcost of salesò income statement, is more representative of the Groupôs business than a presentation with expenses broken down by nature because it is consistent with internal reporting and business management methods and with international practice in the diagnostic industry;
- In the statement of financial position, current and non-current assets and current and non-current liabilities are shown separately;
- The statement of cash flows is presented in accordance with the indirect method.

Scope of consolidation

These condensed quarterly consolidated financial statements include the financial statements of DiaSorin S.p.A., the Groupôs Parent Company, and those of its subsidiaries.
Subsidiaries are companies over which the Group is able to exercise control, i.e., it has the power to determine their operating and financial policies, so as to obtain benefits from the results of their operations.

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 Groupôs total assets and liabilities, cash flow and bottom-line result is not material.

No changes occurred in the scope of consolidation in the first quarter of 2014.

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

Other information

Information about significant events occurring after March 31, 2014, the Groupœs business outlook and its transactions with related parties is provided in separate sections of this quarterly report.

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

Currency	**Average exchange rates**		**Exchange rates at**	
	1st quarter 2014	**1st quarter 2013**	**3/31/2014**	**3/31/2013**
U.S. dollar	1.3696	1.3206	1.3788	1.2805
Brazilian real	3.2400	2.6368	3.1276	2.5703
British pound	0.8279	0.8511	0.8282	0.8456
Swedish kronor	8.8569	8.4965	8.9483	8.3553
Swiss Franc	1.2237	1.2284	1.2194	1.2195
Czech koruna	27.4422	25.5655	27.4420	25.7400
Canadian dollar	1.5107	1.3313	1.5225	1.3021
Mexican peso	18.1299	16.7042	18.0147	15.8146
Israeli shekel	4.7892	4.8969	4.8095	4.6679
Chinese yuan	8.3576	8.2209	8.5754	7.9600
Australian dollar	1.5275	1.2714	1.4941	1.2308
South African rand	14.8866	11.8264	14.5875	11.8200
Norwegian krone	8.3471	7.4290	8.2550	7.5120

OPERATING SEGMENT

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

The Groupôs 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 Groupôs geographic expansion and strategic initiatives. The logic of this new organization reflects the destination of the Groupôs 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 Groupôs 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 bills quarterly the other segments for costs incurred at the central level (mainly insurance costs, Group IT systems costs and management costs).

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 shareholdersô equity, which are shown at the Group level.

(in thousands of euros)	ITALY 1st quarter 2014	ITALY 1st quarter 2013	EUROPE 1st quarter 2014	EUROPE 1st quarter 2013	NORTH AMERICA 1st quarter 2014	NORTH AMERICA 1st quarter 2013	REST OF THE WORLD 1st quarter 2014	REST OF THE WORLD 1st quarter 2013	ELIMINATIONS 1st quarter 2014	ELIMINATIONS 1st quarter 2013	CONSOLIDATED 1st quarter 2014	CONSOLIDATED 1st quarter 2013
INCOME STATEMENT												
Revenues from customers	29,869	28,866	31,637	29,614	25,748	28,191	18,661	19,168	-	-	105,915	105,839
Inter-segment revenues	32,956	25,841	6,039	7,160	7,261	6,718	474	417	(46,730)	(40,136)	-	-
Total revenues	**62,825**	**54,707**	**37,676**	**36,774**	**33,009**	**34,909**	**19,135**	**19,585**	**(46,730)**	**(40,136)**	105,915	105,839
Segment result	**13,257**	**10,921**	**2,958**	**2,860**	**15,507**	**18,209**	**562**	**2,867**	**(936)**	**(675)**	**31,348**	**34,182**
Unallocated common costs	-	-	-	-	-	-	-	-	-	-	-	-
EBIT	-	-	-	-	-	-	-	-	-	-	**31,348**	**34,182**
Other income (expense), net	-	-	-	-	-	-	-	-	-	-	-	-
Financial income (expense)	-	-	-	-	-	-	-	-	-	-	(459)	(1,052)
Result before taxes	-	-	-	-	-	-	-	-	-	-	**30,889**	**33,130**
Income taxes	-	-	-	-	-	-	-	-	-	-	(11,187)	(12,604)
Net result	-	-	-	-	-	-	-	-	-	-	**19,702**	**20,526**
OTHER INFORMATION												
Investments in intangibles	170	229	180	175	403	392	7	9	-	-	760	805
Invest. In prop., plant and equip.	1,964	2,103	2,525	2,005	1,925	769	2,113	1,612	(850)	(545)	7,677	5,944
Total investments	**2,134**	**2,332**	**2,705**	**2,180**	**2,328**	**1,161**	**2,120**	**1,621**	**(850)**	**(545)**	**8,437**	**6,749**
Amortization of intangibles	(944)	(879)	(688)	(697)	(132)	(101)	(161)	(172)	-	-	(1,925)	(1,849)
Amortization of prop., plant and equip.	(1,901)	(1,884)	(1,801)	(1,727)	(1,306)	(1,253)	(1,054)	(1,147)	748	462	(5,314)	(5,549)
Total amortization	**(2,845)**	**(2,763)**	**(2,489)**	**(2,424)**	**(1,438)**	**(1,354)**	**(1,215)**	**(1,319)**	**748**	**462**	**(7,239)**	**(7,398)**

