

NET PROFIT AND CASH GENERATION REACHED RECORD HIGHS IN 2016, DRIVEN BY GROWTH IN REVENUES AND PROFITABILITY

FY'16 RESULTS CONFIRM THE COMPANY'S GUIDANCE ON REVENUES AND EBITDA
PROPOSED CASH DIVIDEND EQUAL TO EURO 0.80 PER SHARE (+23.1% VS. 2015)

- **REVENUES: € 569.3 million, +14.0% (+6.4% LFL¹ at CER). FOCUS REVENUES: € 44.4 million**
- **EBITDA: € 217.3 million, +17.5% (+9.7% LFL at CER), equal to 38.2% of the Group revenues**
- **EBIT: € 172.6 million, +13.6%, equal to 30.3% of the Group revenues**
- **NET PROFIT: € 112.6 million, +12.0%, equal to 19.8% of the Group revenues**
- **NET FINANCIAL POSITION: +€ 71.2 million** at December 31, 2016 (€ 267.9 million at December 31, 2015)
- **FREE CASH FLOW: € 132.2 million** in 2016 (+€ 24.0 million compared with 2015)
- **LIAISON/LIAISON XL: net placements amounting to +526 units** in 2016 (+571 LIAISON XL and -45 LIAISON), for a total of **6,862 units** at December 31, 2016, out of which 2,863 LIAISON XL (equal to around 42% of the overall installed base)
- **2017 GUIDANCE, INCLUDING FOCUS:**
 - **REVENUES:** around +11% at CER, compared with 2016
 - **EBITDA:** around +11% at CER, compared with 2016
- **NEW DIASORIN INVESTOR DAY:** between June 26 and 30, 2017 - Milan

Saluggia (Italy), March 8, 2017 - The Board of Directors of DiaSorin S.p.A. (FTSE Italia Mid Cap: DIA), a global leader in the production of diagnostic tests, meeting today:

- examined and approved the Group's Consolidated Financial Statements at December 31, 2016;
- examined and approved the Company's Draft Statutory Financial Statements at December 31, 2016;
- approved the distribution of a dividend of 43,806,645.60 euros, equal to € 0.80 on each share outstanding, with the exception of treasury shares, with May 22, 2017 coupon date, May 24, 2017 payment date and May 23, 2017 record date;
- approved the Corporate Governance Report at December 31, 2016;
- approved the Compensation Report pursuant to Art.123-ter of Legislative Decree no. 58/1998;
- resolved to propose to the next Shareholders' Meeting the adoption of a new Stock Option plan, pursuant to Art.144-bis of Legislative Decree no. 58/98;
- approved the authorization for the purchase and disposal of treasury shares, pursuant to the combined provisions of Art. 2357 and 2357-ter of the Civil Code, and Art. 132 of Legislative Decree no. 58/1998 and relative implementing provisions to serve the new Stock Option plan;
- assessed and confirmed, in compliance with the provisions of the Corporate Governance Code, that the legal requirements for the Independent Directors are still met;
- resolved to call an Ordinary and Extraordinary Shareholders' Meeting on April 27, 2017, on the first calling and on April 28, 2017 on the second calling;
- resolved to propose to the next Shareholders' Meeting the appointment of a new Director.

¹ LFL (Like-for-like) = at constant scope of consolidation

TABLES OF RESULTS

CONSOLIDATED FINANCIAL STATEMENTS OF THE DIASORIN GROUP

<i>Amounts in millions of euros</i>	2015	2016	change	
			amount	%
Revenues	499.2	569.3	+70.1	+14.0%
<i>CLIA tests</i>	371.4	395.8	+24.4	+6.6%
<i>RIA & ELISA tests</i>	66.6	62.7	-3.9	-5.9%
<i>Instruments sales and other revenues</i>	58.3	63.4	+5.2	+8.9%
<i>Molecular tests</i>	3.0	3.0	+0.1	+1.8%
<i>Focus</i>	-	44.4	+44.4	n.m.
EBITDA	185.0	217.3	+32.3	+17.5%
<i>EBITDA margin</i>	37.1%	38.2%	+110 bps	
EBIT	152.0	172.6	+20.6	+13.6%
<i>EBIT margin</i>	30.5%	30.3%	-20 bps	
Net profit	100.5	112.6	+12.1	+12.0%

^(a) LFL @ CER: +6.4%

^(b) LFL @ CER: +9.7%

FINANCIAL STATEMENTS OF DIASORIN S.P.A.

