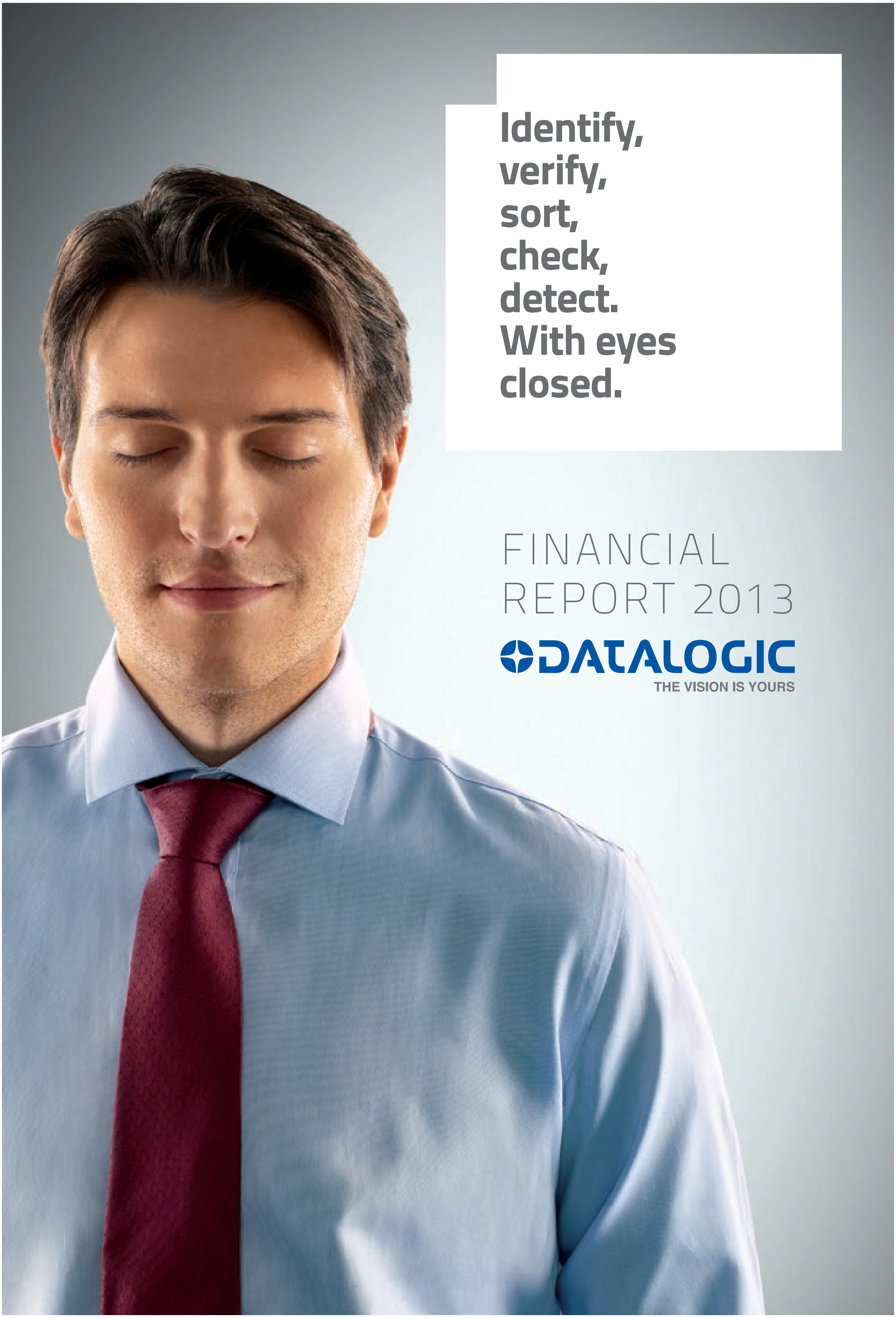


Identify,
verify,
sort,
check,
detect.
With eyes
closed.

FINANCIAL REPORT 2013

DATALOGIC

THE VISION IS YOURS

Index


Scan
100 items
every minute
at your
checkout,
with eyes
closed.
DATALOGIC

Ongoing investment in technological and product innovation driven by our customers' needs.

DEAR SHAREHOLDERS, 2013 was a year of great change for the Datalogic Group, in a scenario still marked by a declining trend in our reference market. The need to overhaul our long-term strategy and set out a specific process of future development are the reasons underlying my decision to take on, during the year, the role of Chief Executive Officer in addition to Chairman.

Datalogic is a high-tech company that is a unique enterprise in Italy as well as in the international scenario, where it competes with primarily US multi-billion dollar companies. Our company is a globally-recognised player which stands out due to its flexibility and ability to innovate, and because it is the only real Bar Code Company specialising in serving both core markets, automatic data capture (ADC) and industrial automation (IA).

In a continuously evolving world, the key to successfully ensuring sustainable growth are: ongoing investment in **technological and product innovation driven by our customers' needs, expansion to markets with high rates of growth** and a focus on **human resources**. These are the three pillars of the Business Plan 2013-2015 presented to our stakeholders at the end of September 2013.

A hi-tech enterprise must always be up-to-date on new trends in technology, investing in the development of highly innovative products, while remembering that the real competitive edge goes to the player that is the first to meet current or latent needs of customer. This philosophy is the foundation for the new Business Development Division, created in 2013. More than 10% of our Group's total engineers work in this Division, charged with preserving and developing the company's core technologies, monitoring emerging technologies and coordinating research and development of the various Business Units. Our renewed focus on research and innovation can be seen in the further increase of investments in R&D in 2013, which grew by around 8% of turnover, as well as in the launch of 23 new products during the year.

In the year just ended, turnover amounted to 451 million Euros, down slightly on the previous year, but resulting from differing trends in the two halves of the year: decline in the first half and significant recovery in the second, despite the continuing scenario of substantial stagnation in European markets and retail segment performance that remains unstable. Retail, which is our main target, was wary of making investments in high-tech products in 2013. Thanks to the extremely innovative and unique nature of our products, Datalogic trusts that the leading retail chains will step up investments over the next few years. An example of this trust in our future results is the significant interest of the retail sector in Jade, a portal bar code scanner capable of handling transactions at the checkout in a fully automated manner.

In addition, as a result of our ambition to expand our international borders and capture the best opportunities for growth, in 2013 we took a harder look at countries with the highest growth rates. Countries such as China and Brazil, as well as Turkey and African countries, where we have begun to invest and expect significant growth due to the increase in the sales force and the development of customised products to meet the needs of these markets. In 2013, we grew by over 30% in China alone.

As a result of Datalogic's time-tested focus on costs, we have maintained excellent levels of operating profit and close the year with net profit of approximately 27 million Euros, a sharp increase on the previous year. Based on the positive trend recorded in the last quarter, we are also confident of positive results in the current year.

At the end of a year of great change, I would like to thank all of Datalogic's resources, who have made it possible to redirect our Group's business towards the achievement of new milestones, for their ability to adopt and react to a highly evolving scenario.

Lastly, I would like to specifically thank our Customers for the trust they have always shown in us and in our Business Partners throughout the world.

Romano Volta
Chairman and Chief Executive Officer

A bright future

Datalogic meets customer needs, oversees technological developments and aims for ongoing innovation

MISSION

We meet the wide range of our customers' needs in logistics, retail, healthcare and industrial automation, through our leadership in identification technology.

VISION

To be top of mind in identification, testing, sorting and checking in all sectors and all countries in the world.