	ITALY 3/31/14	ITALY 12/31/13	EUROPE 3/31/14	EUROPE 12/31/13	NORTH AMERICA 3/31/14	NORTH AMERICA 12/31/13	REST OF THE WORLD 3/31/14	REST OF THE WORLD 12/31/13	ELIMINATIONS 3/31/14	ELIMINATIONS 12/31/13	CONSOLIDATED 3/31/14	CONSOLIDATED 12/31/13
STATEMENT OF FINANCIAL POSITION												
Segment assets	235,079	233,393	111,742	114,731	72,994	68,361	59,063	58,914	(76,914)	(75,297)	401,964	400,102
Unallocated assets	-	-	-	-	-	-	-	-	-	-	153,797	126,514
Total assets	**235,079**	**233,393**	**111,742**	**114,731**	**72,994**	**68,361**	**59,063**	**58,914**	**(76,914)**	**(75,297)**	**555,761**	**526,616**
Segment liabilities	57,239	55,447	80,115	73,523	8,265	19,893	29,355	25,345	(81,280)	(80,378)	93,694	93,830
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	27,863	18,651
Shareholders' equity	-	-	-	-	-	-	-	-	-	-	434,204	414,135
Total liabilities and shareholders' eq	**57,239**	**54,447**	**80,115**	**73,523**	**8,265**	**19,893**	**29,355**	**25,345**	**(81,280)**	**(80,378)**	**555,761**	**526,616**

	EUROPE AND AFRICA		NORTH AMERICA		ASIA PACIFIC		CENTRAL AND SOUTH AMERICA		CONSOLIDATED	
(in thousands of eu	1st quarter		1st quarter		1st quarter		1st quarter		1st quarter	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
INCOME STATEMENT										
Revenues from cust	55,874	51,617	24,356	26,641	14,813	15,736	10,872	11,845	**105,915**	**105,839**

DESCRIPTION AND MAIN CHANGES

CONSOLIDATED INCOME STATEMENT

The notes to the consolidated income statement are provided below. More detailed information about the components of the income statement is provided in the Report on Operations.

(1) Net revenues

In the first three months of 2014, net revenues, which are generated mainly through the sale of diagnostic kits, totaled 105,915 thousand euros, up by 0.1% compared with the first quarter of 2013. Revenues in the first quarter of 2014 include 1,843 thousand euros for equipment rentals and technical support. In the same period of 2013 revenues amounted to 2,035 thousand euros.

(2) Cost of sales

Cost of sales totaled 34,161 thousand euros in the first quarter of 2014, compared with 33,791 thousand euros in the first quarter of 2013. The cost of sales includes 1,547 thousand euros in royalty expense (1,462 thousand euros in the same period of 2013) and 2,086 thousand euros in costs incurred to distribute products to end customers (1,884 in the first quarter of 2013). The cost of sales also includes the depreciation of medical equipment held by customers, which amounted to 3,781 thousand euros (3,941 thousand euros in the same period last year).