<i>Amounts in millions of euros</i>	2015	2016	change	
			amount	%
Net revenues	281.3	300.0	+18.8	+6.7%
EBITDA	68.6	80.4	+11.8	+17.2%
<i>EBITDA margin</i>	24.4%	26.8%	+240 bps	
EBIT	56.3	67.1	+10.9	+19.3%
<i>EBIT margin</i>	20.0%	22.4%	+240 bps	
Net profit	46.0	60.3	+14.3	+31.0%

SIGNIFICANT EVENTS

- **Acquisition of Focus Diagnostics' Molecular and Immunoassay products business.**
On May 13, 2016 DiaSorin completed the acquisition of Focus Diagnostics' immunodiagnostic and molecular diagnostic products business from Quest Diagnostics Inc., for an amount equal to \$ 297.8 million. The acquisition includes all the tangible and intangible assets of Focus used by the latter to develop, manufacture and distribute its molecular diagnostic products and its immunoassay ELISA products, including, among other, relevant intellectual property, contracts and customer list
- **Distribution partnership agreement with Beckman Coulter Diagnostics** for the commercialization in the U.S. of DiaSorin Hepatitis A, B, C and HIV tests on the LIAISON XL LAS connected to Beckman Coulter's leading automation solutions and on LIAISON XL stand-alone systems.
- **Start of sales of CLIA 25 OH Vitamin D in Japan**, following the approval of the reimbursement code from the Japanese authorities through an exclusive distribution agreement with Kyowa Medex, part of the Japanese Kyowa Hakko Kirin Group.
- **Launch of *Helicobacter pylori* IgG immunodiagnostic test**, available on the market outside the US only, for the detection of gastro-intestinal infections on LIAISON and LIAISON XL analyzers.
- **Award of a contract** by the Biomedical Advanced Research and Development Authority, a division of the U.S. Department of Health and Human Services' Office of the Assistant Secretary for Preparedness and Response, for the development of new serological tests on CLIA technology to detect **Zika virus infections**.
- **Launch of 2 new molecular diagnostic tests:**
 - **AML1-ETO** on the LIAISON IAM analyzer for the identification of one of the most common causes of *Acute Myeloid Leukemia*
 - **Clostridium difficile Direct** on the LIAISON MDX analyzer for the detection of the organism causing Clostridium difficile infection.

COMMENT ON RESULTS

The Board of Directors of DiaSorin S.p.A., meeting today in Saluggia under the chairmanship of Mr. Gustavo Denegri, examined and approved the consolidated financial statements at December 31, 2016.

In the foreign exchange market, the Euro appreciated in value vis-à-vis almost all currencies used by the Group. The Euro was substantially in line with the U.S dollar and the Australian dollar in 2016.

	U.S. dollar	Chinese yuan	British pound	Australian dollar	Mexican peso	Brazilian real
Euro	-0.2%	+5.4%	+12.9%	+0.7%	+17.3%	+4.2%



Source: Banca d'Italia

CONSOLIDATED REVENUES

Revenues: € 569.3 million in 2016, +14.0% compared with 2015 (+6.4% LFL at CER):

- **CLIA, net of 25 OH Vitamin D: +11.3% (+13.1% LFL at CER)**
- **25 OH Vitamin D (CLIA): -2.8% (-2.6% LFL at CER)**
- **RIA & ELISA tests: -5.9% (-5.5% LFL at CER)**
- **Instruments sales and other revenues: +8.9% (+11.1% LFL at CER)**
- **Molecular: +1.8% (+0.7% LFL at CER)**
- **Focus²: € 44.4 million**

Steady **expansion** of **analyzers** installed base and strong performance of LIAISON XL amounting to about 42% of the overall installed base at December 31, 2016.