THE GROUP

Datalogic constitutes 'the history' of the creation of bar code readers, data collection mobile devices, vision systems and laser marking systems that meet the ever-evolving needs of today's world.

Datalogic operates in 30 countries and sells products in 120 countries, with long-standing relationships with some of the world's biggest retailers, automotive manufacturers, post offices and express shipping services, as well as in logistics and transportation, with over 1,000 partners.

Datalogic offers its Customers the most comprehensive range of products and solutions targeted to the needs of the Automatic Data Capture (**ADC**) and Industrial Automation (**IA**) sectors available on the market.

In the **ADC market**, the Group is the global leader in high performance fixed scanners for retail checkouts, the leader in the EMEA market for handheld bar code readers and a top player in the market of mobile devices for warehouse management and data capture at points of sale.

In the **Industrial Automation market** the Group ranks among the leading global producers of products and solutions for automatic identification, detection and marking and vision systems, which meet the increasing demand for solutions in traceability, inspection and recognition in industrial and logistic processes.

DATALOGIC'S 3 YEAR PLAN: THE NEW PARADIGM

The future is growth, development and new investments: focus on customers' needs, invest in top-end technology and products, conquer new markets, provide our resources with all the knowledge and skills they need to handle and successfully come through future challenges: this is the new paradigm underlying the Business Plan 2013-2015.

Customer Focus

Focus on customer needs in developing new products. Because constant product and process innovation, through leadership in the core technologies, must be targeted to meeting the needs of customers and the markets: obtaining input from our main customers, developing our technological assets and continuing to grow through external lines.

Now, the **Business Development** Division has made innovation the main pillar of the future of Datalogic. This is a transversal, dynamic, efficient structure that ensures the systemic implementation of the Group's approach in making technology its essential driver for growth and value creation.

Human capital

Developing personnel to ensure that our performance stands out. Motivating and managing human resources to ensure they contribute to the achievement of excellence. Leveraging the willingness and passion of our resources and promoting their best ideas.

Stocking more than 23,000 shelves worldwide every day, with eyes closed.

International expansion

Expanding the direct sales force and setting up strategic alliances with local partners. Strong leadership also in emerging countries, specifically in markets with high potential for growth, such as China and Brazil, as well as India, Turkey and Africa. We expect double digit growth in these areas, with a resulting balancing of the Group's turnover.

Efficiency and productivity

Improvement of **efficiency** and **flexibility**, also by leveraging our international footprint, are Datalogic's two main targets. Global level management of the company supply chain, strengthening of control procedures and reengineering of production processes will lead to a marked improvement in Group operating expenses and working capital.

A year of milestones

Focus on customers, commitment, passion, innovation: through these drivers Datalogic has achieved its targets

JANUARY

- At the National Retail Federation trade show in New York City, Datalogic presents its revolutionary checkout equipped with **Jade X7**, a sophisticated automatic scanner which speeds up automated checkout.

FEBRUARY

- Datalogic obtains a loan of over 1 million Euros for Research and Development of '**artificial vision**'.
- Datalogic **installs BHS – Baggage Handling Systems –** in the airports of Calcutta (India), Bogotá (Colombia), Lodz (Poland) and Dubai (United Arab Emirates), further expanding its leadership. Datalogic already operates in over 100 airports throughout the world.

MARCH

- Datalogic presents the new **PowerScan™ 9500** Imager, for industrial use, developed using next generation optical systems, hardware architecture and decoding software.

APRIL

- **The new Business Development Division is created** with the main objective of ensuring the Datalogic Group's future as an Italian high-tech company operating on a global scale, by developing new technological products and/or solutions driven by the understanding and satisfaction of its customers' current and latent needs. The Business Development Division is composed of three main units directly reporting to Valentina Volta, CEO of the Business Development Division.

MAY

- **The Co-operative Food** chooses Datalogic to speed up daily operations at its points of sale and increase productivity. It invested approximately 7.6 million Euros for the installation of the Elf™ mobile computer system associated with a vast Wireless LAN infrastructure in over 2,800 points of sale in the UK.
- Datalogic presents the new **Powerscan DPM Imager**, designed specifically for reading bar codes created using DPM - Direct Part Marking technology.
- Datalogic revolutionises dimensioning solutions for the transportation and logistics sectors with the launch of the **DM3610** next generation dimensioner, which automatically measures the dimensions of packages as they are transported on a conveyor.

JUNE

- **Coop Estense** installs 600 Joya™ terminals with Shopevolution™ software in its Carpi (Modena) points of sale. This partnership is the largest Italian installation of Joya terminals for self-shopping in a single point of sale, bringing total installed terminals to over 60,000.
- Datalogic launches the **Magellan™ 9800i** scanner/scale, the first scanner in the world with multi-plane total Imaging.
- Datalogic presents the **Matrix300™**, the new ultra-compact reader of 1D and 2D bar codes, designed for extremely high performance in ultra-fast applications and in Direct Part Marking (DPM).

JULY

- The next generation of **Smart Cameras** for machine vision, the **A30** and the **T4x Series**, are introduced.

AUGUST

- Datalogic delivers over 2,400 Magellan™ 9800i scanner/scales **to one of the leading German retailers**.
- Datalogic is an official sponsor of the famous **Oregon Ducks** College Football Team and the **University of Oregon Athletics**.

SEPTEMBER

- Datalogic acquires the high power pulsed fiber laser assets and technology of the Portuguese company **Multiwave Photonics S.A.** This technology is the cutting-edge in the fiber laser sector for the industrial marking of goods and for materials processing.
- The Group **Business Plan for 2013-2015** is approved.

OCTOBER

- Datalogic transforms the fresh food sorting and distribution processes of **one of the leading hypermarket chains in France**, implementing the most powerful image acquisition technology on the market, the NVS9000™ system.

