HALF-YEAR FINANCIAL REPORT
JUNE 30, 2018

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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CORPORATE BODIES

BOARD OF DIRECTORS	(appointed on April 28, 2016)
Chairman	Gustavo Denegri
Deputy Chairman	Michele Denegri
Chief Executive Officer	Carlo Rosa (1)
Directors	Giancarlo Boschetti Stefano Altara Chen Menachem Even Franco Moscetti (2) Giuseppe Alessandria (2) (3) Roberta Somati (2) Fiorella Altruda (2) (4) Francesca Pasinelli (2) Monica Tardivo (2) Enrico Mario Amo Tullia Todros (2) Vittorio Squarotti

BOARD OF STATUTORY AUDITORS	
Chairman	Monica Mannino
Statutory Auditors	Roberto Bracchetti Ottavia Alfano
Alternates	Maria Carla Bottini Salvatore Marco Fiorenza
INDEPENDENT AUDITORS	PricewaterhouseCoopers S.p.A.

COMMITTEES

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

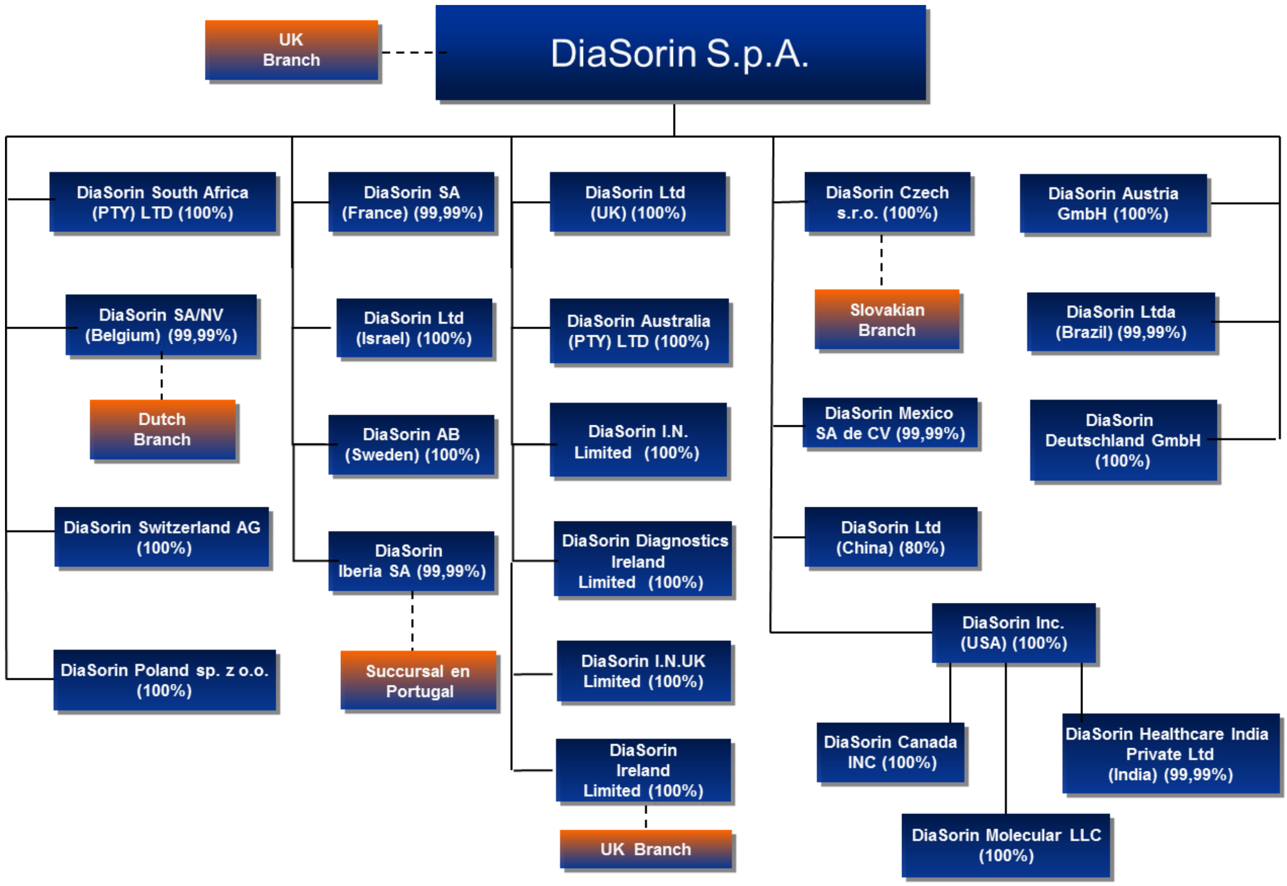
(1) General Manager
(2) Independent Director
(3) Lead Independent Director
(4) The Director Fiorella Altruda was coopted by the Board of Directors with resolution dated December 19, 2016 and appointed by the Shareholders' Meeting on April 27, 2017.

THE GROUP

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

With over 40 years of experience, DiaSorin is a leading player in the in vitro diagnostics market and particularly in the immunodiagnostics and molecular diagnostics segments.

STRUCTURE OF THE GROUP AT JUNE 30, 2018

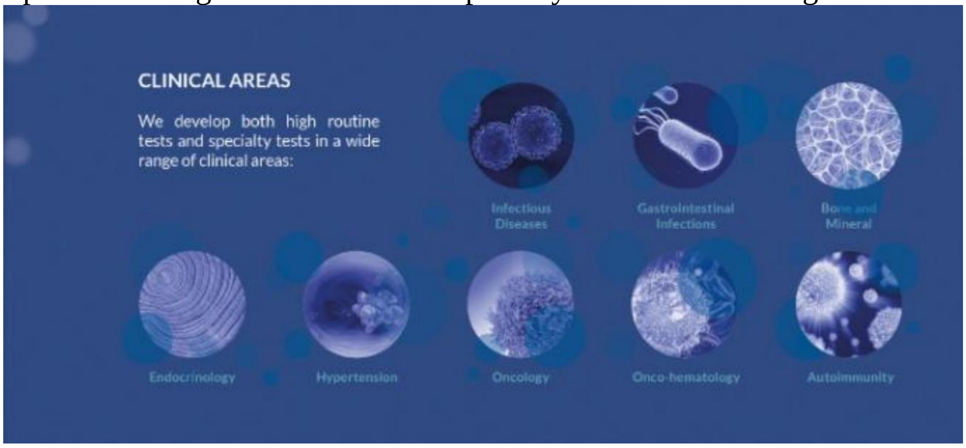


OUR BUSINESS

DiaSorin develops, manufactures and markets tests for the diagnosis of infectious diseases or hormonal disorders.

The clinical areas

Our offer comprises both high routine tests and specialty tests on a vast range of clinical areas:



The diagnostic tests are aimed at both private and hospital analysis laboratories worldwide, in immunodiagnostics and molecular diagnostics markets.

Immunodiagnostics	**_Molecular Diagnostics_**
Technology based on the detection of antibodies to highlight the presence of diseases in a sample of human fluid.	*Technology that allows to diagnose a pathology by detecting specific RNA or DNA sequences (nucleic acids) in patients' biological fluids or in their abnormal cells. To identify nucleic acids, it is first necessary to "amplify" the DNA or RNA one is looking for.*

Both technologies are based on:

- Testing kits (reagents and consumables);
- Technological platforms (according to the different technology used).

Diagnostic kits

The DiaSorin diagnostic tests are biological components aimed at determining the presence of specific elements (virus, hormone, etc.) in the patient's blood sample.

These cutting-edge diagnostic products can identify the presence of the desired element even in small quantities and with a high degree of specificity in the patient's sample.

Our technological platforms

Analysis of the biological sample aimed at detecting the presence of a specific element is carried out by instruments based on specific technologies.

In **immunodiagnostics**, DiaSorin offers the market proprietary-based platforms on the CLIA (**Chemiluminescence**) and ELISA (**Colorimetry**) technologies.

CLIA

DETECTION SIGNAL: generated by a tracer labelled with chemiluminescent molecule

TESTING TIMES: 30-45 minutes

- Tests developed on proprietary technology used exclusively on closed systems
- High flexibility of use in terms of menu

INSTRUMENTS

ELISA

DETECTION SIGNAL: generated by a colorimetric tracer

TESTING TIMES: 3-4 hours

- Tests developed on proprietary technology used on open systems
- Less flexibility of use in terms of menus, appropriate for the diagnoses of a few parameters but with high volumes (i.e. blood banks)

INSTRUMENTS

In **molecular diagnostics**, DiaSorin offers the market diversified proprietary platforms based on the 3 phases of the detection process: extraction, amplification and diagnosis.

EXTRACTION

A process of extraction of a small quantity of nucleic acids (RNA or DNA) from a large variety of matrices (plasma, serum, cerebrospinal liquid and swabs), after a minimum pre-treatment of the sample.

AMPLIFICATION AND DIAGNOSIS

Amplification: a process of *"multiplication"* of the nucleic acid extract. Diagnosis: a process of qualitative and quantitative identification of the viral load or of genetic mutations through the use of molecular kits and consequent association with the relative pathology.

INSTRUMENTS

Bullet Pro®

PCR (Infectious Diseases)

QLAMP (Onco-heamatology)

OUR GLOBAL PRESENCE

The Group headed by DiaSorin S.p.A. is made of 24 companies and 5 branches on the 5 continents; it produces its own tests at 7 manufacturing facilities located in Europe, Africa and the United States.

DiaSorin distributes its tests and platforms all over the world through its commercial subsidiaries, present in Europe, the United States, Mexico, Brazil, China, Australia and Israel. In other Countries, the Group operates through an international network of over 100 independent distributors.

CONSOLIDATED FINANCIAL HIGHLIGHTS

Income statement *(in thousands of euros)*	**1st half 2018**	**1st half 2017**
Net revenues	331,178	319,261
Gross profit	226,841	219,203
EBITDA (1)	128,184	126,189
Operating result (EBIT)	103,034	101,156
Net profit for the period	80,857	66,430

Statement of financial position *(in thousands of euros)*	**06/30/2018**	**12/31/2017**
Capital invested in non-current assets	470,664	460,482
Net invested capital	619,556	592,653
Net financial position	103,683	149,302
Amounts owed to Shareholders for dividends declared	98,420	-
Shareholders' equity	624,819	741,955

Statement of cash flows *(in thousands of euros)*	**1st half 2018**	**1st half 2017**
Net cash flow for the period	(54,750)	(22,530)
Free cash flow (2)	69,164	61,043
Capital expenditures	22,876	19,056
Number of employees	1,982	1,913

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

OVERVIEW OF THE GROUP'S PERFORMANCE IN THE FIRST HALF OF 2018 AND COMPARISON WITH 2017

THE FOREIGN EXCHANGE MARKET

In the first half of 2018, the average exchange rate of the euro gained value vis-à vis the main currencies in which the Group operates compared to the first six months of 2017. Specifically, the euro appreciated against the U.S. dollar (+11.8%), the Chinese yuan (+3.5%), the Brazilian real (+20.3%), the Mexican peso (+9.7%), the Australian dollar (+9.2%) and the British pound (+2.2%).

The exchange rate of the euro at June 30, 2018 appreciated by 13 percentage points against the Brazilian real compared to December 31, 2017 (from 3.9729 to 4.4876), and by 2.9% versus the Australian dollar; the euro depreciated by 2.8 percentage points against the U.S. dollar, by 1.1% versus the Chinese yuan, by 3.3% against the Mexican peso and by 0.1% versus the British pound.

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

Currency	Average exchange rates		Exchange rates at		
	1st half 2018	1st half 2017	6/30/2018	6/30/2017	12/31/2017
U.S. dollar	1.2104	1.0830	1.1658	1.1412	1.1993
Brazilian real	4.1415	3.4431	4.4876	3.7600	3.9729
British pound	0.8798	0.8606	0.8861	0.8793	0.8872
Swedish kronor	10.1508	9.5968	10.4530	9.6398	9.8438
Swiss franc	1.1697	1.0766	1.1569	1.0930	1.1702
Czech koruna	25.5005	26.7841	26.0200	26.1970	25.5350
Canadian dollar	1.5457	1.4453	1.5442	1.4785	1.5039
Mexican peso	23.0850	21.0441	22.8817	20.5839	23.6612
Israeli shekel	4.2584	3.9637	4.2627	3.9888	4.1635
Chinese yuan	7.7086	7.4448	7.7170	7.7385	7.8044
Australian dollar	1.5688	1.4364	1.5787	1.4851	1.5346
South African rand	14.8913	14.3063	16.0484	14.9200	14.8054
Norwegian krone	9.5929	9.1785	9.5115	9.5713	9.8403
Polish Zloty	4.2207	4.2690	4.3732	4.2259	4.1770

KEY EVENTS IN THE FIRST HALF OF 2018

In the first six months of 2018, DiaSorin continued to develop and launch new products both in the immunodiagnostics (CLIA technology) and molecular diagnostics segments.