	TOTAL UNITS AT DECEMBER 31, 2015	NET PLACEMENTS IN 2016	TOTAL UNITS AT DECEMBER 31, 2016
 LIAISON	4,044	-45	3,999
 LIAISON XL	2,292	+571	2,863
TOTAL	6,336	+526	6,862

² Focus Diagnostics revenues: data consolidated as from May 13, 2016

Revenues by geography

The tables below provide a breakdown of the consolidated revenues of the DiaSorin Group by geographic region.

Amounts in millions of euros	FY			Change		
	2015	2016 LFL (*)	2016	%		
				Amount	@ current	@ constant
Europe and Africa	235.3	246.0	250.5	+10.7	+4.5%	+5.1%
North America	127.8	129.4	166.9	+1.6	+1.2%	+1.1%
Asia Pacific	97.4	107.5	109.3	+10.2	+10.4%	+13.3%
Central and South America	38.7	42.0	42.6	+3.3	+8.6%	+13.9%
LFL Total	499.2	524.9	569.3	+25.7	+5.2%	+6.4%
Focus	-	44.4	-	+44.4	-	-
Total	499.2	569.3	569.3	+70.1	+14.0%	

% of revenues contributed	2015	2016 LFL (*)	2016
Europe and Africa	47.1%	46.9%	44.0%
North America	25.6%	24.6%	29.3%
Asia Pacific	19.5%	20.5%	19.2%
Central and South America	7.8%	8.0%	7.5%

(*) In the tables above, Focus business revenues for 2016 are not allocated to geographic region so as to allow an easier comparison with 2015.

Comments on revenues from sales provided below do not include revenues generated from Focus business.

Europe and Africa

In 2016, revenues totalled € 246.0 million, +4.5% (+5.1% at CER) compared with 2015.

- **Italy:** -4.1% (local market: -7.5%)³ with a decline in sales of Tumour Markers, Thyroid tests, Bone and Mineral and Vitamin D tests. Conversely, an upward trend was recorded in sales of Gastro-Intestinal Infections, Hepatitis, Infectious Diseases, PCT and 1,25 Vitamin D tests.
- **Germany:** +6.1% (local market: +2.0%)³ due to the good performance of 1,25 Vitamin D, Gastro-Intestinal Infections, Infectious Diseases and Prenatal Diseases.
- **France:** +5.2% (local market: -0.3%)³ following the positive performance of CLIA sales, net of 25 OH Vitamin D, equal to +12.4%. This performance is particularly positive when compared with the downward trend recorded in the local market.

North America

In 2016, revenues amounted to € 129.4 million, +1.2% compared with 2015 (+1.1% at CER).

- **USA:** +1.2% in local currency, following the upward trend in CLIA sales, net of 25 OH Vitamin D, mainly 1,25 Vitamin D, Infectious Diseases, Endocrinology and Prenatal Diseases tests.

Asia Pacific

In 2016, revenues totalled € 107.5 million, +10.4% (+13.3% at CER).

- **China:** +31.4% in local currency, following the good performance of CLIA tests, including Hepatitis, Prenatal Diseases, Tumour Markers, Thyroid and Infectious Diseases tests. Positive performance for sales of Murex products.
- **Distributors:** -6.9% (-7.0% at CER) following a downward trend in RIA and ELISA sales, partially offset by the good performance of CLIA tests.

³ Source: EDMA latest data available

Central and South America

In 2016, revenues amounted to € 42.0 million, +8.6% (+13.9% at CER) compared with 2015.

- **Brazil:** +6.2% in local currency, as a result of the good performance of Hepatitis panel, Infectious Diseases, Endocrinology and 1,25 Vitamin D tests.
- **Mexico:** +23.6% in local currency, following the upward trend in sales of Hepatitis, Infectious Diseases and Prenatal Diseases tests, as well as Murex sales.
- **Distributors:** +17.9% at CER, following the upward trend in sales of tests and instruments.