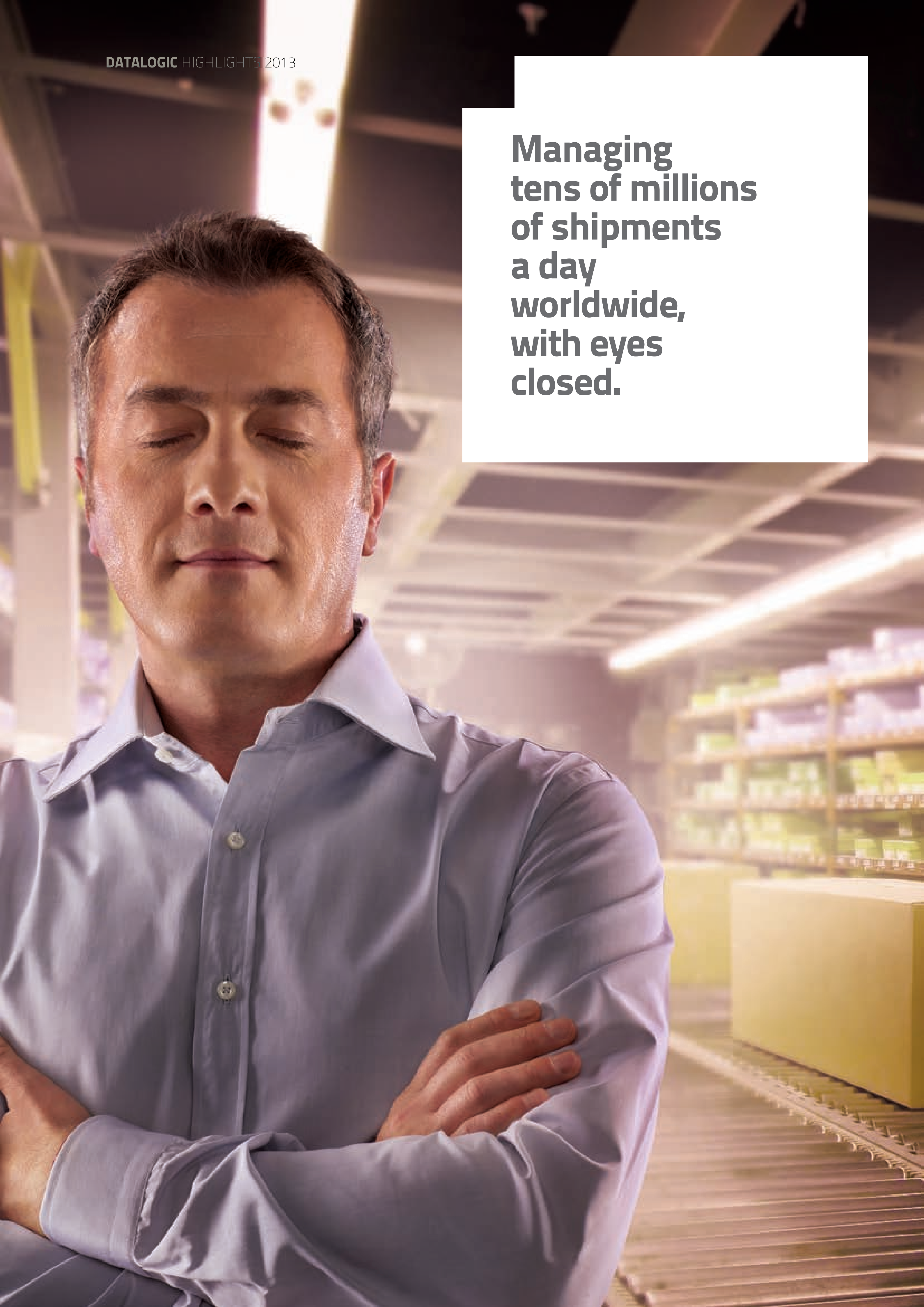
NOVEMBER

- Datalogic boosts efficiencies at **one of the largest Asian sporting goods logistics centres**, located in the Jiangsu Province of China, through the use of 200 DS4800 high-speed bar code readers.
- Datalogic signs a strategic agreement with the Japanese company **IDEC Corporation** to increase its presence on the Japanese market.

DECEMBER

- Datalogic provides **a global electronics manufacturer, headquartered in Japan**, with a flexible track and trace solution, involving around 700 2D Matrix 210™ bar code readers.

The new Business Development Division is created.



Managing tens of millions of shipments a day worldwide, with eyes closed.

A year of results

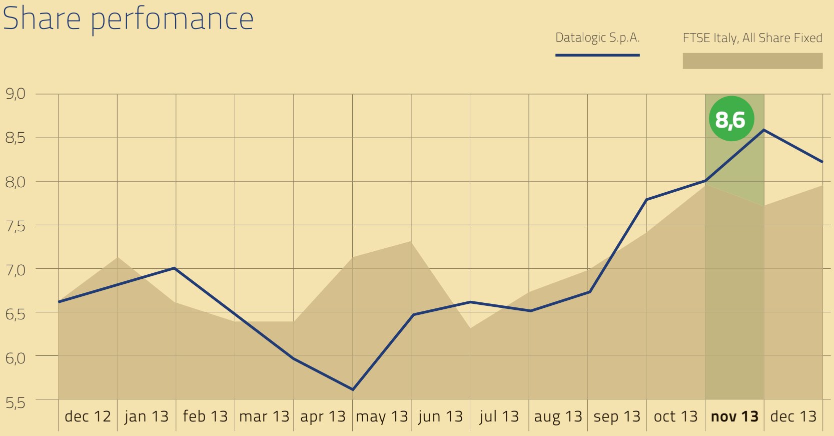
Our strategy of value creation through innovation and international growth confirmed

2013 stock market data

Segment	STAR - MTA
Bloomberg code	DAL.IM
Reuters code	DAL.MI
MKT Cap	484 million Euros at 31st December 2013
Number of shares	58,446,491 (including n. 1,393,233 treasury shares)
2013 max	8.6 Euro (26th November 2013)
2013 min	5.56 Euro (5th February 2013)

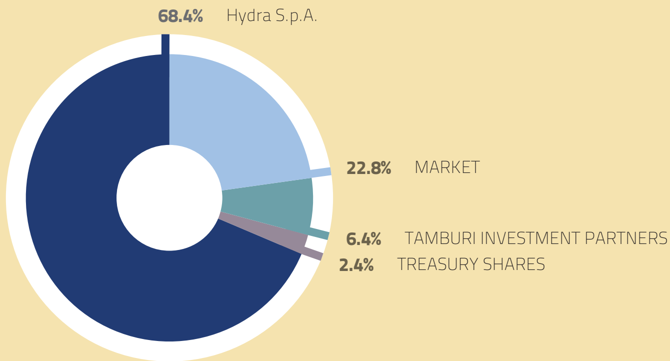
Throughout 2013 the share outperformed the shares listed in the FTSE MIB index by 12.3%. The share reached a day high price of 8.6 Euros per share on 26th November 2013 and a day low price of 5.56 Euros on 5th February 2013.

Share perfomance

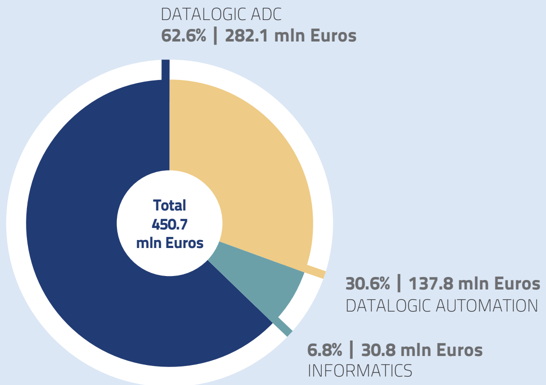


Average daily volumes traded in 2013 came to approximately 35,400 shares (substantially in line with the previous year), with trades exceeding the average coming up on the presentation of the Business Plan 2013-2015 on 27th September 2013.