In March, DiaSorin received the FDA clearance extending the sample claims for its Simplexa HSV 1 & 2 molecular kits on the Liaison MDX platform. The FDA clearance on these sample types makes the Simplex HSV Direct test the only molecular kit that can test both CSF and mucocutaneous swab sample.

In April, DiaSorin received the FDA clearance to market in the U.S. the LIAISON BRAHMS PCT II GEN assay for Sepsis' diagnosis (or septicaemia) through the quantitative determination of procalcitonin (PCT).

In June, the Company launched three new primer pairs (Anaplasma phagocytophilum, Ehrlichia and Babesia) for use in molecular diagnostics and addressed to laboratories to develop their own laboratory developed tests (LDTs). The new primer pairs are classified as Analyte Specific

Reagents (ASRs) and extend the molecular diagnostic menu, which is comprised of over 60 reagents.

On February 20, 2018, DiaSorin and the Trivitron Healthcare Group concluded an agreement, according to which Trivitron Healthcare sold its minority interest (49%) held in the Joint Venture DiaSorin Trivitron Private Limited to the U.S. company DiaSorin Inc, as described in the section "*Business Combinations*".

On April 23, 2018, the Shareholders' Meeting, pursuant to Article 114-bis of the TUF, approved the establishment of a new stock option plan called "DiaSorin S.p.A 2018 Stock Option Plan" entrusting the Board of Directors with the task of adopting the relevant regulation. The Plan calls for grant of up to 675,000 options awarded free of charge to the Plan's beneficiaries.

The Shareholders' Meeting examined and approved the motion to purchase and dispose of DiaSorin S.p.A common shares, up to a maximum of 675,000 common shares, equal to 1.206% of the Company's share capital.

The plan for the purchase of treasury shares was successfully concluded in July 2, 2018.

The Shareholders' Meeting approved the distribution of an extraordinary dividend of € 1.80 per share outstanding, excluding treasury shares, with December 27, 2018, as coupon date, December 28, 2018 as record date and payment date from December 31, 2018.

Further information is provided on the company's website at www.diasorin.com, Investor Relations section.

OPERATING PERFORMANCE OF THE DIASORIN GROUP IN THE FIRST HALF OF 2018

In the first half of 2018, the DiaSorin Group **revenues** amounted to **331,178 thousand euros** (319,261 thousand euros in the first half of 2017), up 3.7% compared to the first half of 2017 (+9.0% at constant exchange rates). The performance was positively impacted by the acquisition of the ELISA Business from Siemens completed in September 2017. At the same time, the foreign exchange rates had a negative impact of ca. 16.7 million euros on revenues, mainly due to the depreciation of the U.S. dollar and the Brazilian real.

The first half of 2018 recorded a positive trend in CLIA products that, net of Vitamin D, increased by 6.9% (+10.5% at constant exchange rates), whilst Vitamin D sales showed a decline (-10.3% at current exchange rates, -3.3% at constant exchange rates).

Revenues from molecular tests amounted to 31.3 million, an increase of 1.6% (+12.1% at constant exchange rates) compared to the first half of 2017, consisting mainly of sales from DiaSorin Molecular business, the acquisition of which was completed in May 2016.

Instruments sales and other revenues decreased by 2.2% (+1.4% at constant exchange rates).

The **gross profit** of the period was **226,841 thousand euros**, up by 3.5% compared to 219,203 thousand euros in the first half 2017. The ratio of gross profit to revenues was equal to 68.5% (68.7% in 2017). The change is attributable to the different geographic and product mix during the periods under comparison as well as to the different scope of consolidation.

In the first half of 2018, **EBITDA** amounted to **128,184 thousand euros** (126,189 thousand euros in 2017) up 1.6% or 1,995 thousand euros compared to the first six months of 2017. EBITDA incidence to revenues decreased to 38.7% in 2018 from 39.5% in 2017. As already explained above concerning the gross profit, the change was the net result of the higher incidence of other operating expenses. It should be noted that, when excluding the impact of exchange rates, EBITDA grew by 7.9% compared to 2017, with an incidence to revenues equal to 39.1 percentage points.

EBIT amounted to **103,034 thousand euros** (101,156 thousand euros in the first half of 2017), equal to 31.1% of revenues, up 1.9 percentage points compared to the first half of 2017.

In the first half of 2018**, net financial income** were **1,297 thousand euros**, against net financial expenses of 2,974 thousand euros in the first half of 2017; the change in the periods under comparison was mainly due to the interest held in DiaSorin Trivitron Healthcare Private Limited being remeasured to fair value, following the acquisition of control carried out in February 2018.

Income taxes amounted to **23,474 thousand euros** (31,752 thousand euros in 2017); the tax rate decreased to 22.5% from 32.3% in 2017, primarily as a result of the corporate tax reform in the U.S. and the Patent Box regime in Italy.

The **net profit** of the period was **80,857 thousand euros** and increased by 14,427 thousand euros or 21.7% compared to the first six months of 2017, with an incidence on turnover of 24.4% (20.8% in the first half of 2017).

REVIEW OF THE GROUP'S OPERATING PERFORMANCE AND FINANCIAL POSITION

FOREWORD

The accounting standards applied to prepare this Half-Year Consolidated Financial Report are consistent with those used for the Annual Consolidated Financial Statements at December 31, 2017 except as otherwise stated in the Notes to the Condensed Half-Year Consolidated Financial Statements - paragraph "New accounting standards".

OPERATING PERFORMANCE IN THE FIRST HALF 2018 AND COMPARISON WITH 2017

(in thousands of euros)	**1st half 2018**	**as a% of revenues**	**1st half 2017**	**as a% of revenues**
Sales and service revenues	331,178	100.0%	319,261	100.0%
Cost of sales	(104,337)	31.5%	(100,058)	31.3%
Gross profit	**226,841**	**68.5%**	**219,203**	**68.7%**
Sales and marketing expenses	(65,003)	19.6%	(60,100)	18.8%
Research and development costs	(22,232)	6.7%	(21,573)	6.8%
General and administrative expenses	(31,920)	9.6%	(32,968)	10.3%
Total operating expenses	**(119,155)**	**36.0%**	**(114,641)**	**35.9%**
Other operating income (expense)	(4,652)	1.4%	(3,406)	1.1%
Non-recurring amount	*(1,019)*	*0.3%*	*(1,587)*	*0.5%*
EBIT	**103,034**	**31.1%**	**101,156**	**31.7%**
Net financial income (expense)	1,297	0.4%	(2,974)	0.9%
Profit before taxes	**104,331**	**31.5%**	**98,182**	**30.8%**
Income taxes	(23,474)	7.1%	(31,752)	9.9%
Net profit	**80,857**	**24.4%**	**66,430**	**20.8%**
EBITDA (1)	**128,184**	**38.7%**	**126,189**	**39.5%**

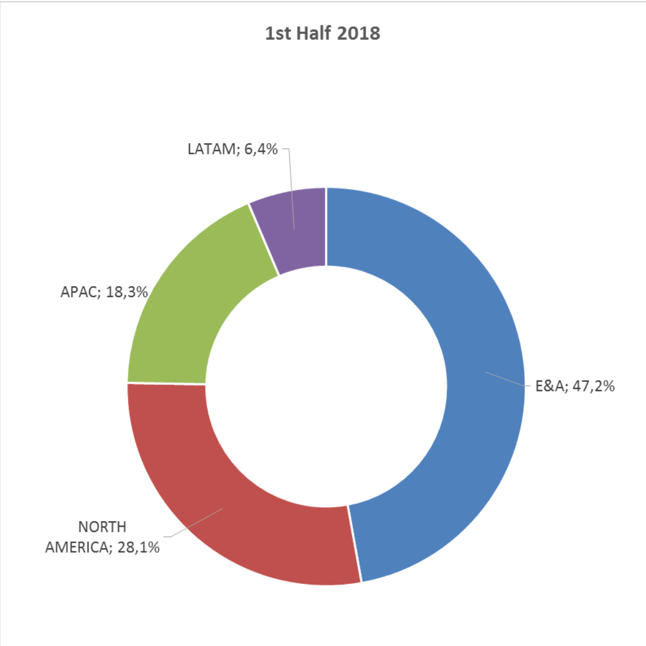
(1) The Board of Directors defines EBITDA as the "Operating Result", gross of amortization and depreciation of intangible and tangible assets. EBITDA is a measure used by the Company to monitor and evaluate the Group's operating performance and is not defined as an accounting measure in IFRS and therefore shall not be considered an alternative measure for assessing the Group's operating result performance. Since the composition of EBITDA is not regulated by the reference accounting standards, the criterion of determination applied by the Group may not be homogeneous with that adopted by other operators and/or groups and therefore it may not be comparable.

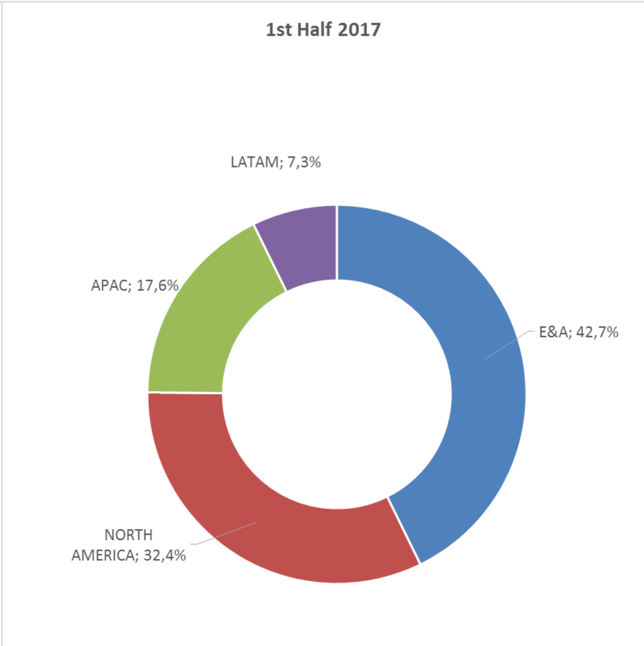
NET REVENUES

In the first half of 2018, the DiaSorin Group generated revenues for 331,178 thousand euros (319,261 thousand euros in the first half of 2017). A breakdown of revenues by geographic region of destination is provided below.

Breakdown of revenues by geographic region

(in thousands of euros)	**1st half 2018**	**1st half 2017**	**% Change at current exchange rates**	**% Change at constant exchange rates**
Europe and Africa	156,180	136,429	+14.5%	+15.2%
North America	93,186	103,544	-10.0%	+0.5%
Asia Pacific	60,651	56,126	+8.1%	+12.4%
Central and South America	21,161	23,162	-8.6%	+1.8%
Total at constant perimeter	**331,178**	**319,261**	**+3.7%**	**+9.0%**





Europe and Africa

Europe and Africa sales region generated sales for 156,180 thousand euros, up 14.5 percentage points (+15.2% at constant exchange rates) compared to the same period of 2017. It should be noted that all the main countries concerned showed an increase in sales of the period.

Specifically:

i) Revenues were up by 9.6 percentage points in Italy compared to the same period of 2017, also on the back of sales of CLIA tests, net of Vitamin D and, in particular, of Gastrointestinal Infections, 1,25 Vitamin D, PCT and Infectious Diseases and Hepatitis panels;

ii) Revenue increased by 22.7% in the German market compared to the first half of 2017, mainly as a result of the positive contribution provided by Siemens' ELISA Business, but also of the upward trend in 1,25 Vitamin D tests, Stool Testing and Infectious Diseases panels;

iii) Positive performance recorded in the French market, up 16.4% compared to the first six months of 2017, driven by CLIA products, net of Vitamin D, and by Siemens' ELISA panel.

North America

In the first half of 2018, North America generated revenues for 93,186 thousand euros, down 10.0% (+0.5% at constant exchange rates) compared to 2017 (103,544 thousand euros). Although a growth in revenues from sales of immunodiagnostic tests, net of Vitamin D, was recorded in the area, the performance was sharply affected by the euro/dollar exchange rate.

Asia Pacific

Overall revenues registered in the first half of 2018 stood at 60,651 thousand euros, up by 8.1% (+12.4% at constant exchange rates) compared to the first half of 2017.

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

i) Steady sales in China compared to the first half of 2017. The good performance of CLIA tests and specifically Hepatitis, Prenatal Screening, Infectious Diseases panels and Thyroid tests was offset by a downward trend in instruments sales;

ii) Increased sales recorded in Australia, up by 19.6%, due to the upward trend in sales of CLIA tests, in particular Gastrointestinal Infections, Prenatal Screening and Infectious Diseases panels. Positive contribution of Siemens' ELISA Business;

iii) Sales on the rise in markets where the Group does not have a direct presence (+28.6% compared to the first half of 2017), mainly on the back of increased instruments sales, CLIA tests and the tests portfolio acquired from Siemens.