(3) Sales and marketing expenses

Sales and marketing expenses totaled 21,750 thousand euros in the first quarter of 2014, compared with 20,581 thousand euros in the first quarter of 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

The research and development costs incurred during the first quarter of 2014, which totaled 5,936 thousand euros (6,010 thousand euros in the same period in 2013), include all of the research and development outlays that were not capitalized (3,478 thousand euros compared with 3,789 thousand euros in the first quarter of 2013), the costs incurred to register the products offered for sale and meet quality requirements totaling 1,948 thousand euros (1,757 thousand euros in the first quarter of 2013), and the amortization of capitalized development costs equal to 510 thousand euros (464 thousand euros in the first quarter of 2013).
In the first quarter of 2014, the Group capitalized new development costs amounting to 374 thousand euros, compared with 555 thousand euros in the first quarter of 2013.

(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 11,791 thousand euros in the first quarter of 2014, down from 11,803 thousand euros in the same period in 2013.

(6) Other operating income (expense)

Net other operating expense totaled 929 thousand euros, compared with net other operating expense of 528 thousand euros in the first quarter of 2013. This item reflects other income from operations that cannot be allocated to 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, out-of-period income and charges).
Other operating expenses include a positive translation effect of 360 thousand euros related to commercial items (a positive translation effect of 1,269 thousand euros in 2013) as a result of currency fluctuation in the periods under comparison. This item includes 395 thousand euros in tax expenses (497 thousand euros in 2013) and 589 thousand euros in additions to provisions for risks and charges (137 thousand euros in 2013), including 460 thousand euros to complete the reorganization and simplify the Norwegian branch structure.

(7) Net financial income (expense)

(in thousands of euros)	**1st quarter 2014**	**1st quarter 2013**
Interest and other financial expense	(634)	(623)
Fair value measurement of financial instruments	6	(680)
Cumulative share of OCI of entities consolidated under the equity method	(87)	(50)
Interest on pension funds	(157)	(182)
Interest and other financial income	317	258
Net translation adjustment	96	225
Net financial income (expense)	**(459)**	**(1,052)**

In the first quarter of 2014, net financial expense totaled 459 thousand euros, as against net financial expense of 1,052 thousand euros in the same period last year.

The positive change between 2013 and 2012 quarters is mainly attributable to the currency sale operations by the Groupôs Parent company that led to a positive fair value equal to 6 thousand euros in the first quarter of 2014, compared with a negative fair value of 680 thousand euros in the first quarter of 2013.

The translation adjustment, positive by 96 thousand euros in the first quarter of 2014 (positive by 225 thousand euros in the same period in 2013) related mainly to Euro exchange rate in the financial balances of subsidiaries that use currencies different from the Groupôs Parent Company currency

Interests and other financial expense for the period included 337 thousand euros in factoring transaction fees (412 thousand euros in the first quarter of 2013).

(8) Income taxes

The income tax expense recognized in the income statement for the first quarter of 2014 amounted to 11,187 thousand euros (12,604 thousand euros in the same period of 2013). The tax burden was equal to 36.2%, (38% in the first quarter of 2013), as a result of a lower amount of non-deductible taxes withheld on dividends the Groupôs Parent Company received from foreign subsidiaries; in the first quarter of 2014, withholding on dividends paid the U.S. subsidiary amounted to 465 thousand euros (734 thousand euros in the first quarter of 2013).

(9) Earnings per share

Basic earnings per share, amounted to 0.36 euros in the first quarter of 2014 (0.37 euros in the first quarter of 2013); Diluted earnings per share totaled 0.36 euros in the first quarter of 2014, compared with 0.37 euros in the first quarter of 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 (54,398,257 in the first quarter of 2014 and 55,883,482 at March 31, 2013).
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

(10) Property, plant and equipment

The table below shows the changes that occurred in this account as of March 31, 2014:

(in thousands of euros)	At December 31, 2013	Additions	Depreciation	Retirements	Translation adjustment	Reclassifications and other changes	At March 31, 2014
Land	2,313	-	-	-	-	-	2,313
Buildings	4,831	-	126	8	1	-	4,698
Plant and machinery	8,571	188	374	8	2	228	8,607
Manufacturing and distribution equipment	40,245	5,714	4,508	391	158	552	41,770
Other assets	6,264	974	306	11	21	-	6,942
Construction in progress and advances	4,034	801	-	825	(1)	(817)	3,192
Total property, plant and equipment	**66,258**	**7,677**	**5,314**	**1,243**	**181**	**(37)**	**67,522**

Additions to manufacturing and distribution equipment include purchases of medical equipment amounting to 5,192 thousand euros, up from 4,023 thousand euros at March 31, 2013. In the first three months of 2014, depreciation for the period totaled 3,781 thousand euros, compared with 3,941 in the same period in 2013.