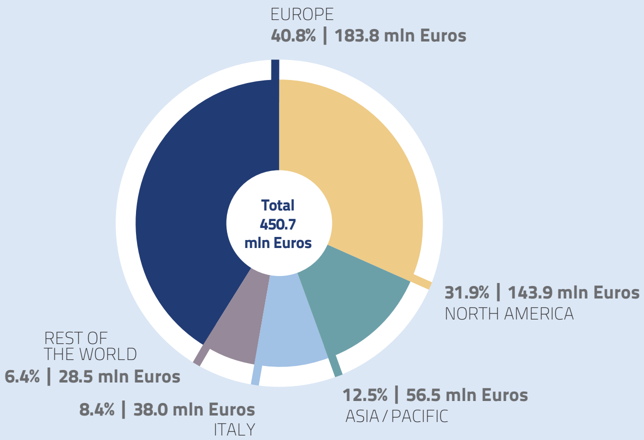
Shareholder structure



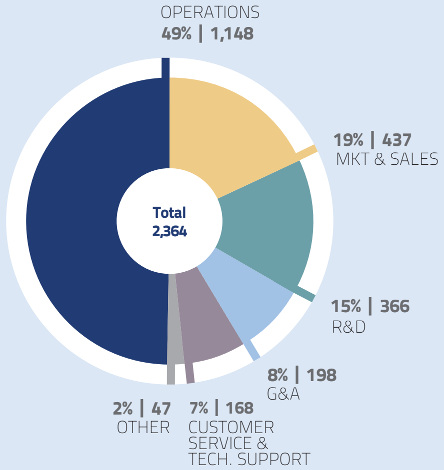
2013 Revenues per business division



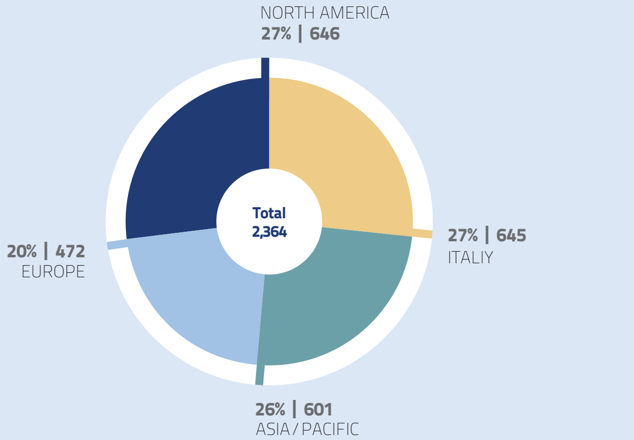
2013 Revenues per geographic area



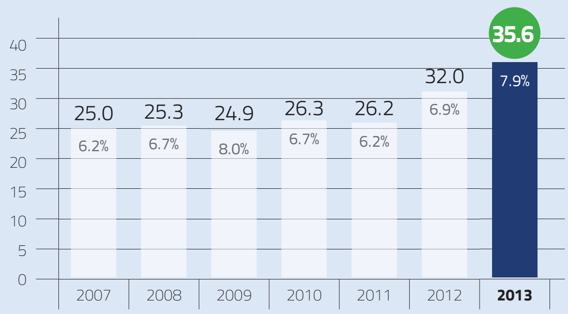
2013 Employees per functional area



2013 Employees per geographic area

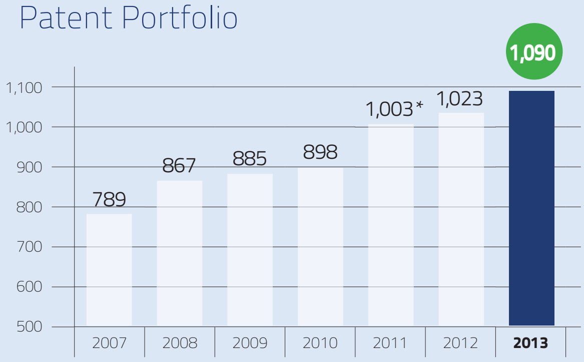


R & D costs (million Euros)*



*% on revenues

Patent Portfolio



*Including patents from acquisitions


Ensuring the right medical dosages are administered to more than 500,000 patients every day, with eyes closed.

Consolidated Profit and Loss

Million Euros	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012*	2013
TOTAL REVENUES	111.7	118.0	131.5	146.3	205.9	381.6	404.0	379.8	312.0	392.7	425.5	462.3	450.7
EBITDA	16.1	17.0	21.3	25.2	31.5	38.2	50.1	47.8	19.6	49.8	59.2	63.2	60.0
EBITANR [1]	8.6	7.9	11.0	19.6	24.8	26.0	37.8	35.3	6.2	38.1	48.8	53.4	50.1
EBT	2.6	6.7	10.3	18.7	22.7	9.0	26.6	25.9	-12.8	28.2	33.2	9.5	35.5
NET PROFIT	**0.8**	**5.4**	**7.2**	**11.2**	**13.0**	**4.1**	**18.1**	**17.8**	**-12.2**	**18.0**	**25.9**	**10.2**	26.9
NUMBER OF EMPLOYEES	698	735	775	875	1,808	1,897	1,906	2,202	1,982	2,019	2,427	2,384	2,364
EBITDA %	14.4	14.4	16.2	17.2	15.3	10.0	12.4	12.6	6.3	12.7	13.9	13.7	13.3
EBITANR %	7.7	6.7	8.4	13.4	12.0	6.8	9.4	9.3	2.0	9.7	11.5	11.6	11.1
R&D %	8.0	7.2	7.3	7.8	7.1	6.9	6.2	6.7	8.0	6.7	6.2	6.9	7.9
DIVIDEND PER SHARE (Euros)	0.05	0.15	0.18	1.22 [2]	0.22	0.06 [3]	0.07	0.035	--	0.15	0.15	0.15	0.16
DIVIDEND PAID (million Euros)	--	0.58	1.70	2.11	15.04	3.5	3.8	4.1	1.9	--	8.1	8.5	8.5

* *2012 figures have been restated to reflect the application of IAS19R.
(1) EBITANR = Ordinary operating profit before non recurring costs/revenues and amortization of intangible assets from acquisition.
(2) Euro 1 extraordinary dividend (October 2005).
(3) In May 2006, execution of share capital split with a ratio of 4:1.
In May 2008, execution of share capital reduction by means of cancellation of nr. 5,409,981 treasury shares
Annual results from 2001 to 2003 are prepared in accordance with Italian Accounting Standards; annual results from 2004 are prepared in accordance with IAS/IFRS.

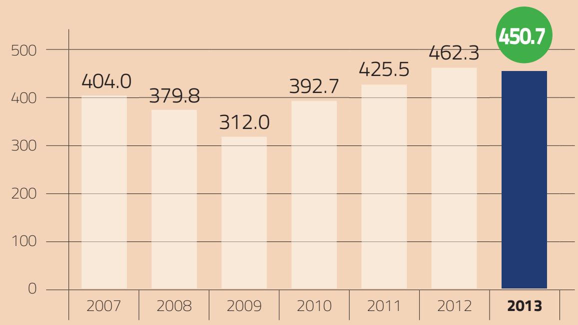
Focus on costs and profitability, with profit growing sharply compared with 2012.

Consolidated Balance Sheet

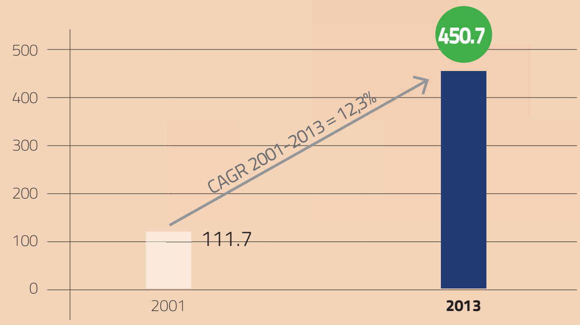
Million Euros	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012*	**2013**
FIXED ASSETS	37.3	38.1	34.7	71.5	254.0	227.3	207.0	216.5	203.4	223.5	244.2	313.6	300.4
CURRENT ASSETS	62.4	65.6	72.4	75.1	145.9	142.9	152.8	152.4	122.0	131.5	150.9	157.3	150.2
CURRENT LIABILITIES	-21.1	-29.6	-34.7	-40.4	-74.7	-78.0	-90.3	-92.7	-78.8	-104.2	-121.0	-142.7	-133.6
NET WORKING CAPITAL	41.3	36.0	37.7	34.7	71.3	64.9	62.5	59.7	43.2	27.2	29.8	14.6	16.7
INVESTED CAPITAL	73.7	68.9	66.5	80.3	255.6	245.0	236.0	242.8	217.2	216.7	229.7	294.5	282.3
NET EQUITY	98.6	102.3	106.0	116.2	129.8	186.6	173.5	135.8	116.7	140.2	170.2	173.4	185.3
NET FINANCIAL POSITION (4)	24.9	33.4	39.5	35.9	-125.7	-58.4	-62.5	-106.9	-100.5	-76.5	-59.4	-121.1	-97.0
CAPEX	10.0	6.8	5.1	18.1	6.8	7.9	12.6	9.4	7.3	7.8	13.6	14.4	17.1
NWC (Net Working Capital) %	37.0	30.5	28.7	23.7	34.6	17.0	15.5	15.7	13.9	6.9	7.0	3.2	3.7
ROCE %	12.7	11.1	16.2	26.7	14.8	10.4	15.7	14.8	2.7	17.6	21.9	20.4	17.4
ROE %	1.2	5.4	6.9	10.1	10.6	2.6	10.0	11.5	-9.6	14.0	16.7	5.9	15.0