Central and South America

The Latin American sales region recorded revenues of 21,161 thousand euros in the first half of 2018, down by 8.6 percentage points (+1.8% at constant exchange rates) as against 23,162 thousand euros in the same period of 2017.

The change at constant exchange rates is primarily due to the:

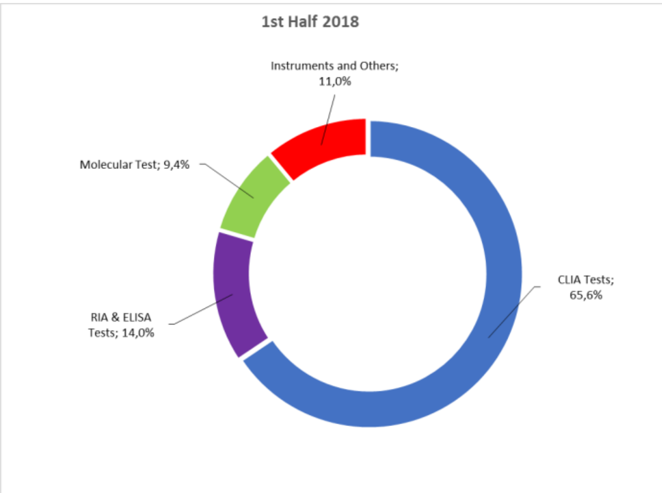
i) Sales in the Brazilian market, up 5 percentage points, compared to the first half of 2017. It is worth mentioning the positive performance of the main CLIA products;

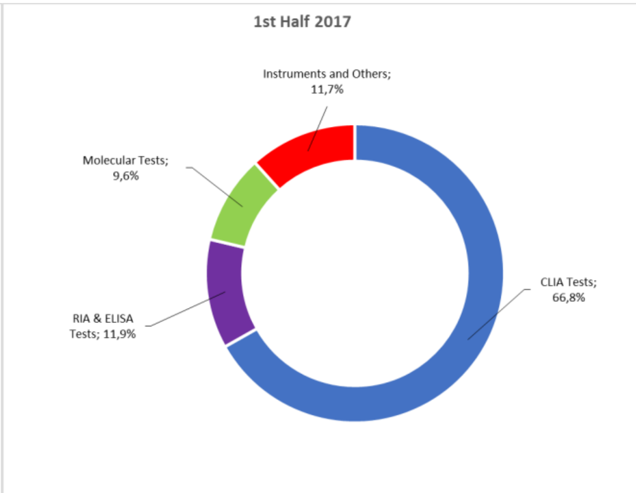
ii) Sales in the Mexican market, up 2.6%, compared to the same period of 2017, primarily due to the positive contribution of instruments sales, Siemens' ELISA Business and to sales of certain CLIA tests, particularly Thyroid tests and Fertility, Bone & Mineral and Endocrinology panels;

iii) Sales from distributors, down 2.4%, which were affected by the impact of higher instruments sales occurred in the first half of 2017. Positive performance of CLIA tests.

Breakdown of revenues by technology

	1st half 2018	1st half 2017
CLIA Tests	65.6%	66.8%
RIA & ELISA Tests	14.0%	11.9%
MOLECULAR Tests	9.4%	9.6%
INSTRUMENT SALES & OTHER REVENUES	11.0%	11.7%
Total	**100.0%**	**100.0%**





In the first six months of 2018, CLIA sales accounted for 65.6% of the Group total revenues. The decrease in the percentage of revenues compared with the first six months of 2017 (equal to 66.8%) was due to the growing percentage of revenues from sales of ELISA tests (increasing from 11.9% to 14.0%), primarily as a result of the Siemens Business acquisition. The percentage on total revenues from molecular sales was stable, declining from 9.6% in the first half of 2017 to 9.4% in the first half of 2018, while instruments sales and other revenues declined from 11.7% in the first half of 2017 to 11.0% in the first half of 2018.

Lastly, as to the installed base trend, in the first six months of 2018 net placements amounted to 225 instruments, for an overall total of 7,623 units installed. LIAISON XL new installations were 239.

Operating performance

The gross profit was 226,841 thousand euros, up 3.5% as against a gross profit of 219,203 thousand in the first half of 2017; the ratio of gross profit to revenues was 68.5%, compared to 68.7% in the same period of 2017. The change was primarily the result of a different mix (geography and product) in the periods under comparison and of the different scope of consolidation.

Operating expenses stood at 119,155 thousand euros, up by 3.9 percentage points compared to the first half of 2017: their ratio to total revenues equal to 36%, basically unchanged compared to the first six months of 2017.

Sales and marketing expenses were 65,003 thousand euros, an increase of 4,903 thousand euros or 8.2% compared to 2017 (60,100 thousand euros). This item consists mainly of costs related to the sale force and costs incurred to launch new products, as well as costs of the technical support provided to customers. The growth in these expenses was due both to the growing business volume and to the different scope of consolidation following the acquisition of the Siemens Business and the relevant amortization of intangible assets. The ratio to total revenues increased to 19.6% from 18.8% in the first six months of 2017.

Research and development costs of 22,232 thousand euros increased by 659 thousand euros or 3.1% compared to the same period in 2017; their ratio to total revenues was equal to 6.7 percentage points as against 6.8 percentage points in the first half of 2017. Again, this was partly due to the amortization of intangible assets generated through the acquisition of Siemens business.

General and administrative expenses stood at 31,920 thousand euros: their ratio to total revenues equal to 9.6 percentage points (down compared to 10.3% in the first half of 2017).

Other operating expenses, amounting to 4,652 thousand euros (3,406 thousand euros in the first half of 2017), include 1,019 thousand euros in non-recurring expenses, mainly to support extraordinary operations.

In the first six months of 2018, EBITDA amounted to 128,184 thousand euros (126,189 thousand euros in 2017), up 1.6% or 1,995 thousand euros compared to the first half of 2017, with an incidence to revenues of 38.7% in 2018 from 39.5% in 2017. When excluding the exchange rates impact, EBITDA grew by 7.9% in absolute value compared to 2017, equal to 39.1 percentage points of revenues.

In the first six months of 2018, EBIT stood at 103,034 thousand euros (101,156 thousand euros in the first half of 2017), equal to 31.1% of revenues, up 1.9% compared to the same period in 2017.

Financial income and expenses

In the first half of 2018, net financial income amounted to 1,297 thousand euros, as against net financial expenses of 2,974 thousand euros on the first half of 2017.

Interest expense and other charges were 2,692 thousand euros, basically in line with 2017 (2,704 thousand euros in the first half of 2017).

Net exchange rate differences on other financial balances, which were positive by 907 thousand euros (negative by 407 thousand euros in 2017) mainly referred to the impact on subsidiaries' financial balances denominated in foreign currencies.

Lastly, 653 thousand euros arose from interests accrued on financial balances and time deposit (294 thousand euros in the first half of 2017) and 2,430 thousand euros from income resulting from the interest held in the Indian company being remeasured to fair value after the local partner sold its 49% interest to the DiaSorin Group for the acquisition of control.

PROFIT BEFORE TAXES AND NET PROFIT

The first half of 2018 ended with a result before taxes of 104,331 thousand euros, up 6.3% compared to 98,182 thousand euros in the first six months of 2017, equal to 31.5% of revenues (30.8% in 2017). Income taxes were 23,474 thousand euros, as against income taxes of 31,752 thousand euros in 2017. The tax rate decreased to 22.5% from 32.3% in 2017, mainly due to the corporate tax reform that took effect from January 1 in the U.S. and the Patent Box regime in Italy.

Lastly, the net profit for the first six months of 2018 was 80,857 thousand euros, up 21.7% as against 66,430 thousand euros in 2017, with an incidence on revenues of 24.4% (20.8% in the first six months of 2017), as a result of the combined factors commented above.

STATEMENT OF FINANCIAL POSITION OF THE GROUP AT JUNE 30, 2018

A condensed statement of financial position of the Group at June 30, 2018 is shown below:

(in thousands of euros)	**6/30/2018**	**12/31/2017**
Goodwill and intangible assets	356,077	344,350
Property, plant and equipment	89,685	92,332
Other non-current assets	24,902	23,800
Net working capital	211,857	190,717
Assets for sale	-	4,000
Other non-current liabilities	(62,965)	(62,546)
Net invested capital	**619,556**	**592,653**
Net financial position	**103,683**	**149,302**
Amounts owed to Shareholders for dividends declared	**98,420**	-
Shareholders' equity	**624,819**	**741,955**

Non-current assets increased to 470,664 thousand euros at June 30, 2018 compared to December 31, 2017 (460,482 thousand euros), mainly as a result of the consolidation of the Indian subsidiary's intangible assets. The amount was affected by the exchange rate trend, which had an impact of EUR 5 million at June 30, 2018.

Other non-current liabilities were 62,965 thousand euros, up 419 thousand euros compared to December 31, 2017 and include employees benefits and provisions for risks and charges.

A breakdown of the net working capital is provided below:

(in thousands of euros)	**6/30/2018**	**12/31/2017**
Trade receivables	133,662	128,822
Inventories	156,145	142,802
Trade payables	(57,769)	(62,331)
Other current assets/liabilities (1)	(20,181)	(18,576)
Net working capital	**211,857**	**190,717**

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

Net working capital increased by 21,140 thousand euros in the first half of 2017. Trade receivables increased by 4,840 thousand euros compared to December 31, 2017 as a result of the revenues trend.

The increase of 13,343 thousand euros in ending inventories compared to December 31, 2017 was due to higher manufacturing volumes to support an increase in revenues. Trade payables decreased by 4,562 thousand euros due to seasonal swings in purchases.

At June 30, 2018, the **net consolidated financial position** was **positive by 103,683 thousand euros**, excluding amounts owed for extraordinary dividends to be distributed to Shareholders, equal to 98,420 thousand euros. Further details are provided in the consolidated statement of cash flow.

A condensed net financial position schedule is shown below:

(in thousands of euros)	**06/30/2018**	**12/31/2017**
Cash and cash equivalents	104,590	159,340
Liquid assets (a)	**104,590**	**159,340**
Other current financial assets (b)	**12,981**	**13,974**
Current bank debt	(12,365)	(23,910)
Derivatives financial instruments	(1,429)	-
Current financial liabilities (c)	**(13,794)**	**(23,910)**
Net current financial assets (d)=(a)+(b)+(c)	**103,777**	**149,404**
Non-current bank debt	(94)	(102)
Derivatives financial instruments	-	-
Non-current financial liabilities (e)	**(94)**	**(102)**
Net financial position (f)=(d)+(e)	**103,683**	**149,302**

At June 30, 2018, **shareholders' equity** of **624,819 thousand euros** (741,955 thousand euros at December 31, 2017) included 1,245,085 treasury shares, equal to 2.22% of the share capital, valued at 60,399 thousand euros.

ANALYSIS OF CONSOLIDATED CASH FLOWS

A complete statement of cash flows is provided in the financial statement schedules. A review of the main statement items and of the changes that occurred compared with the corresponding period in 2017, is provided below:

(in thousands of euros)	**1st half 2018**	**1st half 2017**
Cash and cash equivalents at beginning of period	**159,340**	**130,468**
Net cash from operating activities	88,389	76,966
Cash used for investing activities	(20,951)	(17,103)
Cash used from/(for) financing activities	(118,619)	(60,217)
Acquisitions of subsidiaries and business operations	(4,462)	(1,082)
Change in net cash before investments in financial assets	***(55,643)***	***(1,436)***
Divestments/(Investments) in financial assets	893	(21,094)
Change in net cash	***(54,750)***	***(22,530)***
Cash and cash equivalents at end of period	**104,590**	**107,938**

At June 30, 2018, available **liquid assets** held by the Group stood at **104,590 thousand euros**, a decrease of 54,750 thousand euros compared to December 31, 2017.

In the first half of 2018, the cash flow from operating activities increased to 88,389 thousand euros from 76,966 thousand euros in the same period of 2017, as a result of the growth in the operating result and lower tax expenses offset by a less favorable trend in working capital, particularly in relation to ending inventories and other current liabilities. Lastly, tax payment was 13,218 thousand euros (as against 32,703 thousand euros in 2017), consisting mainly of the U.S. subsidiary's and the Group's Parent company's income taxes.

Investing activities absorbed cash for 20,951 thousand euros, as against 17,103 thousand euros in the first half of 2017. In addition, development costs of 8,991 thousand euros were capitalized in the first half of 2018, as against development costs of 3,510 thousand euros in 2017. Capital expenditures for medical equipment were 7,032 thousand euros (6,705 thousand euros in the first half of 2017).