(11) Other intangible assets

A breakdown of intangible assets at March 31, 2014 is as follows:

(in thousands of euros)	At December 31, 2013	Additions	Depreciation	Translation adjustment	Retirements and other changes	At March 31, 2014
Goodwill	65,503	-	-	156	-	65,659
Development costs	14,388	374	510	(1)	(644)	13,607
Concessions, licenses and trademarks	28,170	180	772	110	33	27,721
Industrial patents and intellectual property rights	11,132	28	628	11	-	10,543
Advances and other intangibles	221	178	15	-	648	1,032
Total intangible assets	**119,414**	**760**	**1,925**	**276**	**37**	**118,562**

Goodwill amounted to 65,659 thousand euros at March 31, 2014. The increase compared with December 31, 2013 also reflects the translation effect on the goodwill allocated to the DiaSorin Brazil, DiaSorin U.S.A. and DiaSorin South Africa CGUs, amounting to 156 thousand euros.

Please note that intangible assets with an indefinite useful life were not tested for impairment at March 31, 2014, since there were no indications of impairment. A full impairment test will be carried out in connection with the preparations of the annual financial statements.

(12) Equity investments

Equity investments, which totaled 541 thousand euros include 514 thousand euros for the investment held by the U.S subsidiary in the JV DiaSorin Trivitron Healthcare Private Limited, 26 thousand euros for the investment held by the German subsidiary in the U-Kasse pension fund and 1 thousand euros for the interest held in the Sobedia affiliated company.
The change occurred in the first quarter of 2014, equal to 43 thousand euros, is due to the capital transfer in favor of DiaSorin Trivitron Healthcare Private Limited subsidiary and the evaluation of investments in associates on the basis of the equity method.

Other equity investments are valued at cost. These companies are not consolidated because they are not operational. Their impact on the Groupȏs 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 21,010 thousand euros. 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 3,537 thousand euros, 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 carry forwards, most of which, under current laws, can be brought forward indefinitely.
Based on the multi-year plans prepared by the Groupȏs management, the Group is expected to generate sufficient taxable income in future years to allow for the full recovery of the abovementioned amounts.

The Group offset deferred-tax assets and liabilities when they refer to the same company. Depending on whether they are positive or negative, the resulting balances are recognized as deferred-tax assets or deferred-tax liabilities, respectively.

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

(in thousands of euros)	**3/31/2014**	**12/31/2013**
Deferred-tax assets	21,010	20,872
Deferred-tax liabilities	(3,537)	(3,499)
Total net deferred-tax assets	**17,473**	**17,373**

(14) Other non-current assets

Other non-current assets amounted to 1,429 thousand euros at March 31, 2014. They consist mainly of payments made by the Brazilian subsidiary.

(15) Inventories

A breakdown of inventories, which totaled 88,651 thousand euros at March 31, 2014 is provided below:

(in thousands of euros)	**3/31/2014**			**12/31/2013**		
	Gross amount	**Provisions for write-downs**	**Net amount**	**Gross amount**	**Provisions for write-downs**	**Net amount**
Raw materials and supplies	23,997	(1,967)	22,030	25,663	(2,103)	23,560
Semi-finished goods	37,742	(2,535)	35,207	37,081	(2,296)	34,785
Finished goods	33,316	(1,902)	31,414	29,666	(1,572)	28,094
Total	**95,055**	**(6,404)**	**88,651**	**92,410**	**(5,971)**	**86,439**

The inventory increase of 2,212 thousand euros, compared with December 31, 2013 reflects a procurement policy that calls for bigger inventories at the Groupĝs production facilities.