Revenues by technology

The following table shows the percentage of the Group's consolidated revenues contributed by each technology.

% of revenues contributed	2015	2016 LFL (*)	2016
CLIA tests	74.4%	75.4%	69.5%
RIA & ELISA tests	13.3%	11.9%	13.5%
Molecular tests	0.6%	0.6%	5.6%
Instruments sales and other revenues	11.7%	12.1%	11.4%

(*) In the tables above, Focus business revenues for 2016 are not allocated to technologies so as to allow an easier comparison with 2015.

Comments on revenues from sales provided below do not include revenues generated from Focus business.

- **CLIA tests:** higher percentage on total revenues in 2016 (1.0 percentage points), as a result of an increase in sales of CLIA tests, net of 25 OH Vitamin D.
- **RIA & ELISA tests:** progressive and physiological decline of the contribution provided by these technologies in 2016 (-1.4 percentage points).
- **Instruments sales and other revenues:** slight increase in the percentage on total revenues in 2016 (+0.4 percentage points).
- **Molecular tests:** contribution substantially unchanged compared with 2015.

OPERATING
PERFORMANCE

The following provides the Group operating performance in 2016.

GROSS PROFIT

GROSS PROFIT: € 389.2 million; +13.8%, equal to *68.4%* of revenues, as a result of higher sales and the different scope of consolidation.

EBITDA

EBITDA: € 217.3 million; +17.5%, equal to *38.2%* of revenues (*37.1% in 2015*). Net of the exchange rate effect and at constant scope of consolidation, EBITDA grew by *+9.7%*, with a margin equal to *38.2%*.

EBIT

EBIT: € 172.6 million; +13.6%, equal to *30.3%* of revenues (*30.5% in 2015*). This slight decline is entirely due to amortization of intangible assets acquired from Focus Diagnostics, whose impact is equal to *1.4%* of revenues.

FINANCIAL
PERFORMANCE

NET FINANCIAL EXPENSES: -€ 4.4 million, compared with net financial expense of -€ 1.9 million in 2015, mainly due to the effect of exchange rates on financial balances and higher costs associated with financial liabilities.

INCOME TAXES

INCOME TAXES in 2016 amounted to **€ 55.6 million**, with a tax rate equal to *33.0%* (*unchanged vs. 2015*). When excluding the depreciation of deferred tax assets resulting from a lower tax rate in Italy and taxes paid in the previous years, normalized tax rate is equal to *32.0%*. This decrease, when compared with 2015, is the result of the computation of the Group's taxable profits across the different geographical areas in the periods under comparison.

CONSOLIDATED
NET PROFIT

The **CONSOLIDATED NET PROFIT** amounted to **€ 112.6 million; +12.0%** compared with 2015 and equal to *19.8%* of the Group revenues.

CONSOLIDATED
NFP

At December 31, 2016, the **CONSOLIDATED NET FINANCIAL POSITION** was positive by **€ 71.2 million**, down by € 196.8 million compared with the balance at December 31, 2015, mainly as a result of the acquisition of Focus Diagnostics in May 2016.

FCF

In 2016, the **FREE CASH FLOW** of the Group was equal to **€ 132.2 million**, up by € 24.0 million compared with 2015.

In 2016, **DiaSorin S.p.A** reported **net revenues of € 300.0 million, +6.7%** compared with 2015, due to the trend of sales to:

- **subsidiary companies**, equal to **€ 173.5 million, +12.3%**
 - Asia (+35.8%); as a result of the strong performance of all CLIA and MUREX sales in China.
 - Central and South America (+13.0%); growth driven by increased sales in Mexico and the recovery of the Brazilian market.
 - Europe (+9.8%); positive trend in sales recorded in Germany, France, UK and Poland.
 - North America (-7.6%); downward trend due to a decline in sales of instruments since the number of 2015 installations was influenced by the new contract signed with Quest Diagnostics. Steady year-on-year growth for sales of Infectious Diseases and Prenatal Screening tests.
- **domestic market**, equal to **€ 67.9 million, -4.4%**
 - a moderate trend if compared with the performance recorded in the local market (-7,5%)⁴ and due to the decline in sales of Tumour markers and Thyroid tests as well as shrinking sales of RIA and ELISA products providing a marginal contribution to the domestic market. The abovementioned declines are partially offset by the upward trend in sales of PCT, Gastro-Intestinal infections, Hepatitis and 1,25 Vitamin D tests.
- **third-party distributors**, equal to **€ 58.7 million, +5.3%**
 - Central and South America (+14.7%), Europe and Africa (+14.4%), Asia (-3.1%) mainly due to a decline in sales to Southern and Western Asia regions.

Consistent with the increase in revenues, the result reported by the Group's Parent company showed a measurable improvement in the main profitability parameters: in 2016, **EBITDA** amounted to **€ 80.4 million, +17.2%**, and **EBIT** totalled **€ 67.1 million, +19.3%**.

In 2016, the **Net Profit** reported by the Group's Parent Company amounted to **€ 60.3 million, +31.0%** compared with 2015, as a result of the combined effect of the operating profit and lower financial expense.

At December 31, 2016, the **Net Financial Position** was equal to a **+€ 93.4 million, -€ 9.6 million** compared with 2015, following the acquisition of Focus Business.

⁴ Source: EDMA latest data available

In view of the Group's operating performance after December 31, 2016 and taking into account possible evolutions of the global macroeconomic scenario and the diagnostic sector in particular, management provides the following guidance for 2017:

- **Revenues:** growth equal to around +11% at CER compared with 2016
- **EBITDA:** growth equal to around +11% at CER compared with 2016

In 2016, the euro/dollar exchange rate was equal to 1.11.

Piergiorgio Pedron, the Officer Responsible for the preparation of corporate financial reports of DiaSorin S.p.A., in accordance with the second subsection of art. 154-bis, part IV, title III, second paragraph, section V-bis, of Legislative Decree February 24, 1998, no. 58, declares that, to the best of his knowledge, the financial information included in the present document corresponds to book of accounts and book-keeping entries of the Company.

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CONSOLIDATED INCOME STATEMENT

<i>(Amounts in thousands of euros)</i>	2015	2016	Change	
			amount	%
Net Revenues	499,181	569,312	+70,131	+14.0%
Cost of sales	(157,284)	(180,160)	-22,876	+14.5%
Gross profit	341,897	389,152	+47,255	+13.8%
	68.5%	68.4%	-0.1%	
Sales and marketing expenses	(98,047)	(109,469)	-11,422	+11.6%
Research and development costs	(26,158)	(37,718)	-11,560	+44.2%
General and administrative expenses	(55,494)	(60,039)	-4,545	+8.2%
Total operating expenses	(179,699)	(207,226)	-27,527	+15.3%
	(36.0)%	(36.4)%	-0.4%	
Other operating income (expense)	(10,197)	(9,315)	+882	-8.6%
<i>non recurring amount</i>	(2,108)	(5,426)	-3,318	n.m.
EBIT	152,001	172,611	+20,610	+13.6%
	30.5%	30.3%	-0.2%	
Net financial income (expense)	(1,899)	(4,415)	-2,516	n.m.
Profit before taxes	150,102	168,196	+18,094	+12.1%
Income taxes	(49,554)	(55,578)	-6,024	+12.2%
Net result	100,548	112,618	+12,070	+12.0%
Basic earnings per share	€ 1.83	€ 2.05	+€ 0.22	+12.0%
Diluted earnings per share	€ 1.83	€ 2.04	+€ 0.21	+11.5%
EBITDA ⁽¹⁾	184,985	217,318	+32,333	+17.5%
	37.1%	38.2%	+1.1%	