The **free cash flow** stood at **69,164 thousand euros**, an increase of 8,121 thousand euros compared to 61,043 thousand euros in the first half of 2017.

The net cash from financing activities came in at 118,619 thousand euros, as against 60,217 thousand euros in the first half of 2017. Dividend distribution amounted to 46,830 thousand euros (43,807 thousand euros in the first half of 2017), repayment of debt payables from the Group's Parent company was 12 million euros and the purchase of treasury shares for the Stock Option Plans, amounted to 60,399 thousand euros.

In the first six months of 2018 investments in financial assets include term deposits exceeding three months opened by the US subsidiary for an amount of 12,981 thousand euros (USD 15 million), as against 21,094 thousand euros in divestments in the first half of 2017.

OTHER INFORMATION

The Group had 1,982 employees at June 30, 2018 (1,896 at December 31, 2017).

ENTRIES RESULTING FROM NON-RECURRING, ATYPICAL AND/OR UNUSUAL TRANSACTIONS

As required by Consob Communication No. DEM/6064296 of July 28, 2006, the Company declares that, in the first six months of 2018, 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. The Group did not execute non-recurring transactions in the first six months of 2018.

TRANSACTIONS WITH RELATED PARTIES

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

The impact of these transactions on the single items of the statement of financial position, the income statement and the cash flow is summarized in the condensed half-year consolidated financial statements.

The "Procedure for Related-Party Transactions" for 2018 can be consulted on the company's website (http://www.diasorin.com).

SIGNIFICANT EVENTS OCCURRING AFTER JUNE 30, 2018 AND BUSINESS OUTLOOK

No significant events occurred after June 30, 2018.

In light of the Group's economic performance after June 30, 2018 and, taking into account possible evolutions of the diagnostic sector, management revises the following guidance for revenues and EBITDA in 2018:

- Revenues: growth equal to around +9% at CER compared with 2017 (previous guidance: around +11% at CER)
- EBITDA: growth equal to around +12% at CER compared with 2017 (previous guidance: around +13% at CER)

CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	**Notes**	**1st half 2018**	***Amount with related parties***	**1st half 2017**	***Amount with related parties***
Sales and service revenues	(1)	331,178	425	319,261	1,126
Cost of sales	(2)	(104,337)		(100,058)	
Gross profit		**226,841**		**219,203**	
Sales and marketing expenses	(3)	(65,003)	-	(60,100)	-
Research and development costs	(4)	(22,232)		(21,573)	
General and administrative expenses	(5)	(31,920)	(2,441)	(32,968)	(2,333)
Other operating income (expenses)	(6)	(4,652)	-	(3,406)	(5)
non-recurring amount		*(1,019)*		*(1,587)*	
EBIT		**103,034**		**101,156**	
Net financial income/ (expense)	(7)	1,297		(2,974)	
Profit before taxes		**104,331**	**-**	**98,182**	
Income taxes	(8)	(23,474)		(31,752)	
Net profit for the period		**80,857**	**-**	**66,430**	**-**
Broken down as follows:					
- amount attributable to Parent Company's shareholders		80,808		66,430	
- amount attributable to minority interests		49		-	
Earnings per share (basic)	(9)	**1.45**		**1.21**	
Earnings per share (diluted)	(9)	**1.45**		**1.21**	

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

(in thousands of euros)	**1st half 2018**	**1st half 2017**
Net profit for the period (A)	**80,857**	**66,430**
Other comprehensive gains/(losses) that will not be reclassified subsequently to gain/(loss) of the period:		
Gains/(losses) on fair value measurement of receivables	(53)	
Gains/(losses) on remeasurement of defined benefit plans	3	22
Total other comprehensive gains/(losses) that will not be reclassified subsequently to gain/(loss) of the period (B1)	**(50)**	**22**
Other comprehensive gains/(losses) that will be reclassified subsequently to gain/loss of the period:		
Gains/(losses) on exchange differences on translating foreign operations	6,527	(24,416)
Gains/(losses) on "Net investment hedge"	-	-
Total other comprehensive gains/(losses) that will be reclassified subsequently to gain/(loss) of the period (B2)	**6,527**	**(24,416)**
TOTAL OTHER COMPREHENSIVE GAINS/(LOSSES), NET OF TAX (B1) +(B2) =(B)	**6,477**	**(24,394)**
TOTAL COMPREHENSIVE GAINS/(LOSSES) (A)+(B)	**87,334**	**42,036**
Including:		
-amount attributable to Parent Company’s shareholders	87,285	42,066
-amount attributable to minority interests	49	(30)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of euros)	**notes**	**6/30/2018**	***Amount with related parties***	**12/31/2017**	***Amount with related parties***
ASSETS					
Non-current assets					
Property, plant and equipment	(10)	89,685		92,332	
Goodwill	(11)	156,580		150,744	
Other intangibles	(11)	199,497		193,606	
Equity investments	(12)	27		27	
Deferred-tax assets	(13)	22,866		22,171	
Other non-current assets	(14)	2,009		1,602	
Total non-current assets		*470,664*		*460,482*	
Current assets					
Inventories	(15)	156,145		142,802	
Trade receivables	(16)	133,662		128,822	2,788
Other current assets	(17)	32,868		36,303	
Other current financial assets	(18)	12,981		13,974	
Cash and cash equivalents	(18)	104,590		159,340	
Total current assets		*440,246*		*481,241*	
Assets held for sale	(19)	-		4,000	
TOTAL ASSETS		**910,910**		**945,723**	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*

(in thousands of euros)	**notes**	**6/30/2018**	***Amount with related parties***	**12/31/2017**	***Amount with related parties***
LIABILITIES AND SHAREHOLDERS' EQUITY					
Shareholders' equity					
Share capital	(20)	55,948		55,948	
Treasury shares	(20)	(82,582)		(22,183)	
Additional paid-in capital	(20)	18,155		18,155	
Statutory reserve	(20)	11,190		11,190	
Other reserves and retained earnings	(20)	541,251		538,429	
Net profit for the period attributable to shareholders of the Parent Company		80,808		139,878	
Shareholders' equity attributable to shareholders of the Parent Company		*624,770*		*741,417*	
Other reserves and retained earnings attributable to minority interests				538	
Net profit for the period attributable to minority interests		49		-	
Shareholders' equity attributable to minority interests		*49*		*538*	
Total Shareholders' equity		**624,819**		**741,955**	
Non-current liabilities					
Long-term borrowings	(21)	94		102	
Provisions for employee severance indemnities and other employee benefits	(22)	32,541		32,532	
Deferred-tax liabilities	(13)	2,345		1,899	
Other non-current liabilities	(23)	28,079		28,115	
Total non-current liabilities		*63,059*		*62,648*	
Current liabilities					
Trade payables	(24)	57,769		62,331	
Other payables	(25)	42,291	470	49,689	129
Amounts owed to shareholders for dividends to be distributed	(26)	98,420		-	
Current tax liabilities	(27)	10,758		5,190	
Current financial liabilities	(21)	13,794		23,910	
Total current liabilities		*223,032*		*141,120*	
Total liabilities		**286,091**		**203,768**	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**910,910**		**945,723**	

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of euros)	**1st half 2018**	***Amount with related parties***	**1st half 2017**	***Amount with related parties***
Cash flow from operating activities				
Net profit for the period	80,857		66,430	
Adjustment for:				
- Income taxes	23,474		31,752	
- Depreciation and amortization	25,150		25,033	
- Financial expense/ (income)	(1,297)		2,974	
- Additions to/ (Utilizations of) provisions for risk	903		1,232	
- (Gains)/Losses on sales of non-current assets	(2,129)		22	
- Additions to/ (Reversals of) provisions for employee severance indemnities	419		335	
- Stock option reserve	1,041		817	
- Cumulative translation adjustment from operating activities	1,793		(1,330)	
- Change in other non-current-assets/liabilities	(2,260)		(109)	
Cash flow from operating activities before changes in working capital	**127,951**	**-**	**127,156**	
(Increase)/Decrease in receivables included in working capital	(3,829)	-	(1,458)	(365)
(Increase)/Decrease in inventories	(11,752)		(9,193)	
Increase/(Decrease) in trade payables	(7,932)	-	2,279	(5)
Increase)/Decrease in other current items	(1,105)	-	(7,935)	370
Cash from operating activities	**103,333**		**110,849**	
Income taxes paid	(13,218)		(32,703)	
Interest received (paid)	(1,726)		(1,180)	
Net cash from operating activities	**88,389**	**-**	**76,966**	**-**
Investments in intangibles	(9,840)		(3,891)	
Investments in property, plant and equipment	(13,036)		(15,165)	
Divestments of property, plant and equipment	1,925		1,953	
Cash used in regular investing activities	**(20,951)**	**-**	**(17,103)**	
Acquisitions of subsidiaries and business operations	(4,462)		(1,082)	
Cash used in investing activities	**(25,413)**	**-**	**(18,185)**	
(Redemptions)/Collections of loans and other liabilities	(12,370)		(12,000)	
(Issuance)/Repayments of term deposit	893		(21,094)	
(Purchase)/Sale of treasury shares	(60,261)		-	
Dividends distribution	(46,830)		(43,807)	
Cash used in financing activities	**(118,568)**	**-**	**(76,901)**	
Foreign exchange translation differences	842		(4,410)	
Change in net cash and cash equivalents	**(54,750)**	**-**	**(22,530)**	
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**159,340**		**130,468**	
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**104,590**	**-**	**107,938**	

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

(in thousands of euros)	**Share capital**	**Treasury shares**	**Additional paid-in capital**	**Statutory reserve**	**Currency translation reserve**	**Stock option reserve**	**Reserve for treasury shares**	**Other reserves and retained earnings**	**Profit/(loss) of the period**	**Group interest in shareholders' equity**	**Minority interest in shareholders' equity**	**Total interest in shareholders' equity**
Shareholders' equity at 12/31/2016	**55,948**	**(38,025)**	**18,155**	**11,190**	**40,621**	**3,001**	**38,025**	**421,519**	**112,383**	**662,817**	**568**	**663,385**
Appropriation of previous year's profit	-	-	-	-	-	-	-	112,383	(112,383)	-	-	-
Dividend distribution	-	-	-	-	-	-	-	(43,807)	-	**(43,807)**	-	**(43,807)**
Stock options and other changes	-	-	-	-	-	817	-	-	-	**817**	-	**817**
Sale/(Purchase) of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	-	-	-	*66,430*	***66,430***	-	*66,430*
Other changes in the comprehensive income statement	-	-	-	-	*(24,386)*	-	-	*22*	-	***(24,364)***	*(30)*	*(24,394)*
Comprehensive profit for the period	-	-	-	-	(24,386)	-	-	22	66,430	**42,066**	(30)	**42,036**
Shareholders' equity at 6/30/2017	**55,948**	**(38,025)**	**18,155**	**11,190**	**16,235**	**3,818**	**38,025**	**490,117**	**66,430**	**661,893**	**538**	**662,431**
Shareholders' equity at 12/31/2017	**55,948**	**(22,183)**	**18,155**	**11,190**	**748**	**1,029**	**22,183**	**514,469**	**139,878**	**741,417**	**538**	**741,955**
Appropriation of previous year's profit	-	-	-	-	-	-	-	139,878	(139,878)	-	-	-
Dividend distribution	-	-	-	-	-	-	-	(145,250)	-	**(145,250)**		**(145,250)**
Stock options and other changes	-	-	-	-	-	927	-	114	-	**1,041**	**-**	**1,041**
Sale/(Purchase) of treasury shares	-	(60,399)	-	-	-	-	60,399	(60,261)	-	**(60,261)**	**-**	**(60,261)**
Profit for the period	-	-	-	-	-	-	-	-	*80,808*	***80,808***	*49*	*80,857*
Other changes in the comprehensive income statement	-	-	-	-	*7,065*	-	-	*(50)*	-	***7,015***	*(538)*	*6,477*
Comprehensive profit for the period	-	-	-	-	7,065	-	-	(50)	80,808	**87,823**	(489)	**87,334**
Shareholders' equity at 6/30/2018	**55,948**	**(82,582)**	**18,155**	**11,190**	**7,813**	**1,956**	**82,582**	**448,900**	**80,808**	**624,770**	**49**	**624,819**

NOTES TO THE CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

GENERAL INFORMATION AND SCOPE OF CONSOLIDATION

General information

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

Principles for the preparation of the condensed half-year consolidated financial statements

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

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

Consequently, these condensed half-year consolidated financial statements do not provide all of the disclosure required in the annual financial statements and should be read in conjunction with the annual financial statements prepared for the year ended December 31, 2017.

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

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

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

The income tax liability is recognized using the best estimate of the weighted average tax rate projected for the entire year referable to the companies included in the scope of consolidation.

In this consolidated half-year report, all amounts are denominated in euros and rounded to thousands of euros, unless otherwise stated.