* 2012 figures have been restated to reflect the application of IAS19R.
(4) In 2005, the acquisitions of Laservall, Informatics and PSC had an impact of 178 million Euros.
In January 2006, conclusion of capital increase for a total value of 76.6 million Euros.
During 2008 Datasensor S.p.A. was acquired for 45 million Euros.
During 2010, Evolution Robotics Retail Inc. was acquired for 20.98 million Euros.
During 2011, PPT Vision Inc. was acquired for 4.1 million Euros and "one-shot" costs were born for approx 12 million Euros, of which 10.2 million related to the WCO project and 1.7 million for acquisitions.
During 2012, Accu-Sort Systems Inc. was acquired for 100.3 million Euros
Annual results from 2001 to 2003 are prepared in accordance with Italian Accounting Standards; annual results from 2004 are prepared in accordance with IAS/IFRS.

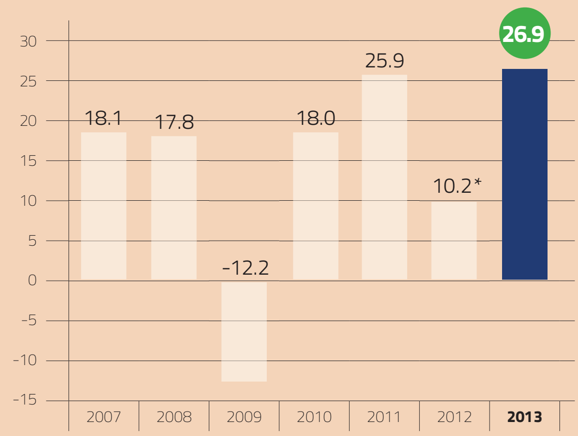
Revenues (million Euros)



Total Revenues (million Euros)

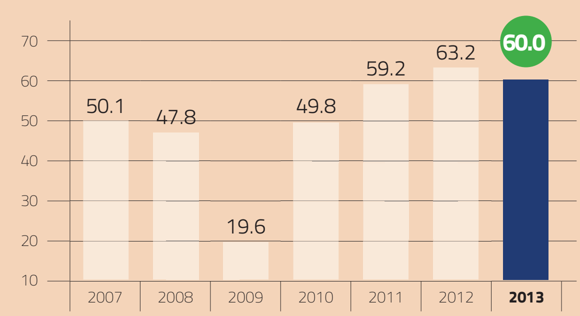


Net Profit (million Euros)

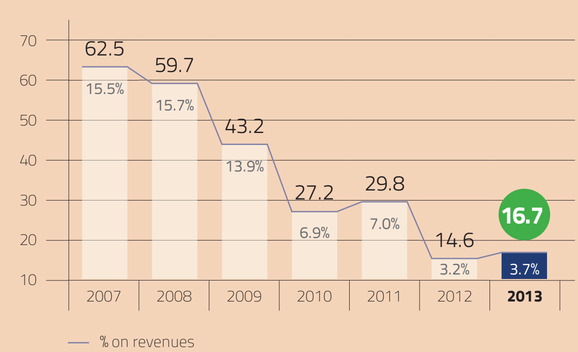


* Net profit was affected by an impairment for 27 mln Euros

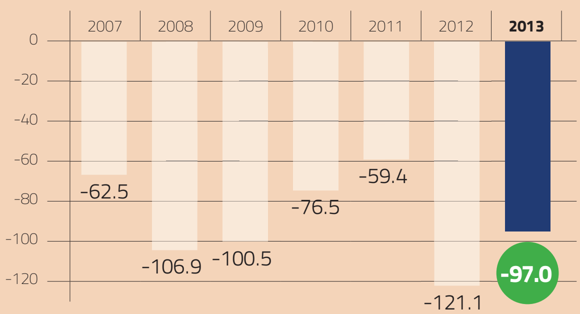
EBITDA (million Euros)



Net Working Capital (million Euros)