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

(in thousands of euros)	**3/31/2014**	**12/31/2013**
Opening balance	**5,971**	**6,366**
Additions for the period	899	1,123
Utilizations/Reversals for the period	(511)	(1,252)
Translation differences and other changes	45	(266)
Ending balance	**6,404**	**5,971**

(16) Trade receivables

Trade receivables totaled 115,303 thousand euros at March 31, 2014. The table that follows shows the changes that occurred in the allowance for doubtful accounts, which amounted to 8,573 thousand euros compared with December 31, 2013:

(in thousands of euros))	**3/31/2014**	**12/31/2013**
Opening balance	**8,100**	**8,330**
Additions for the period	429	904
Utilizations/Reversals for the period	(48)	(694)
Translation differences and other changes	92	(440)
Ending balance	**8,573**	**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 the first quarter of 2013, the receivables assigned by the Groupĝs Parent Company amounted to 10,708 thousand euros.

(17) Other current assets

Other current assets of 10,496 thousand euros (8,689 thousand euros at December 31, 2013) consist mainly of accrued income and prepaid expenses for insurance, interest, rentals and government grants, tax credits for foreign taxes withheld, and advances paid to suppliers.

(18) Cash and current financial assets

Cash and cash equivalents amounted to 110,449 thousand euros. They consist of balances in banks and postal accounts and short-term bank deposits. At December 31, 2013, this item totaled 105,110 thousand euros.

Current financial assets amounted to 21,798 thousand euros at March 31, 2014 (34 thousand euros at December 31, 2013). A breakdown is as follows:

(in thousands of euros)	**3/31/2014**	**12/31/2013**
Short and long term-bank deposits	21,758	-
Forward contracts	40	34
Other current financial assets	**21,798**	**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; even though the premature closure would not cause any penalties, interests would not be paid.
The fair value of the Groupôs Parent companyô forward contract for sales of foreign currency was positive by 40 thousand euros (34 thousand euros at December 31 2013).

(19). Shareholdersô equity

Share capital
At March 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 March 31, 2014 and no changes occurred compared with December 31, 2013.

Statutory reserve
This reserve amounted to 11,181 thousand euros at March 31, 2014 and no changes occurred compared with December 31, 2013.

Other reserves
A breakdown of other reserves is as follows:

(in thousands of euros)	**3/31/2014**	**12/31/2013**	**Change**
Currency translation reserve	(5,733)	(6,101)	368
Reserve for treasury shares	44,882	44,882	-
Stock option reserve	4,333	4,222	111
Gains/Losses on remeasurement of defined benefit plans	(3,211)	(3,099)	(112)
Retained earnings	336,460	253,349	83,111
IFRS transition reserve	(2,973)	(2,973)	-
Other reserves	342	342	-
Total other reserves and retained earnings	**374,100**	**290,622**	**83,478**
of which minority interest	***166***	***99***	***67***

Currency translation reserve
The translation adjustments reserve includes the exchange differences arising from the translation of equity of consolidated subsidiaries, whose financial statements are denominated in foreign currencies, at the exchange rate in effect at the end of the year. This reserve increased by 368 thousand euros, due mainly to changes in the exchange rates of the Brazilian real. It also reflects the adjustment made to the value of the goodwill allocated to CGUs with reporting currencies different from the euro (156 thousand euros). The currency translation reserve also includes 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 March 31, 2014, the reserve for treasury shares amounted to 44,882 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.

Stock option reserve
The balance in the stock option reserve refers to the 2010 Stock Option Plan. At March 31, 2014 the changes in the reserve included an increase due to the recognition of stock option costs totaling 111 thousand euros.

Gains/Losses on remeasurement of defined-benefit plans
At March 31, 2014 this reserve, negative for 3,211 thousand euros, includes net losses of the period related to the actuarial assessment of the Groupôs defined-benefit plans amounting to 112 thousand euros, net of tax effect.

Retained earnings
The increase of 83,111 thousand euros in retained earnings, compared with December 31, 2013, is mainly the result of the appropriation of the consolidated net profit earned by the Group in 2013.

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 reserve includes 562 thousand euros related to the discounted repurchase price of the Chinese subsidiaryôs minority interest together with the put option right granted to the minority shareholder, and the consolidation reserves, equal to 904 thousand euros.