In the condensed half-year consolidated financial statements, the same consolidation principles and accounting principles have been used as those used to prepare the annual report, except for IFRSs which came into effect since 2018, as described below.

Financial statement presentation formats

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

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

Scope of consolidation

These condensed half-year consolidated financial statements include the financial statements of DiaSorin S.p.A., the Group's Parent Company, and those of its subsidiaries.

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

Subsidiaries are consolidated line by line from the date the Group obtains control until the moment when control ceases to exist.

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

The scope of consolidation changed compared to December 31, 2017 as it includes DiaSorin Healthcare India Private Ltd. The interest held in the Indian company increased from 51% to 100% making it, thereby, a wholly owned subsidiary.

The following table lists the direct and indirect interest of DiaSorin S.p.A. as of June 30, 2018 and December 31, 2017:

Company	Head office location	At June 30, 2018		At December 31, 2017	
		% interest held by the Group	% minority interest	% interest held by the Group	% minority interest
Direct interest					
DiaSorin S.A/N.V.	Belgium	100%	-	100%	-
DiaSorin Ltda	Brazil	100%	-	100%	-
DiaSorin S.A.	France	100%	-	100%	-
DiaSorin Iberia S.A.	Spain	100%	-	100%	-
DiaSorin Ltd	United Kingdom	100%	-	100%	-
DiaSorin Inc.	USA	100%	-	100%	-
DiaSorin Mexico S.A de C.V.	Mexico	100%	-	100%	-
DiaSorin Deutschland GmbH	Germany	100%	-	100%	-
DiaSorin AB	Sweden	100%	-	100%	-
DiaSorin Ltd	Israel	100%	-	100%	-
DiaSorin Austria GmbH	Austria	100%	-	100%	-
DiaSorin Czech s.r.o.	Czech Republic	100%	-	100%	-
DiaSorin Diagnostics Ireland Limited	Ireland	100%	-	100%	-
DiaSorin South Africa (PTY) Ltd	South Africa	100%	-	100%	-
DiaSorin Australia (Pty) Ltd	Australia	100%	-	100%	-
DiaSorin Ltd	China	80%	20%	80%	20%
DiaSorin Switzerland AG	Switzerland	100%	-	100%	-
DiaSorin Poland sp. z o.o.	Poland	100%	-	100%	-
DiaSorin Ireland Limited	Ireland	100%	-	0%	-
DiaSorin I.N.UK Limited	Ireland	100%	-	100%	-
DiaSorin I.N. Limited	Ireland	100%	-	100%	-
Indirect interest					
DiaSorin Canada Inc	Canada	100%	-	100%	-
DiaSorin Healthcare India Private Limited	India	100%	-	51%	-
DiaSorin Molecular LLC	USA	100%	-	100%	-

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

New accounting standards

Below are the international accounting standards, interpretations and amendments to existing accounting standards and interpretations or specific provisions contained in the standards and interpretations approved by IASB:

Description	Endorsed at the date of this document	Date of effect envisaged by the standard
Amendments to IAS 12: Recognition of deferred tax assets for unrealized losses	Yes	Financial years as from 1 January 2017
Amendments to IAS 7: Disclosure Initiative	Yes	Financial years as from 1 January 2017
Annual Improvements to IFRSs 2014-2016 Cycle	No	Financial years as from 1 January 2017
IFRS 16 Leases	Yes	Financial years as from 1 January 2019
Amendments to IFRS 2: Classification and Measurement of Share based Payment Transactions	Yes	Financial years as from 1 January 2018
Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts: Classification and Measurement of Share based Payment Transactions	Yes	Financial years as from 1 January 2018
Annual Improvements to IFRSs 2014-2016 Cycle	Yes	Financial years as from 1 January 2018
IFRIC 22 Foreign Currency Transactions and Advance Consideration (issued on 8 December 2016)	Yes	Financial years as from 1 January 2018
IFRIC 23 Uncertainty over Income Tax Treatments (issued on 7 June 2017)	No	Financial years as from 1 January 2019

The Group did not apply early adoption for accounting standards and/or interpretations the adoption of which will be mandatory for reporting periods beginning after January 1, 2018. An assessment is being carried out to analyze the potential effects of introducing these amendments in the consolidated financial statements.

New accounting standards adopted by the Group

This note presents the impact of the adoption of the accounting standards IFRS9 Financial Instruments and IFRS15 Revenue from Contracts with Customers on the consolidated financial statements and describes the new accounting standards that are being applied as of January 1, 2018, to the extent that they differ from those applied in the previous periods.
These accounting standards did not have any material effect on the Consolidated Financial Statements at June 30, 2018.

IFRS 9 – Financial Instruments

On July 24, 2014, the IASB published the final version of IFRS 9 – Financial Instruments. The document brings together principles of IASB's project to replace IAS 39 and introduces new criteria of classification and measurement for financial assets and liabilities (along with limited amendments to financial liabilities).

With regard to measurement of financial assets, the new standard requires that loan losses be estimated on an expected losses model using reasonable and supportable information that is available without undue cost or effort about past events, current conditions and forecasts of future economic conditions.

On the basis of the analyses carried out and considering the financial assets held by the Group, the application of IFRS 9 did not have any material effect.

With regard to classification and measurement, IFRS 9 introduces a new framework to identify and analyze the Company's business model for financial assets, as provided below:

i) Hold to collect: pursuant to which the Company holds the financial asset to collect contractual cash flows;
ii) Hold to collect and sell: pursuant to which the financial asset is held with the objective of selling it, e.g. to factors, or holding it to collect contractual cash flows;
iii) Hold to sell: pursuant to which the financial asset is sold prior to its maturity.

IFRS 9 introduces a new hedge accounting model (increasing the types of transactions eligible for hedge accounting, changes in the method of accounting for forward contracts and options when these are included in a hedging relationship, changes to effectiveness tests). IFRS 9 hedge accounting shall be applied prospectively from 2018.

Impact of the adoption

The Group completed the adoption of IFRS 9 as envisaged by the accounting standard from January 1, 2018.

Classification and measurement

Two different types of financial assets have been identified for the new classification of financial instruments required under IFRS 9. The Company adopts a business model which includes also the transfer of specific clients, belonging to the public sector in Italy, to the factor; according to the new standard such clients would fall within "hold to collect and sell" scope which provides that changes in the fair value are included in the other comprehensive income statement.

The following provides the impact of the new classification on the opening balances at January 1, 2018:

(in thousand euros di Euro)	**Carrying value**	**Assets at amortized cost**	**Hedge instruments**	**Assets at fair value through Income Statement**	**Assets at fair value through Comprehensive Income Statement**
Total financial assets at December 31, 2017, as envisaged by IAS 39	**302,136**	**301,652**	**-**	**484**	**-**
Reclassifications of trade receivables measured at *fair value with changes recognized in the Comprehensive Income Statement*		(11,292)			11,292
Total financial assets at January 1, 2018, as envisaged by IFRS 9	**302,136**	**290,360**	**-**	**484**	**11,292**

Financial derivatives and hedge accounting

The Company has no financial derivatives qualifying for hedge accounting. Consequently, new hedging requirements introduced by IFRS 9 have entailed no impacts.

Impairment of financial assets

The only financial assets held by the Group and subject to the expected losses model introduced by IFRS9 are trade receivables against which the Group applies the simplified approach envisaged by the accounting standard. No impacts occurred on the opening balances.

A breakdown of the provision for doubtful accounts in respect of trade receivables at June 30, 2018 is as follows:

Due date	**expiring**	**0 - 90**	**91 - 180**	**181 - 360**	**Due beyond 360**
Trade receivables	95,804	30,534	5,105	2,343	8,907
Expected loss rate	*0%*	*2%*	*7%*	*38%*	*81%*
Provision for doubtful accounts	52	533	347	898	7,199

IFRS 15 - Revenue from Contracts with Customers

On May 28, 2014, the IASB published IFRS 15 – Revenue from Contracts with Customers and jointly with clarifications published on April 12, 2016 are intended to replace IAS 18 – Revenue and IAS 11 – Construction Contracts, and interpretations of IFRIC 13 – Customer Loyalty Programmes, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers and SIC 31 – Revenues-Barter Transactions Involving Advertising Services.

The new standard sets out a single model for revenue recognition from contracts with customers, except for those covered by IAS/IFRS standards on leases, insurance contracts and financial instruments.

The application of the core principles in revenue recognition is carried out as follows:

(i) Identify the contract with a customer,
(ii) Identify the performance obligations in the contract
(iii) Determine the transaction price
(iv) Allocate the transaction price to the performance obligation in the contract and

(v) Recognize revenue when or as the entity satisfies each performance obligation

Impact of the adoption

The Group adopted IFRS from January 1, 2018 which, as a result of the Group' business model, did not involve changes in the accounting treatment for revenue recognition.

Specifically, the Group identifies two main sales channels:

(i) Sales to end customers (Group sales through its subsidiaries) that are made adopting a business model which provides for reagents supply and for the utilization of a diagnostic instrument along with its technical support.
Revenues related to this performance obligation are recognized when control over diagnostic kits is transferred to the end customer ("at point in time").

(ii) Sales to distributors (the so-called export market where DiaSorin does not have its own direct distribution channel) which provide for separate sale of kits/reagents and/or instruments that will be combined and configured by the distributor and sold to the end customer. The relevant revenues are recognized when control over instruments and/or reagents is transferred to their distributor.

In both cases, as a result of the different business models and of the existing contracts with customers, revenue recognition under IFRS15 did not involve material changes compared to the accounting treatment envisaged by the previous accounting standard (IAS 18).

Accounting principles issued but not yet adopted by the Group

IFRS 16 – Leases

On May 13, 2016, the IASB issued IFRS 16 – Leases that is intended to replace IAS 17 – Leases, and interpretations of IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases—Incentives e SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The new standard provides a new definition of lease and introduces a criterion based on control (right of use) of an asset to distinguish leasing contracts from service contracts, identifying as discriminants: the identification of the asset, the right to replace it, the right to obtain substantially all of the economic benefits deriving from the use of the asset and the right to manage the use of the asset underlying the contract.

The standard establishes a single recognition and measurement model of lease contracts for the lessee providing for the recognition of the leased asset also operating under assets against a financial liability, providing the possibility not to recognize as a lease contracts concerning "low-value assets" and leases with a lease term of 12 months or less. On the contrary, this standard does not include significant changes for lessors.

As of the date of this Report, the Group has noncancelable lease payments for an amount of 40 million euros. The Group is completing the analysis that may also identify contracts that do not fall within the definition of leasing contracts having, therefore, no impact on the financial statements.

IFRS 16 is effective for annual reporting periods beginning on or after January 1, 2019 and the Group did not opt for the early adoption.

Other information

The Group had 1,982 employees at June 30, 2018 (1,896 at December 31, 2017).

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

Currency	**Average exchange rates**		**Exchange rates at**		
	1st half 2018	**1st half 2017**	**6/30/2018**	**6/30/2017**	**12/312017**
U.S. dollar	1.2104	1.0830	1.1658	1.1412	1.1993
Brazilian real	4.1415	3.4431	4.4876	3.7600	3.9729
British pound	0.8798	0.8606	0.8861	0.8793	0.8872
Swedish kronor	10.1508	9.5968	10.4530	9.6398	9.8438
Swiss franc	1.1697	1.0766	1.1569	1.0930	1.1702
Czech koruna	25.5005	26.7841	26.0200	26.1970	25.5350
Canadian dollar	1.5457	1.4453	1.5442	1.4785	1.5039
Mexican peso	23.0850	21.0441	22.8817	20.5839	23.6612
Israeli shekel	4.2584	3.9637	4.2627	3.9888	4.1635
Chinese yuan	7.7086	7.4448	7.7170	7.7385	7.8044
Australian dollar	1.5688	1.4364	1.5787	1.4851	1.5346
South African rand	14.8913	14.3063	16.0484	14.9200	14.8054
Norwegian krone	9.5929	9.1785	9.5115	9.5713	9.8403
Polish zloty	4.2207	4.2690	4.3732	4.2259	4.1770

ANALYSIS OF FINANCIAL RISKS

The financial risks to which the Group is exposed include market risks and, to a lesser extent, credit risk and liquidity risk.
The table below lists material assets and liabilities in accordance with the requirements of IFRS 9:

		6/30/2018			12/31/2017			
(in thousands of euros)	**Notes**	**Carrying value**	**Assets at amortized cost**	**Assets at fair value with changes in Comprehensive Income Statement**	**Carry-ing value**	**Assets at amortized cost**	**Assets at fair value**	**Assets at fair value with changes in Comprehensive Income Statement**
Trade receivables	(16)	133,662	120,195	13,467	128,822	117,530	-	11,292
Other current financial assets	(18)	12,981	12,981	-	13,974	13,490	484	-
Cash and cash equivalents	(18)	104,590	104,590	-	159,340	159,340	-	-
Total current financial assets		***251,233***	***237,766***	***13,467***	***302,136***	***290,360***	***484***	***11,292***
Total financial assets		**251,233**	**237,766**	**13,467**	**302,136**	**290,360**	**484**	**11,292**

		6/30/2018			12/31/2017		
(in thousands of euros)	**Notes**	**Carrying value**	**Liabilities at amortized cost**	**Liabilities at fair value**	**Carrying value**	**Liabilities at amortized cost**	**Liabilities at fair value**
Long-term borrowings from banks	(21)	94	94	-	102	102	-
Financial derivatives	(21)	-	-	-	-	-	-
Total non-current financial liabilities		***94***	***94***	***-***	***102***	***102***	***-***
Trade payables	(24)	57,769	57,769	-	62,331	62,331	-
Current borrowings from banks	(21)	12,365	12,365	-	23,910	23,910	-
Financial derivatives	(21)	1,429	-	1,429	-	-	-
Amounts owed to Shareholders for dividends to be distributed		98,420	98,420	-	-	-	-
Total current financial liabilities		***169,983***	***168,554***	***1,429***	***86,241***	***86,241***	***-***
Total financial liabilities		**170,077**	**168,648**	**1,429**	**86,343**	**86,343**	**-**

With regard to the above, the classification of financial assets and liabilities measured at fair value in the statement of financial position, according to the fair value hierarchy, concerned derivative financial instruments at 30 June, 2018. These instruments are classified at level 2 and registered in other current/non-current financial liabilities (for an amount equal to 1,429 thousand euros). The change in the fair value of these instruments is recognized in the income statement.