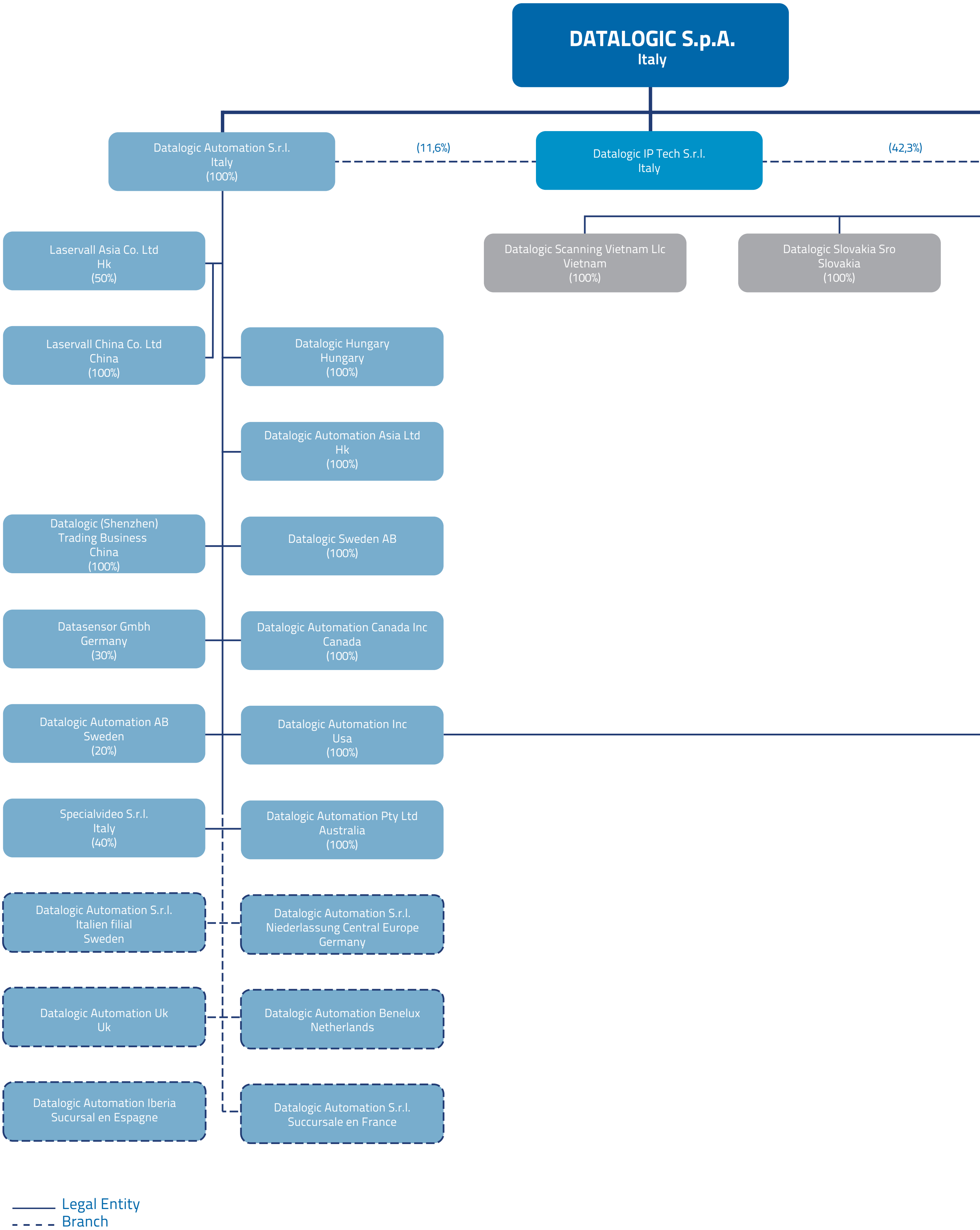


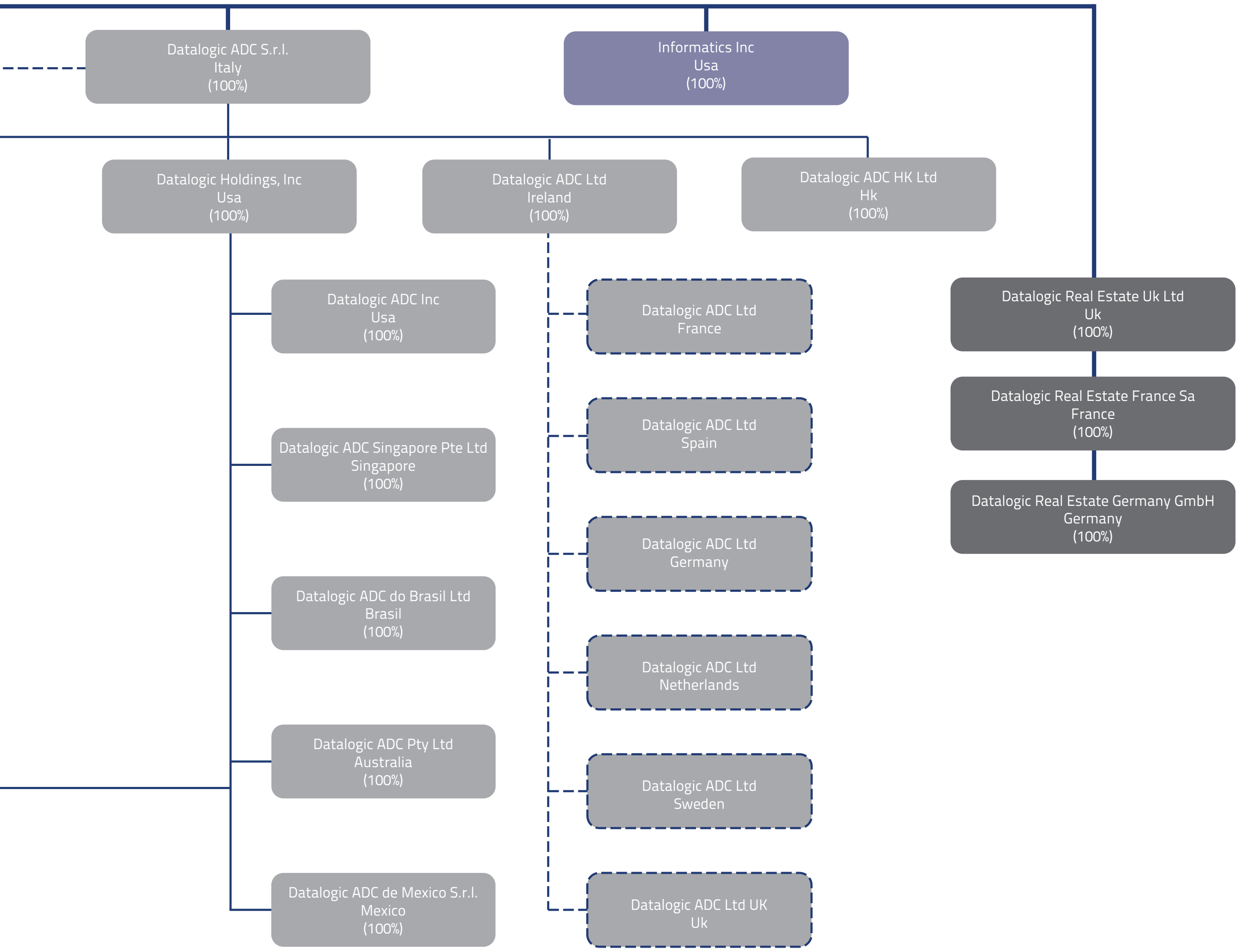
Net Financial Position (million Euros)




Selecting
and fitting
the right tires
on millions
of cars a year,
with eyes
closed.

Datalogic Group structure




Datalogic ADC S.r.l.
Italy
(100%)
Informatics Inc
Usa
(100%)
Datalogic Holdings, Inc
Usa
(100%)
Datalogic ADC Ltd
Ireland
(100%)
Datalogic ADC HK Ltd
Hk
(100%)
Datalogic ADC Inc
Usa
(100%)
Datalogic ADC Singapore Pte Ltd
Singapore
(100%)
Datalogic ADC do Brasil Ltd
Brasil
(100%)
Datalogic ADC Pty Ltd
Australia
(100%)
Datalogic ADC de Mexico S.r.l.
Mexico
(100%)
Datalogic ADC Ltd
France
Datalogic ADC Ltd
Spain
Datalogic ADC Ltd
Germany
Datalogic ADC Ltd
Netherlands
Datalogic ADC Ltd
Sweden
Datalogic ADC Ltd UK
Uk
Datalogic Real Estate Uk Ltd
Uk
(100%)
Datalogic Real Estate France Sa
France
(100%)
Datalogic Real Estate Germany GmbH
Germany
(100%)

Composition of Corporate Bodies

Composition of Corporate Bodies

BOARD OF DIRECTORS [1]

Romano Volta
Chairman [2]

Romano Volta
Chief Executive Officer [3]

Emanuela Bonadiman
Independent Director

Pier Paolo Caruso
Director

Gianluca Cristofori
Independent Director

Giovanni Tamburi
Director

Filippo Maria Volta
Director

Valentina Volta
Director

STATUTORY AUDITORS [4]

Enrico Cervellera
Chairman

Mario Stefano Luigi Ravaccia
Statutory Auditor

Francesca Muserra
Statutory Auditor

Mario Fuzzi
Alternate Statutory Auditor

Stefano Biordi
Alternate Statutory Auditor

Paola Bonfranceschi
Alternate Statutory Auditor

AUDITING COMPANY

Reconta Ernst & Young S.p.A.

(1) The Board of Directors will remain in office until the general meeting that approves the accounts for the financial year ending 31 December 2014.
(2) Legal representative with respect to third parties.
(3) Legal representative with respect to third parties.
(4) The Statutory Auditors in office until the approval of the accounts for the financial year ending 31 December 2015.

Management Report

Report on operations

To our Shareholders,

The report for the year ended 31 December 2013, which we submit to you for review, has been prepared in compliance with the instructions in the Borsa Italiana Regulations.

Specifically, consolidated financial statements apply the approach set forth by International Accounting Standards (IASs/IFRSs) adopted by the European Union.