20) Borrowings

Borrowings include 324 thousand euros in long-term debt and 6,867 thousand euros for the current portion due within one year.
The table below shows a breakdown of borrowings (amounts in thousands of euros):

Lender	Currency	Current portion	Non-current portion	Amount due after 5 years	Total
GE Capital USD	$	4,269	-	-	4,269
	Amount in ú	3,096	-	-	3,096
GE Capital EUR	ú	690	-	-	690
IMI MIUR	ú	190	311	-	501
Santander	BRL	9,000	-	-	9,000
	Amount in ú	2,877	-	-	2,877
Finance leases	ú	14	13	-	27
Total		**6,867**	**324**	**-**	**7,191**

The table below lists the changes that occurred in the facilities outstanding as of the date of this quarterly report compared with December 31, 2013 (amounts in thousands of euros):

	Balance at 12/31/2013	Repayments	Currency translation differences	Amortized cost effect	Balance at 3/31/2014
GE Capital USD	3,095	-	1	-	3,096
GE Capital EUR	690	-	-	-	690
IMI MIUR	600	(107)	-	8	501
Santander	2,763	-	114	-	2,877
Finance leases	27	-	-	-	27
Total borrowings owed to financial institutions	**7,175**	**(107)**	**115**	**8**	**7,191**

The following amount of 107 thousand euros was repaid to IMI-MIUR in the first quarter of 2014.

There were no changes in contract terms compared with December 31, 2013 and DiaSorin was in compliance with all of the operating and financial covenants of the existing loan agreements.

(21) Provision for employee severance indemnities and other employee benefits

The balance in this account reflects all of the Groupôs pension plans 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 employeeôs level of compensation and years of service.

Defined-contribution plans

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

Defined-benefit plans

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

Other 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. In this case, the Corridor Method is not applied to any resulting actuarial gains or losses

The table that follows lists the Groupç main employee benefit plans that are currently in effect:

(in thousands of euros	**3/31/2014**	**12/31/2013**	**Change**
Employee benefits			
provided in:			
- Italy	6,542	6,333	209
- Germany	17,060	16,959	101
- Sweden	2,412	2,412	-
- Other countries	491	495	(4)
	26,505	**26,199**	**306**
broken down as follows:			
- Defined-benefit plans			
Provision for employee severance indemnities	*5,208*	*5,049*	*159*
Other defined-benefit plans	*19,472*	*19,371*	*101*
	24,680	24,420	260
- Other long-term benefits	1,825	1,779	46
Total employee benefits	**26,505**	**26,199**	**306**

The table below shows the main changes that occurred in the Groupôs employee benefit plans in the first quarter of 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**
Financial expense/(income)	156	1	157
Actuarial losses/(gains) recognized in income statement	-	58	58
Actuarial losses/(gains) recognized directly in equity	154	-	154
Service costs for employee benefits	102	51	153
Contribution/benefits paid	(128)	(64)	(192)
Currency translation differences and other changes	(24)	-	(24)
Balance at March 31, 2014	**24,680**	**1,825**	**26,505**

(22) Other non-current liabilities

Other non-current liabilities of 4,501 thousand euros include provisions for risks and charges established in connection with pending or contingent legal disputes and for supplemental severance benefits owed to sales agents.
The table below lists the various provisions for risks and charges:

(in thousands of euros)	**3/31/2014**	**12/31/2013**
Opening balance	**3,858**	**3,417**
Additions for the period	80	663
Utilizations/Reversals for the period	(350)	(187)
Translation differences and other changes	40	(35)
Ending balance	**3,628**	**3,858**

(23) Trade payables

Trade payables, which totaled 38,364 thousand euros at March 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 24,326 thousand euros consist mainly of amounts owed to employees for additional monthly payments to be paid (15,629 thousand euros), contributions payable to social security and health benefit institutions (3,308 thousand euros) and accruals and deferred charges (2,015 thousand euros).