Risks related to fluctuations in foreign exchange and interest rates

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

The Group is exposed to the interest rate risk in connection with variable-rate financial liabilities. As of June 30, 2018, borrowings totaled 12,459 thousand euros. Assuming a fluctuation of 2 percentage points in interest rates on medium- and long-term borrowings, the resulting impact on the financial expense recognized in the income statement would not be significant.

The same analysis was performed for the receivables assigned without recourse to the factoring company, for an amount equal to 14,411 thousand euros in the first six months of 2018. This computation was made because the factoring company charges a variable fee tied in part to the Euribor. An increase of 2 percentage points would result in an increase in financial expense of 0.1 million.

The Group's exposure to currency risk arises both in connection with the geographical distribution of the Group's industrial activities compared to the markets in which it sells its products, and in relation to the use of external borrowing denominated in foreign currencies.
As to borrowings denominated in foreign currencies, a fluctuation of 5 percentage points in exchange rates would have an impact of 0.6 million euros on the exchange differences recognized in the income statement.
Some Group subsidiaries are located in countries that are not members of the European Monetary Union. Since the Group's reporting currency is the euro, the income statements of these companies are translated into euros at the average exchange rate for the year. Consequently, even if revenues and margins were to remain equal when stated in the local currency, fluctuations in exchange rates could have an impact on the euro amount of revenues, expenses and operating results due to the translation into the consolidation currency. A 5% change in the exchange rates of all of the currencies used by the Group would have an impact on the income statement of about 1.8 million euros.

The euro amount attributed to assets and liabilities of consolidated companies that use reporting currencies different from the euro could vary as a result of changes in exchange rates. As required by the accounting standards adopted by DiaSorin, these changes are recognized directly in equity by posting them to the currency translation reserve. A 5% change in all foreign exchange rates would have an impact of about 16 million euros on the currency translation reserve.

In 2018, in order to mitigate the foreign exchange risk related to the currency fluctuations, the Group's Parent Company executed currency forward sales requiring the recognition of a negative fair value of 1,429 thousand euros at June 30, 2018 (positive fair value of 484 thousand euros at December 31, 2017).

With regard to the above, the classification of financial assets and liabilities measured at fair value in the statement of financial position, according to the fair value hierarchy, concerned derivative financial instruments at 30 June 2018 classified at level 2 and registered in other current/non-current financial liabilities.

Credit risk

The Group's receivables present a low level of risk since most of these receivables are owed by public institutions, for which the risk of non-collection is not significant.
At June 30, 2018, past-due trade receivables were equal to about 14% of revenues. These receivables were held mainly by the Group's Parent Company and by the Brazilian, Spanish and French subsidiaries. These past-due receivables were covered by an allowance for doubtful accounts amounting to 9,298 thousand euros. In addition, in order to bridge the gap between

contractual payment terms and actual collection times, the Group assigns its receivables to factors without recourse for receivables owed by Italian public entities.

(in thousands of euros)	**Amounts not yet due**	**Past-due amounts**	**Total receivables from third-party**
Gross amount	95,804	46,887	142,691
Allowance for doubtful accounts	(52)	(9,029)	(9,029)
Net amount	**95,751**	**37,859**	**133,662**

The gross amount of receivables due within 90 days was 30,534 thousand euros, the amount between 90 and 180 days past due amounted to 5,105 thousand euros, and the amount with over 180 days past due totaled 11,520 thousand euros.

Liquidity risk

A prudent cash management strategy includes maintaining sufficient cash or readily available assets and credit lines, to meet immediate liquidity needs. Cash flows, funding requirements and liquidity levels are monitored centrally to ensure promptly and effectively the availability of financial resources and invest appropriately any excess liquidity.
Management believes that the funds and credit lines currently available, when combined with the resources generated by operating and financing activities, will enable the Group to meet the obligations resulting from its capital investment programs, working capital requirements and the need to repay its indebtedness upon maturity.
Bank loans were 12,459 thousand euros at June 30, 2018, of which 12,365 thousand euros due within the next year and 94 thousand euros due within 2 years. There are no amounts with a due date of more than 5 years.
Cash and cash equivalent stood at 104,590 thousand euros.

SEGMENT INFORMATION

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

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

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

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

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

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

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

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

(in thousands of euros)	ITALY		EUROPE		NORTH AMERICA		REST OF THE WORLD		ELIMINATIONS		CONSOLIDATED	
	1ST half 2018	**1ST half 2017**	**1ST half 2018**	**1ST half 2017**	**1ST half 2018**	**1ST half 2017**	**1ST half 2018**	**1ST half 2017**	**1ST half 2018**	**1ST half 2017**	**1ST half 2018**	**1ST half 2017**
INCOME STATEMENT												
Revenues from customers	77,441	67,540	99,265	84,443	98,455	108,146	56,017	59,132	-	-	331,178	319,261
Inter-segment revenues	103,779	95,383	13,759	13,727	26,973	27,651	237	334	(144,748)	(137,095)	-	-
Total revenues [1]	**181,220**	**162,923**	**113,024**	**98,170**	**125,428**	**135,797**	**56,254**	**59,466**	**(144,748)**	**(137,095)**	**331,178**	**319,261**
Segment EBIT	**46,413**	**40,105**	**41,829**	**9,064**	**41,952**	**50,222**	**4,694**	**4,561**	**(31,854)**	**(2,796)**	**103,034**	**101,156**
Unallocated common costs											-	-
Operating margin											**103,034**	**101,156**
Other net income/(expense)											-	-
Financial income/(expense)											1,297	(2,974)
Result before taxes											**104,331**	**98,182**
Income taxes											(23,474)	(31,752)
Net result											**80,857**	**66,430**
OTHER INFORMATION												
Investments in intangibles	4,877	2,562	12	221	4,581	1,067	370	41	-	-	9,840	3,891
Invest. in prop.,plant and equip.	5,258	7,613	2,295	3,867	4,926	4,984	1,864	1,232	(1,307)	(2,531)	13,036	15,165
Total investments	**10,135**	**10,175**	**2,307**	**4,088**	**9,507**	**6,051**	**2,234**	**1,273**	**(1,307)**	**(2,531)**	**22,876**	**19,056**
Amortization of intangibles	(3,612)	(2,764)	(2,088)	(1,625)	(5,567)	(6,195)	(405)	(381)	662	26	(11,010)	(10,939)
Depreciation of prop.,plant and equip	(5,032)	(4,063)	(3,729)	(3,633)	(4,453)	(5,229)	(2,425)	(2,781)	1,499	1,612	(14,140)	(14,094)
Total amortization and depreciation	**(8,644)**	**(6,827)**	**(5,817)**	**(5,258)**	**(10,020)**	**(11,424)**	**(2,830)**	**(3,162)**	**2,161**	**1,638**	**(25,150)**	**(25,033)**

\	ITALY		EUROPE		NORTH AMERICA		REST OF THE WORLD		ELIMINATIONS		CONSOLIDATED	
	6/30/2018	**12/31/2017**	**6/30/2018**	**12/31/2017**	**6/30/2018**	**12/31/2017**	**6/30/2018**	**12/31/2017**	**6/30/2018**	**12/31/2017**	**6/30/2018**	**12/31/2017**
STATEMENT OF FINANCIAL POSITION												
Segment assets	391,958	346,867	158,818	137,669	326,807	323,395	59,410	53,029	(166,547)	(110,749)	770,446	750,211
Unallocated assets											140,464	195,512
Total assets	**391,958**	**346,867**	**158,818**	**137,669**	**326,807**	**323,395**	**59,410**	**53,029**	**(166,547)**	**(110,749)**	**910,911**	**945,723**
Segment liabilities	101,925	112,651	78,199	78,959	57,178	35,624	39,330	28,506	(115,897)	(83,073)	160,735	172,667
Unallocated liabilities											[2] 125,356	31,101
Shareholders' equity											624,819	741,955
Total liabilities and shareholders' equity	**101,925**	**112,651**	**78,199**	**78,959**	**57,178**	**35,624**	**39,330**	**28,506**	**(115,897)**	**(83,073)**	**910,910**	**945,723**

[1] Revenues are recognized at point in time or when control over distributed products is definitely transferred to a customer

[2] Unallocated liabilities include amounts owed to Shareholders, equal to 98,420 thousand euros, for dividends to be distributed

ACQUISITIONS AND BUSINESS COMBINATIONS

On February 20, 2018 DiaSorin and the Trivitron Healthcare Group concluded an agreement according to which Trivitron Healthcare sold its minority interest (49%) held in the Joint Venture DiaSorin Trivitron Private Limited to the U.S. company DiaSorin Inc, for a consideration of 3.5 million euros.
Through the acquisition DiaSorin gained full control of the Indian company.
The transaction involved the recognition of a gain for Euro 2,430 thousand due to the revaluation of previous held interests, the allocation of the fair value consideration to customer relationship for Euro 3,100 thousand and the residual value to goodwill for Euro 3,641 thousand.

As to ELISA immunodiagnostic business acquired from Siemens Healthcare GmbH in September 2017, the process to finally allocate the fair value of the acquired assets has not yet been completed. IFRS 3 requires a period of one year to account transactions involving Business Combination (Open Window).

DESCRIPTION AND MAIN CHANGES

Consolidated income statement

1. Net revenues

In the first six months of 2018, net revenues, which are generated mainly through the sale of diagnostic kits, were 331,178 thousand euros (319,261 thousand euros in the first six months of 2017), up 3.7% compared to the first six months of 2017 (+9.0% at constant exchange rates). A breakdown of revenues by geographic region is provided below:

(in thousands of euros)	**1st half 2018**	**1st half 2017**	**% Change at current exchange rates**	**% Change at constant exchange rates**
Europe and Africa	156,180	136,429	14.5%	15.2%
North America	93,186	103,544	-10.0%	0.5%
Asia Pacific	60,651	56,126	8.1%	12.4%
Central and South America	21,161	23,162	-8.6%	1.8%
Total at constant scope	**331,178**	**319,261**	**3.7%**	**9.0%**

2. Cost of sales

Cost of sales stood at 104,337 thousand euros, as against 100,058 thousand euros in the first half of 2017. The cost of sales includes 7,546 thousand euros in royalty expense (7,834 thousand euros in the same period of 2017), costs incurred to distribute products to end customers of 5,918 thousand euros (4,742 thousand euros in the first six months of 2017) and the depreciation of medical equipment placed at customers' premises, which amounted to 8,421 thousand euros (9,185 thousand euros in 2017).

3. Sales and marketing expenses

Sales and marketing expenses were 65,003 thousand euros as against 60,100 thousand euros in the first half of 2017. This item consists mainly of marketing costs incurred to promote and distribute DiaSorin products, costs attributable to the direct and indirect sales force and the cost of the technical support offered together with the Group-owned equipment provided to customers under gratuitous loan contracts.

4. Research and development costs

The research and development costs incurred during the first half of 2018, which amounted to 22,232 thousand euros (21,573 thousand euros in the same period of 2017), include all of the research and development outlays that were not capitalized equal to 12,528 thousand euros (11,018 thousand euros in the first half of 2017), costs incurred to register the products offered for sale and meet quality requirements totaling 7,134 thousand euros (7,631 thousand euros in the first half of 2017) and the amortization of capitalized development costs equal to 2,570 thousand euros (2,924 thousand euros in the first half of 2017). In the first six months of 2018, the Group capitalized new development costs of 8,991 thousand euros, as against 3,510 thousand euros in the first half of 2017.