COMMENTS ON OPERATING AND FINANCIAL RESULTS

The following table summarises the Datalogic Group's key operating and financial results as at 31 December 2013 in comparison with the same period a year earlier (figures in Euro thousands):
Figures disclosed for comparison purposes have been restated due to the application of IAS 19R, for which reference is made to the Explanatory Notes. The detail on adjustments made to the restated financial statements is described on page 24.

(Euros/000)	31.12.2013	31.12.2012 Restated	Change	Cahange %
Total revenues	**450,737**	**462,250**	**(11,513)**	**-2.5%**
EBITDA (*)	**59,985**	**63,151**	**(3,166)**	**-5.0%**
% of total revenues	13.3%	13.7%		
Group net profit/(loss)	**26,906**	**10,247**	**16,659**	**162.6%**
% of total revenues	6.0%	2.2%		
Net financial position (NFP) (**)	**(97,007)**	**(121,118)**	**24,111**	**-19.9%**

(*) **EBITDA** is a performance indicator not defined under IFRS. However, the management uses it to monitor and assess the company's operating performance as it is not influenced by volatility due to the various valuation criteria used to determine taxable income, by the total amount and nature of the capital involved or by the related depreciation and amortisation policies. Datalogic defines it as ***Profit/loss for the period before depreciation and amortisation of tangible and intangible assets, non-recurring costs, financial income and expenses and income taxes***.

(**) For the criteria defining the **Net Financial Position** please see page 34.

As at 31 December 2013, the **Datalogic Group had revenues of €450,737 thousand (€462,250 thousand in the previous year)**, of which €427,463 thousand derived from product sales and €23,274 thousand from services.

Revenues earned from sales of goods and services decreased by 2.5% year on year. At constant Euro/Dollar exchange rates, compared with 2012, the decrease would have been 0.9%.

Group EBITDA was €59,985 thousand, corresponding to 13.3% of total revenues, an increase of €3,166 thousand compared with the same period of the previous year (€63,151 thousand as at 31 December 2012).

Group net profit as at 31 December 2013 was €26,906 thousand, higher than the restated profit reported in the same period of the previous year (€10,247 thousand) which included:
- €21,150 thousand of negative income components deriving from the write-down of goodwill, net of tax impact,
- €5,500 thousand of positive income components connected with the sale of RFID assets.

Events in 2013

The Chief Executive Officer in charge, Mauro Sacchetto, resigned on 15 February 2013. The Board of Directors gave proxy to the Chairman, and founder of the Group in 1972, Romano Volta.

During 2013, Datalogic has underwent a development aimed at redesigning the offer pattern, the approach to consolidated and emerging markets, the development of new products and the technological know-how.

2013 witnessed the creation of the Business Development Division, focused on meeting current and future needs of the reference market through the strengthening of distinctive technologies and the coordination of R&D investments, whose importance has increased from 7 to 8 per cent of revenues. The Business Development Division comprises three main units:
- New needs and applications scouting;
- Datalogic Labs;
- Merger & Acquisitions.

This division aims at grouping the development initiatives related to new products and/or technological solutions aiming at understanding and meeting the customers' needs.

More specifically, the activity of the three main units is described hereunder:
- *New Needs and Applications Scouting:* the primary task of this unit is to collect all inputs coming from the major customers of both Automatic Data Capture and Industrial Automation divisions of the Datalogic Group, through market researches, focus groups and feedbacks from the sales divisions. Information collected and adequately organized taking into account the Group's mission and targets, is shared with the Business Units of both divisions and will feed into the work of Datalogic Labs.
- *Datalogic Labs*: this unit comprises three elements:
  - *Core Competences*, aiming at safeguarding and developing the Group's technological expertise, as well as Core Technologies which allow us to be acknowledged as leaders in the Automatic Data Capture and Industrial Automation markets (scan engine, decoder libraries, image sensor, etc.)
  - *New Emerging Technologies*, aiming at investigating and developing new technologies or new applications based on a specific technology, in line with market trends and opportunities highlighted by the *New Needs and Applications Scouting unit*.
  - *Integration Office*, which will support the Business Units of both divisions in developing product and technology plans, by supervising and coordinating their activities and fostering the development of common projects.

The Datalogic Labs unit will be also responsible for the funding projects connected with Research and will coordinate the Technological Committee, whose research activity will support the Datalogic Labs targets.
- *Mergers & Acquisitions* aims at proposing acquisition chances, collecting proposals from divisions and evaluating their consistency with Group strategies.

Datalogic has significantly strengthened investments aimed at penetrating global markets with the highest growth rates (China, Korea, Brazil, Turkey, India), by fostering its direct presence in these geographical areas, the definition of a dedicated product portfolio and the implementation of a widespread sales force. Within the above context, a strategic agreement was signed with the company IDEC Corporation for the development on the Japanese market. Already partner of Datalogic on the Industrial Automation market through a 50/50 joint venture in IDEC Datalogic Corporation Ltd ("IDL"), IDEC Corporation is a listed company on the Tokyo Stock Exchange, and it is a leading company in the Industrial Automation market. This agreement will permit Datalogic to penetrate the Japanese market with greater vigour: IDEC will become Datalogic's exclusive distributor for Japan, in which it will operate by virtue of a distribution and a licence agreement, while being able to use, for the domestic market only, the IP portfolio and performing all modification which will be required to render the Group products suited to Japanese customers' needs. IDEC's regionally-based organization and market penetration, combined with Datalogic's technology and innovative skills will enable to achieve higher positions in a market which is traditionally a closed market for foreign operators. The widening of the product range, especially through the distribution of ADC products, dedicated to the retail market, a segment in which IDEC is not currently present, will permit to attract new customer segments while enhancing the Group's market position over the medium/long-term period. The licence and distribution agreement is effective on 19 December 2013.

Moreover, after the important acquisitions occurred between end 2011 and beginning 2012 of the companies PPT Inc. and Accu-Sort Systems Inc., on 1st August 2013, an agreement was signed for the acquisition of the assets and technology of Multiwave Photonics S.A., a Portuguese company located in Porto. This technology is currently the most advanced in the fiber laser sector thanks to laser marking and material processing, amongst which steel, plastic and glass.

Analysis of reclassified income statement data

The following table shows the main Income Statement items for the Datalogic Group of 2012, highlighting the reclassified items by effect of the application of IAS 19R:

(Euros/000)	31.12.2012		IAS 19R Application	31.12.2012 Restated	
Total revenues	**462,250**	**100.0%**		**462,250**	**100.0%**
Cost of sales	(249,324)	-53.9%		(249,324)	-53.9%
Gross profit	**212,926**	**46.1%**	**0**	**212,926**	**46.1%**
Other revenues	6,893	1.5%		6,893	1.5%
Research and development expenses	(32,027)	-6.9%		(32,027)	-6.9%
Distribution expenses	(86,032)	-18.6%		(86,032)	-18.6%
General and administrative expenses	(46,294)	-10.0%	426	(45,868)	-9.9%
Other operating costs	(2,480)	-0.5%		(2,480)	-0.5%
Total operating cost and other costs	**(166,833)**	**-36.1%**	**426**	**(166,407)**	**-36.0%**
Ordinary operating result before non-recurring costs and revenues and administrative costs arising from acquisitions (EBITANR)	**52,986**	**11.5%**	**426**	**53,412**	**11.6%**
Non-recurring costs and revenues	(4,321)	-0.9%		(4,321)	-0.9%
Depreciation, amortisation and write-downs due to acquisitions (*)	(32,764)	-7.1%		(32,764)	-7.1%
Operating result (EBIT)	**15,901**	**3.4%**	**426**	**16,327**	**3.5%**
Net financial income (expenses)	(3,682)	-0.8%		(3,682)	-0.8%
Profits/(Losses) from associates	187	0.0%		187	0.0%
Foreign exchange gains/(losses)	(3,307)	-0.7%		(3,307)	-0.7%
Pre-tax profit/(Loss)	**9,099**	**2.0%**	**426**	**9,525**	**2.1%**
Taxes	839	0.2%	(117)	722	0.2%
Group Net Profit/(Loss)	**9,938**	**2.1%**	**309**	**10,247**	**2.2%**
Depreciation and write-downs of Tangible assets	(7,648)	-1.7%		(7,648)	-1.7%
Amortisation and write-downs of Intangible assets	(2,091)	-0.5%		(2,091)	-0.5%
EBITDA	**62,725**	**13.6%**	**426**	**63,151**	**13.7%**