(25) Income taxes payable

The balance of 17,133 thousand euros at March 31, 2014 (7,977 thousand euros at December 31, 2013) represents the amounts owed to the revenue administration for the income tax liability for the period and for other taxes and fees

(26) Commitments and contingent liabilities

Significant commitments and contractual obligations

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

Contingent liabilities

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

(27) Entries resulting from atypical and/or unusual transactions

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

ANNEX I: LIST OF EQUITY INVESTMENTS

Company	Head office location	Currency	Share capital (*)	Par value per share or partnership interest	% interest held directly	Number of shares or partnership interests held
Equity investments consolidated line by line						
DiaSorin S.A/N.V.	Bruxelles (Belgium)	**EUR**	1,674,000	6,696	99.99%	249
DiaSorin Ltda	San Paolo (Brazil)	**BRL**	18,056,977	1	99.99%	18,056,976
DiaSorin S.A.	Antony (France)	**EUR**	960,000	15	99.99%	62,492
DiaSorin Iberia S.A.	Madrid (Spain)	**EUR**	1,453,687	6	99.99%	241,877
DiaSorin Ltd	Oldbury (Great Britain)	**GBP**	500	1	100.00%	500
DiaSorin Inc.	Stillwater (USA)	**USD**	1	0,01	100.00%	100
DiaSorin Canada Inc	Mississauga (Canada)	**CAD**	200,000	N/A	-	100 Class A common shares
DiaSorin Mexico S.A de C.V.	Mexico City (Mexico)	**MXP**	63,768,473	1	99.99%	99,999
DiaSorin Deutschland GmbH	Dietzenbach (Germany)	**EUR**	275,000	275,000	100.00%	1
DiaSorin AB	Sundbyberg (Sweden)	**SEK**	5,000,000	100	100.00%	50,000
DiaSorin Ltd	Rosh Haayin (Israel)	**ILS**	100	1	100.00%	100
DiaSorin Austria GmbH	Wien (Austria)	**EUR**	35,000	35,000	100.00%	1
DiaSorin Czech s.r.o.	Prague (Czech Republic)	**CZK**	200,000	200,000	100.00%	1
DiaSorin Diagnostics Ireland Limited	Dublin (Ireland)	**EUR**	3,923	0.01	100.00%	392,282
DiaSorin Ireland Limited	Dublin (Ireland)	**EUR**	163,202	1.2	-	136,002
Biotrin Intellectual Properties Limited	Dublin (Ireland)	**EUR**	144	0.6	-	240
DiaSorin I.N.UK Limited	Dublin (Ireland)	**EUR**	7,826,072	0.01	-	782,607,110
DiaSorin South Africa (PTY) Ltd	Johannesburg (South Africa)	**ZAR**	101	1	100.00%	101
DiaSorin Australia (Pty) Ltd	Sydney (Australia)	**AUD**	100	1	100.00%	100
DiaSorin Ltd	Shanghai (China)	**RMB**	1,211,417	1	80.00%	96,000
DiaSorin Switzerland AG	Risch (Switzerland)	**CHF**	100,000	100	100.00%	1,000

Company	Head office location	Currency	Share capital (*)	Par value per share or partnership interest	% interest held directly	Number of shares or partnership interests held
Equity investment valued using the equity method						
DiaSorin Trivitron Healthcare Private Limited	Chennai (India)	**INR**	167,037,490	10	-	8,518,912
Equity investment valued at cost						
DiaSorin Deutschland Unterstuetzungskasse GmbH	Dietzenbach (Germany)	**EUR**	25,565	1	-	1
Consorzio Sobedia	Saluggia (Italy)	**EUR**	5,000	N/A	20.00%	1

(*) Amounts stated in the local currency

DECLARATION IN ACCORDANCE WITH THE SECOND SUBSECTION OF ART. 154-BIS, PART IV, TITLE III, SECOND PARAGRAPH, SECTION V-BIS, OF LEGISLATIVE DECREE NO. 58 OF FEBRUARY 24, 1998: ñUNIFORM LAW ON FINANCIAL INTERMEDIATION ENACTED PURSUANT TO ARTICLES 8 AND 21 OF LAW NO. 52 OF FEBRUARY 6, 1996ò

I, the undersigned, Luigi De Angelis, Officer Responsible for the preparation of corporate financial reports of DIASORIN S.p.A.

ATTEST

as required by the second subsection of Art. 154-*bis*, Part IV, Title III, Second Paragraph, Section V-*bis*, of Legislative Decree No. 58 of February 24, 1998, that, to the best of my knowledge, the financial information included in the present document corresponds to book of accounts and bookkeeping entries of the Company.

Saluggia, May 9, 2014.

Luigi De Angelis

Officer Responsible for the preparation of
corporate financial reports
DIASORIN S.p.A.