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 decreased to 31,920 thousand euros in the first half of 2018 from 32,968 thousand euros in the same period of 2017.

6. Other operating income (expense)

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

(in thousands of euros)	**1st half 2018**	**1st half 2017**
Trade-related foreign exchange losses	(707)	(859)
Other taxes	(453)	(310)
Provisions for bad debts and provisions for risks and charges	(846)	(1,669)
Out-of-period items and other operating income (expense)	(1,627)	1,019
Non-recurring expenses	(1,019)	(1,587)
Other operating income (expense)	**(4,652)**	**(3,406)**

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

As regards provisions for risks and charges Law n. 125 of 08/06/2015 extended the pay-back mechanism to medical devices on the basis of which any amount exceeding the ceiling on public expenditure for the purchase of medical devices must be paid by the supplying companies. Due to the lack of implementing decrees to specify how to compute the payback measure, the Company carried out the best possible estimate allocating 900 thousand euros in risk provision in the first half of 2018 (900 thousand euros in 2017).

In 2018, non-recurring expenses include 1,019 thousand euros, mainly related to the project to close the Irish manufacturing facility.

7. Financial expense/ (income)

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

(in thousands of euros)	**1st half 2018**	**1st half 2017**
Fees on factoring transactions	(135)	(171)
Interest and other financial expenses	(2,416)	(2,463)
Interest on pension funds	(276)	(241)
Share of the profit/(loss) of equity method investee	-	(220)
Gain from business combination	2,430	-
Interest and other financial income	787	528
Translation adjustment and financial instruments	907	(407)

Net financial income (expense)	1,297	(2,974)

In the first half of 2018, net financial income amounted to 1,297 thousand euros, as against net financial expenses of 2,974 thousand euros in the first half of 2017.
Interest expense and other charges were 2,692 thousand euros, basically in line with 2017 (2,704 thousand euros in the first half of 2017).
Net exchange rate differences on other financial items, which were positive by 907 thousand euros (negative by 407 thousand euros in 2017) mainly referred to the impact on subsidiaries' financial balances denominated in foreign currencies.

Lastly, 653 thousand euros arose from interests accrued on bank accounts and time deposit (294 thousand euros in the first half of 2017) and 2,430 thousand euros from business combination resulting from the revaluation of previously held interests in the Indian company being remeasured at fair value after the local partner sold its 49% interest to the DiaSorin Group for the acquisition of control.

8. Income taxes

Income taxes recognized in the income statement amounted to 23,474 thousand euros in the first six months of 2018 (31,752 thousand euros in 2017); the tax rate decreased to 22.5% from 32.3% in 2017, primarily as a result of the corporate tax reform in the U.S. and the Patent Box regime in Italy.

9. Earnings per share

Basic earnings per share amounted to 1.45 euros in the first half of 2018 and to 1.21 euros in the same period of 2017; diluted earnings per share amounted to 1.45 euros in the first half of 2018 as against 1.21 euros in the first half of 2017. 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 (55,826,369 at June 30, 2018 and 54,758,307 at June 30, 2017).

The dilutive effect of stock option plans granted by DiaSorin S.p.A and determined by excluding tranches assigned at a price higher than the average price of the ordinary shares in 2018 is not relevant.

<u>Consolidated statement of financial position</u>

10. Property, plant and equipment

The table below shows the changes that occurred in this account as of June 30, 2018:

(in thousands of euros)	At December 31, 2017	Additions	Change in the scope of consolidation	Depreciations	Divestments	Translation differences	Reclassifications and other changes	At June 30, 2018
Land	2,348	-	-	-	-	7	-	2,355
Buildings	6,249	367	-	(241)	-	43	4	6,422
Plant and machinery	14,404	381	-	(1,637)	(18)	15	107	13,252
Manufacturing and distribution equipment	47,191	9,093	498	(10,794)	(1,897)	249	2,961	47,301
Other assets	9,384	599	19	(1,468)	(14)	35	4,199	12,754
Construction in progress and advances	12,756	2,596	1	-	(3)	152	(7,898)	7,604
Total property, plant and equipment	**92,332**	**13,036**	**518**	**(14,140)**	**(1,932)**	**501**	**(627)**	**89,688**

Additions to manufacturing and distribution equipment include purchases of medical equipment amounting to 7,032 thousand euros as against 6,705 thousand euros at June 30, 2017. Depreciation for the period was 8,421 thousand euros in the first six months of 2018 as against 9,185 in the same period of 2017.

11. Goodwill and other intangible assets

A breakdown of intangible assets as of June 30, 2018 is as follows:

(in thousands of euros)	At December 31, 2017	Additions	Business Combination	Amortizations	Translation differences	Divestments and other changes	At June 30, 2018
Goodwill	150,744	-	3,641	-	2,395	(200)	156,580
Development costs	56,931	8,991	-	(2,850)	1,387	(734)	63,725
Concessions, licenses and trademarks	66,089	430	250	(3,818)	301	(22)	63,230
Customer relationship	66,175	-	3,100	(3,668)	1,119	-	66,726
Industrial patents and intellectual property rights	3,462	202	-	(562)	(42)	562	3,622
Advances and other intangibles	949	217	248	(112)	(29)	921	2,194
Total intangible assets	**344,350**	**9,840**	**7,239**	**(11,010)**	**5,131**	**527**	**356,077**

The change in the scope of consolidation in the first half of 2018 was due to Indian subsidiary being included in the Group scope of consolidation starting from February, 2018. Additional details are provided in the section “Acquisitions and Business Combinations”.

Goodwill amounted to 156.580 thousand euros at June 30, 2018. The change compared to December 31, 2017 reflects the translation difference related to effect on the goodwill allocated to the DiaSorin Brazil, DiaSorin USA and DiaSorin South Africa CGUs, for an amount equal to 2,395 thousand euros, in addition to the goodwill arising from the control acquisition of the Indian subsidiary for an amount of 3,641 thousand euros.

As of the date of this Report the process to finally allocate the fair value of the acquired assets has not yet been completed. Any excess arising from the amount paid for the acquisition and the carrying amounts of the acquired assets and intangibles being provisionally identified was added to customer relationship for 3,100 thousand euros and provisionally to Goodwill for 3,641 thousand euros. IFRS 3 establishes a one-year period for accounting transactions involving Business Combination (Open Window).

Amortizations include 1,264 thousand euros for intangible assets acquired from Siemens business acquisition that occurred in the third quarter of 2017.

Lastly, there are no impairment indicators identified for intangible assets with an indefinite useful life therefore no impairment test was carried out as of June 30, 2018. A full impairment test will be carried out in connection with the preparation of the annual financial statements.

12. Equity investments

Unconsolidated equity investments amounted to 27 thousand euros at June 30, 2018, and no changes occurred compared to December 31, 2017.

13. Deferred-tax assets and deferred-tax liabilities

Deferred-tax assets were 22,866 thousand euros (22,171 thousand euros at December 31, 2017). They relate to consolidated companies that have deferred-tax assets in excess of deferred-tax liabilities and to consolidation adjustments. Deferred-tax liabilities, which amounted to 2,345 thousand euros (1,899 thousand euros at December 31, 2017) 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 profit on intra-Group transactions) and on temporary differences between the asset and liabilities amounts used to prepare the semiannual report and the corresponding amounts used by the consolidated companies for tax purposes.

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

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

(in thousands of euros)	**6/30/2018**	**12/31/2017**
Deferred-tax assets	22,866	22,171
Deferred-tax liabilities	(2,345)	(1,899)
Total net deferred-tax assets	**20,521**	**20,272**

14. Other non-current assets

Other non-current assets were 2,009 thousand euros at June 30, 2018 (1,602 thousand euros at December 31, 2017). They consist mainly of receivables from the Group Parent's Company, Belgian, Brazilian and Chinese subsidiaries due beyond 12 months.

15. Inventories

A breakdown of inventories, which amounted to 156,145 thousand euros, is provided below:

	6/30/2018			**12/31/2017**		
(in thousands of euros)	**Gross amount**	**Provisions for write-downs**	**Net amount**	**Gross amount**	**Provisions for write-downs**	**Net amount**
Raw materials and supplies	46,096	(2,738)	43,358	43,355	(3,023)	40,332
Semi-finished goods	50,603	(1,908)	48,695	47,468	(2,133)	45,335
Finished goods	66,268	(2,176)	64,092	58,982	(1,847)	57,135
Total	**162,967**	**(6,822)**	**156,145**	**149,805**	**(7,003)**	**142,802**

The increase of 13,343 thousand euros in ending inventories compared to December 31, 2017 is due to the increase in manufacturing volumes to support the upward trend in revenues.

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

(in thousands of euros)	**6/30/2018**	**12/31/2017**
Opening balance	**7,003**	**7,870**
Additions for the period	1,296	1,448
Utilizations/Reversals for the period	(1,522)	(1,846)
Translation differences and other changes	45	(469)
Ending balance	**6,822**	**7,003**

16. Trade receivables

Trade receivables were 133,662 thousand euros at June 30, 2018 (128,822 thousand euros at December 31, 2017). The increase compared to December 31, 2017 was due to the upward trend in revenues in the first half of 2018 and the contribution from Siemens' ELISA business.

The table that follows shows the changes that occurred in the allowance for doubtful accounts, which amounted to 9,029 thousand euros compared to December 31, 2017:

(in thousands of euros)	**6/30/2018**	**12/31/2017**
Opening balance	**9,615**	**10,615**
Additions for the period	241	203
Utilizations/Reversals for the period	(478)	(477)
Translation differences and other changes	(349)	(726)
Ending balance	**9,029**	**9,615**

In order to bridge the gap between contractual payment terms and actual collection times, the Group uses factoring transactions to sale its receivables without recourse. In the first six months of 2018, the receivables sold by the Group's Parent Company amounted to 14,411 thousand euros (13,480 thousand euros in the same period of 2017).

17. Other current assets

Other current assets amounted to 32,868 thousand euros (36,303 thousand euros at December 31, 2017). They consist of accrued income and prepaid expenses for insurance, interest, rentals and government grants equal to 5,648 thousand euros (3,223 thousand euros at December 31, 2017) and tax credits mainly for the Patent Box regime and for foreign taxes withheld amounting to 19,523 thousand euros (18,418 thousand euros at December 31, 2017).

18. Cash and cash equivalents and current financial assets

Cash and cash equivalents amounted to 104,590 thousand euros at June 30, 2018 (159,340 thousand euros at December 31, 2017). They consist of balances in banks accounts and short-term bank deposits. More detailed information is provided in the Statement of Cash Flows above.

Current financial assets amounted to 12,981 thousand euros at June 30, 2018 thousand euros at June 30, 2018 and include term deposits exceeding three months opened by DiaSorin Inc. (USD 15 million).

19. Assets held for sale

At June 30, 2018 assets held for sale were fully divested (equal to 4,000 thousand euros at December 31, 2017) at the sale price agreed with the third- party purchaser.

20. Shareholders’ equity

Share capital

At June 30, 2018, 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, 2017.

Treasury shares

At June 30, 2018, the amount of treasury shares was 1,245,085 (2.22% of the share capital) totaling 82,582 thousand euros. At December, 31, 2017 treasury shares amounted to 548,857 (0.98% of the share capital) totaling 22,183 thousand euros. The increase was due to the purchase plan of treasury shares approved by the Shareholders’ Meeting on April 23, 2018 for the 2018 Stock Option Plan.

Additional paid-in capital

This reserve amounted to 18,155 thousand euros at June 30, 2018 and no changes occurred compared to December 31, 2017.

Statutory reserve

This reserve amounted to 11,190 thousand euros and no changes occurred compared to December 31, 2017.

Other reserves and retained earnings

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

(in thousands of euros)	**6/30/2018**	**12/31/2017**	**Change**
Currency translation reserve	7,813	737	7,076
Reserve for treasury shares	82,582	22,183	60,399
Stock option reserve	1,956	1,029	927
Gains/(losses) on remeasurement of defined benefit plans	(7,286)	(7,289)	3
Gains/(losses) on the fair value measurement of receivables	(53)	-	(53)
Retained earnings	458,870	524,938	(66,068)
IFRS transition reserve	(2,973)	(2,973)	-
Other reserves	342	342	-
Total Other reserves and retained earnings	**541,251**	**538,967**	**2,284**
of which minority interest	***-***	***538***	***(538)***

Currency translation reserve

The currency translation reserve amounting to 7,813 thousand euros (737 thousand euros at December 31, 2017) 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 7,076 thousand euros, due mainly to fluctuations in the exchange rates of the US dollar and the Brazilian real vis-à-vis the euro.