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

CONSOLIDATED BALANCE SHEET

<i>(Amounts in thousands of euros)</i>	12/31/2015	12/31/2016	Change
Goodwill and intangibles assets	117,906	357,086	+239,180
Property, plant and equipment	74,493	92,134	+17,641
Other non-current assets	21,175	24,015	+2,840
Net working capital	143,979	165,046	+21,067
Other non-current liabilities	(38,308)	(46,057)	-7,749
Net Invested Capital	319,245	592,224	+272,979
Net Financial Position	267,913	71,161	-196,752
Total shareholders' equity	587,158	663,385	+76,227

CONSOLIDATED STATEMENT OF CASH FLOWS

<i>(Amounts in thousands of euros)</i>	2015	2016
Cash and cash equivalents at the beginning of the period	144,855	212,178
Cash provided by operating activities	138,449	165,597
Cash used in investing activities	(30,481)	(34,884)
Cash provided/(used) in financing activities	(8,159)	(5,864)
Acquisitions of companies and business operations	(2,486)	(263,587)
Net change in cash and cash equivalents before investments in financial assets	97,323	(138,738)
Divestment/(Investments) in financial assets	(30,000)	57,028
Net change in cash and cash equivalents	67,323	(81,710)
Cash and cash equivalents at the end of the period	212,178	130,468

DIASORIN S.P.A. INCOME STATEMENT

<i>(Amounts in thousands of euros)</i>	2015	2016	Change	
			amount	%
Net Revenues	281,261	300,014	+18,753	+6.7%
Cost of sales	(155,233)	(158,707)	-3,474	+2.2%
Gross profit	126,028	141,307	+15,279	+12.1%
	44.8%	47.1%	+2.3%	
Sales and marketing expenses	(28,655)	(27,877)	+778	-2.7%
Research and development costs	(13,295)	(14,547)	-1,252	+9.4%
General and administrative expenses	(26,761)	(28,455)	-1,694	+6.3%
Total operating expenses	(68,711)	(70,879)	-2,168	+3.2%
	(24.4)%	(23.6)%	+0.8%	
Other operating income (expense)	(1,044)	(3,297)	-2,253	n.m.
<i>non recurring amount</i>	(945)	(2,225)	-1,280	n.m.
EBIT	56,273	67,131	+10,858	+19.3%
	20.0%	22.4%	+2.4%	
Net financial income (expense)	6,089	15,027	+8,938	n.m.
Profit before taxes	62,362	82,158	+19,796	+31.7%
Income taxes	(16,358)	(21,878)	-5,520	+33.7%
Net result	46,004	60,280	+14,276	+31.0%
EBITDA ⁽¹⁾	68,615	80,411	+11,796	+17.2%
	24.4%	26.8%	+2.4%	

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

DIASORIN S.P.A. BALANCE SHEET

<i>(Amounts in thousands of euros)</i>	12/31/2015	12/31/2016	Change
Goodwill and intangibles assets	59,995	76,274	+16,279
Property, plant and equipment	30,027	30,156	+129
Equity investments	100,246	100,737	+491
Other non-current assets	4,836	5,096	+260
Net working capital	100,239	108,946	+8,707
Other non-current liabilities	(7,887)	(12,444)	-4,557
Net Invested Capital	287,456	308,765	+21,309
Net Financial Position	102,986	93,426	-9,560
Total shareholders' equity	390,442	402,191	+11,749

DIASORIN S.P.A. STATEMENT OF CASH FLOWS

<i>(Amounts in thousands of euros)</i>	2015	2016
Cash and cash equivalents at the beginning of the period	68,033	82,699
Cash provided by operating activities	48,339	57,260
Cash used in investing activities	(14,620)	(13,153)
Cash provided/(used) in financing activities	10,947	(66,765)
Acquisitions of companies and business operations	-	(18,203)
Net change in cash and cash equivalents before investments in financial assets	44,666	(40,861)
Divestment/(Investments) in financial assets	(30,000)	30,000
Net change in cash and cash equivalents	14,666	(10,861)
Cash and cash equivalents at the end of the period	82,699	71,838