Reserve for treasury shares

At June 30, 2018, the reserve for treasury shares amounted to 82,582 thousand euros (22,183 thousand euros at December 31, 2017). This reserve was established pursuant to law (Article 2357-*ter* of the Italian Civil Code). The increase in the reserve was due to the purchase and sale of treasury shares for the Stock Option Plans for an amount of 60,399 thousand euros.

Stock option reserve

The balance in the stock option reserve, which amounted to 1,956 thousand euros (1,029 thousand euros at December 31, 2017) refers to the stock option plans in effect at June 30, 2018. The increase in the reserve that occurred at June 30, 2018 was due to the recognition of the overall cost of the stock option Plans (1,041 thousand euros) that was posted and recognized in the income statement as a labor costs included in general and administrative expenses and down by 114 thousand euros as a result of the abovementioned options exercised.

Gains/(losses) on remeasurement of defined benefit plans

This item, negative by 7,286 thousand euros at June 30, 2018 (7,289 thousand euros at December 31, 2017), includes net losses of the period related to the actuarial assessment of the Group's defined-benefit plans amounting to 3 thousand euros, net of tax effect.

Retained earnings

Retained earnings amounted to 458,870 thousand euros (524,938 thousand euros at December 31, 2017). The change, equal to 66,068 thousand euros compared to December 31, 2017, was due to the:

- appropriation of the consolidated net profit earned by the Group in 2017 (139,878 thousand euros)
- dividend distribution to the shareholders, amounting to 46,885 thousand euros approved on April 23, 2018 in the Ordinary Shareholders' Meeting (equal to 0.85 euros per share)
- resolution to distribute an extraordinary dividend of 98,365 thousand euros approved on April 23, 2018 in the Ordinary Shareholders' Meeting (equal to 1.80 euros per share) with coupon date December 2018
- negative change of 60,261 thousand euros to purchase and sale treasury shares from the allocation and exercise of some tranches of the 2014 Stock Option Plan.

IFRS transition reserve

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

Other reserves

This item includes the consolidation reserve equal to 904 thousand euros, net of the discounted repurchase price of the Chinese subsidiary's minority interest together with the put option right granted to the minority shareholder amounting to 562 thousand euros. No changes occurred compared to December 31, 2017.

21. Borrowings and other financial liabilities

Borrowings and other financial liabilities amounted to 12,459 thousand euros at June 30, 2018. A breakdown is as follows (amounts in thousands):

Lender	Currency	Current portion	Non-current portion	Due beyond 5 years	Total
Intesa Sanpaolo	€	11,944	-	-	11,944
BNP Paribas	€	399	-	-	399
Leases	€	22	94	-	116
Total owed to financial institutions		**12,365**	**94**	**-**	**12,459**

The loan agreement with Intesa Sanpaolo envisages certain disclosures, rescission cases and compulsory early repayment, in line with the market policy in force on the day the loan was contracted.
Terms concerning the rescission of the agreement include the failure to comply, over the period of the loan, with the following financial parameter:

- Net financial indebtedness / EBITDA ≤ 2

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

Following the consolidation of the Indian subsidiary in February 2018, the balance of financial payables of the first half of 2018 includes a loan agreement with BNP Paribas.

22. Provisions for employee severance indemnities and other employee benefits

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

Defined-contribution plans

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

Defined-benefit plans

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

Other benefits

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

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

(in thousands of euros)	**6/30/2018**	**12/31/2017**	**Change**
Employee benefits			
provided in:			
- Italy	5,061	5,149	(88)
- Germany	24,317	24,068	249
- Sweden	2,423	2,598	(175)
- other countries	740	717	23
Total employee benefits	**32,541**	**32,532**	**9**
Broken down as follows:			
- Defined-benefit plans			
provision for employee severance indemnities	*3,650*	*3,721*	*(71)*
other defined-benefit plans	*26,740*	*26,666*	*74*
	30,390	30,387	3
- Other long-term benefits	2,151	2,145	6
Total employee benefits	**32,541**	**32,532**	**9**

The table below shows the main changes that occurred in the Group's employee benefit plans compared to December 31, 2017 (amounts in thousands of euros):

(in thousands of euros)	**Defined-benefit plans**	**Other benefits**	**Total employee benefits**
Valore al 31/12/2017	**30,387**	**2,145**	**32,532**
Interest cost	278	(2)	276

Actuarial losses/(gains) recognized in income statement	-	20	20
Actuarial losses/(gains) recognized directly in equity	3	-	3
Current service cost	380	19	399
Benefits paid	(506)	(35)	(541)
Translation differences and other changes	(152)	4	(148)
Balance at 6/30/2018	**30,390**	**2,151**	**32,541**

23. Other non-current liabilities

Other non-current liabilities of 28,079 thousand euros at June 30, 2018 (28,115 thousand euros at December 31, 2017) include provisions for risks and charges established in connection with pending or contingent legal disputes and for supplemental severance benefits owed to sales agents.

The table below lists the various provisions for risks and charges:

(in thousands of euros)	**6/30/2018**	**12/31/2017**
Opening balance	**14,984**	**8,382**
Additions for the period	1,429	8,079
Utilizations/Reversals for the period	(63)	(1,294)
Translation differences and other changes	(138)	(184)
Ending balance	**16,212**	**14,984**

24. Trade payables

Trade payables were 57,769 thousand euros at June 30, 2018 (62,331 thousand euros at December 31, 2017) and include amounts owed to external suppliers for the purchase of goods and services. There are no amounts due after one year.

25. Other current liabilities

Other current liabilities of 42,291 thousand euros at June 30, 2018 (49,689 thousand euros at December 31, 2017) consist mainly of amounts owed to employees for additional monthly payments to be paid (23,087 thousand euros as against 28,749 thousand euros at December 31, 2017), contributions payable to social security and health benefit institutions (2,038 thousand euros as against 3,090 thousand euros at December 31, 2017) and accrued expenses and deferred income (1,234 thousand euros as against 1,516 thousand euros at December 31, 2017).

26. Amounts owed to Shareholders for dividends to be distributed

Amounts owed to Shareholders for dividends to be distributed were 98,420 million euros and include the amount of the extraordinary dividend resolved by the Shareholders’ Meeting on April 23, 2018.

27. Income taxes payable

The balance of 10,758 thousand euros at June 30, 2018 (5,190 thousand euros at December 31, 2017) represents the amounts owed to the tax authority for current taxes of foreign entities netted by advances and for other taxes and fees.

28. Commitments and contingent liabilities

Significant commitments and contractual obligations

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

29. Related-party transactions

In the normal course of business, DiaSorin S.p.A. engages on a regular basis in commercial and financial transactions with its subsidiaries, which are also Group companies. These transactions, which are executed on standard market terms, consist of the supply of goods and services, including administrative, information technology, personnel management, technical support and consulting services, which produce receivables and payables at the end of the year, and financing and cash management transactions, which produce income and expenses.
These transactions are eliminated in the consolidation process and, consequently, are not discussed in this section of the Report.

The incidence of related-party transactions on the single items of the balance sheet, income statement and cash flows is not material.

The total amount owed to directors and strategic executives recognized in the income statement was 2,441 thousand euros (2,268 thousand euros in 2017).

The compensation payable to senior managers and eligible employees (key management) is consistent with standard market terms for compensation offered to employees with a similar status.

30. Significant events occurring after June 30, 2018 and business outlook

Information about significant events occurring after June 30, 2018, the Group's business outlook and its transactions with related parties is provided in separate sections of this semiannual report.

31. 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 six months of 2018, the Group did not execute atypical and/or unusual transactions, as defined in the abovementioned Communication, according to which atypical and/or unusual transactions are transactions that, because of their significance/material amount, type of counterpart, subject of the transaction, method of determining the transfer price and timing of the event (proximity to the end of a reporting period), could create doubts with regard to: the fairness/completeness of the financial statement disclosures, the existence of a conflict of interest, the safety of the corporate assets and the protection of minority shareholders.

ANNEX I: THE COMPANIES OF THE DIASORIN GROUP AT JUNE 30, 2018

	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	Sao Paolo (Brazil)	**BRL**	65,547,409	1	99.99%	65,547,408
DiaSorin S.A.	Antony (France)	**EUR**	960,000	15,3	99.99%	62,492
DiaSorin Iberia S.A.	Madrid (Spain)	**EUR**	1,453,687	6,01	99.99%	241,877
DiaSorin Ltd	Blewbury (United Kingdom)	**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 Molecular LLC	Cypress (USA)	**USD**	100,000	100,000	-	1
DiaSorin Mexico S.A de C.V.	Mexico City (Mexico)	**MXP**	63,768,473	1	99.99%	49,999
DiaSorin Deutschland GmbH	Dietzenbach (Germany)	**EUR**	275,000	275,000	100.00%	1
DiaSorin AB	Solna (Sweden)	**SEK**	5,000,000	100	100.00%	50,000
DiaSorin Ltd	Rosh Haayin (Israel)	**ILS**	100	1	100.00%	100
DiaSorin Austria GmbH	Wien (Austria)	**EUR**	35,000	35,000	100.00%	1
DiaSorin Czech s.r.o.	Prague (Czech Republic)	**CZK**	200,000	200,000	100.00%	1
DiaSorin Diagnostics Ireland Limited	Dublin (Ireland)	**EUR**	3,923	0,01	100.00%	392,282
DiaSorin Ireland Limited	Dublin (Ireland)	**EUR**	163,202	1,20	100.00%	136,002
DiaSorin I.N.UK Limited	Dublin (Ireland)	**EUR**	7,826,072	0,01	100.00%	782,607,110
DiaSorin I.N. Limited	Dublin (Ireland)	**EUR**	1	0,01	100.00%	100
DiaSorin South Africa (PTY) Ltd	Johannesburg (South Africa)	**ZAR**	101	1	100.00%	101
DiaSorin Australia (Pty) Ltd	Sydney (Australia)	**AUD**	3,300,000	33,000	100.00%	100
DiaSorin Ltd	Shanghai (China)	**RMB**	1,211,417	1	80.00%	96,000
DiaSorin Switzerland AG	Risch (Switzerland)	**CHF**	100,000	100	100.00%	1,000
DiaSorin Poland sp. z o.o.	Warsaw (Poland)	**PLN**	550,000	50	100.00%	11,000
DiaSorin Healthcare India Private Limited	Chennai (India)	**INR**	212,295,610	10	100.00%	21,229,561

(*) Amounts stated in local currency

Company	**Head office location**	**Currency**	**Share capital (*)**	**Par value per share or partnership interest**	**% interest held directly**	**Number of shares or partnership interests held**
Other equity investments						
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 local currency

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

We, the undersigned, Carlo Rosa, in my capacity as Chief Executive Officer, and Piergiorgio Pedron, in my capacity as Corporate Accounting Document Officer of DiaSorin S.p.A,

attest that,

insofar as the provisions of Article 154-*bis*, Sections 3 and 4, of Legislative Decree No. 58 of February 24, 1998 are concerned, the administrative and accounting procedures applied during the first half of 2018 to prepare the condensed semiannual consolidated financial statement were:

a) adequate in light of the Company's characteristics; and

b) were applied effectively.

Moreover, we attest that the condensed half-year consolidated financial statements:

a) were prepared in accordance with the applicable international accounting principles, as adopted by the European Union pursuant to Regulation (CE) No. 1606/2002 of the European Parliament and Council dated July 19, 2002;

b) correspond to the Company's books of accounts and bookkeeping entries;

c) are suitable for the purpose of providing a truthful and fair representation of the statement of financial position, operating performance and cash flow of the issuer and of the companies included in the scope of consolidation.

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

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

Saluggia, August 2, 2018

Signed:

Carlo Rosa — Chief Executive Officer

Piergiorgio Pedron — Corporate Accounting Document Officer

REVIEW REPORT ON CONDENSED HALF YEAR CONSOLIDATED FINANCIAL STATEMENTS

To the shareholders of
DiaSorin SpA

Foreword

We have reviewed the accompanying condensed half year consolidated financial statements of DiaSorin SpA and its subsidiaries ("the DiaSorin Group") as of 30 June 2018, comprising the consolidated income statement, consolidated comprehensive income statement, consolidated statement of financial position, statement of changes in consolidated shareholders' equity, consolidated statement of cash flow and related notes. The directors of DiaSorin SpA are responsible for the preparation of the condensed half year consolidated financial statements in accordance with International Accounting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these condensed half year consolidated financial statements based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half year consolidated financial statements of DiaSorin SpA ("the DiaSorin Group") as of 30 June 2018 are not prepared, in all material respects, in accordance with International Accounting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Milan, 3 August 2018

PricewaterhouseCoopers SpA

Signed by

Stefano Pavesi
(Partner)

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PricewaterhouseCoopers SpA

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