(*) This item includes impairment from goodwill and amortisation/depreciation arising from acquisitions. To provide a better representation of the Group's ordinary profitability, we chose – in all tables in this section concerning information on operating performance – to show an operating result before the impact of non-recurring costs/income and of depreciation and amortisation due to acquisitions, which we have called **EBITANR** - Earnings before interests, tax, acquisitions and not recurring), hereinafter referred to as "Ordinary operating result". To permit comparability with the financial statements, we have in any case included a further intermediate profit margin ("Operating result") that includes non-recurring costs/income and depreciation and amortisation due to acquisitions and which matches figures reported in year-end financial statements.

The following table shows the 2013 main Income Statement items for the Datalogic Group compared with the same period in the previous year:

(Euros/000)	31.12.2013		31.12.2012 Restated		Change	Change %
Total revenues	**450,737**	**100.0%**	**462,250**	**100.0%**	**(11,513)**	**-2.5%**
Cost of sales	(238,476)	-52.9%	(249,324)	-53.9%	10,848	-4.4%
Gross profit	**212,261**	**47.1%**	**212,926**	**46.1%**	**(665)**	**-0.3%**
Other revenues	1,974	0.4%	6,893	1.5%	(4,919)	-71.4%
Research and development expenses	(35,614)	-7.9%	(32,027)	-6.9%	(3,587)	11.2%
Distribution expenses	(83,450)	-18.5%	(86,032)	-18.6%	2,582	-3.0%
General and administrative expenses	(42,187)	-9.4%	(45,868)	-9.9%	3,681	-8.0%
Other operating costs	(2,878)	-0.6%	(2,480)	-0.5%	(398)	16.0%
Total operating cost and other costs	**(164,129)**	**-36.4%**	**(166,407)**	**-36.0%**	**2,278**	**-1.4%**
Ordinary operating result before non-recurring costs and revenues and administrative costs arising from acquisitions (EBITANR)	**50,106**	**11.1%**	**53,412**	**11.6%**	**(3,306)**	**-6.2%**
Non-recurring costs and revenues	1,154	0.3%	(4,321)	-0.9%	5,475	n.a.
Depreciation, amortisation and write-downs due to acquisitions (*)	(5,765)	-1.3%	(32,764)	-7.1%	26,999	-82.4%
Operating result (EBIT)	**45,495**	**10.1%**	**16,327**	**3.5%**	**29,168**	**178.6%**
Net financial income (expenses)	(6,531)	-1.4%	(3,682)	-0.8%	(2,849)	77.4%
Profits/(Losses) from associates	286	0.1%	187	0.0%	99	52.9%
Foreign exchange gains/(losses)	(3,720)	-0.8%	(3,307)	-0.7%	(413)	12.5%
Pre-tax profit/(Loss)	**35,530**	**7.9%**	**9,525**	**2.1%**	**26,005**	**273.0%**
Taxes	(8,624)	-1.9%	722	0.2%	(9,346)	n.a.
Group Net Profit/(Loss)	**26,906**	**6.0%**	**10,247**	**2.2%**	**16,659**	**162.6%**
Depreciation and write-downs of Tangible assets	(7,342)	-1.6%	(7,648)	-1.7%	306	-4.0%
Amortisation and write-downs of Intangible assets	(2,537)	-0.6%	(2,091)	-0.5%	(446)	21.3%
EBITDA	**59,985**	**13.3%**	**63,151**	**13.7%**	**(3,166)**	**-5.0%**

(*) see definition on page 24.

Gross profit slightly decreased, in percentage terms, compared with the same period of 2012, while the impact on revenues increased. In absolute terms, this margin increased from €212,926 thousand in 2012, to €212,261 thousand in 2013 (€216,106 thousand at constant exchange rate).

The "Other Revenues" item decreased by €4,919 thousand compared with the same period last year, by reason of the fact that in the first half of 2012, this item included the sale of some assets such as patents, know-how and other intangible assets pertaining to the RFID business sector, totalling €5,500 thousand.

Operating costs, equal to €164,129 thousand, are lower than the same period of 2012, amounting to €166,407 thousand, while, in percentage terms, they remained almost unchanged on revenues (at constant exchange rates an increase of €552 thousand would have been reported).
The decrease in operating costs is attributable to distribution expenses, amounting to €2,582 thousand (down by €698 thousand at constant exchange rates), as well as to General and Administrative expenses, amounting to €3,681 thousand (down by €3,191 thousand at constant exchange rates).

It is worth noting that the Group increased investments in R&D expenses, totalled €3,587 thousand (up by €4,162 thousand, at constant exchange rate), equal to 7.9% on revenues compared to 6.9% reported in the prior year, by reason of the fact that these investments are deemed as a key lever for the business development.

As at 31 December 2013, the non-recurring (cost) and revenues item showed a positive amount of €1,154 thousand and it entirely relates to incentives to leave allocated in the previous year and charged back in the period due to the review and subsequent definition of the restructuring plan.

The breakdown of this item, as included in the balance-sheet statement, is as follows:

Item (Euros/000)	Amount
2) "Cost of goods sold"	62
3) "Other operating revenues"	95
4) "R&D expenses"	4
5) "Distribution expenses"	975
6) "General and administrative expenses"	18
Total non-recurring revenues	**1,154**

As at 31 December 2013, depreciation and amortisation due to acquisitions (totalling €5,765 thousand) broke down as follows:

(Euros/000)	31.12.2013	31.12.2012	Change
Acquisition of the PSC Group (on 30 November 2006)	2,100	2,169	(69)
Acquisition of Laservall S.p.A. (on 27 August 2004)	441	442	(1)
Acquisition of Informatics Inc. (on 28 February 2005)	602	623	(21)
Acquisition of Evolution Robotics Retail Inc. (concluded on 1st July 2010)	527	545	(18)
Acquisition of Accu-Sort Systems Inc. (concluded on 20 January 2012)	2,095	1,985	110
Total	**5,765**	**5,764**	**1**

The "Ordinary operating result" (EBITANR) was €50,106 thousand, corresponding to 11.1% of revenues, and lower (by €3,306 thousand in absolute terms) than the figure recorded for the same period of the previous year (€53,412 thousand). Little change is reported in terms of percentage impact on revenues.

The next two tables compare the main operating results achieved in the fourth quarter of 2013 with the same period in 2012 and the third quarter of 2013.

(Euros/000)	QIV 2013		QIV 2012 Restated		Change	Change %
Total revenues	**119,964**	**100.0%**	**114,714**	**100.0%**	**5,250**	**4.6%**
EBITDA	16,766	14.0%	10,465	9.1%	6,301	60.2%
Ordinary operating income (EBITANR) (*)	14,194	11.8%	7,966	6.9%	6,228	78.2%
Operating result (EBIT)	12,883	10.7%	(21,084)	-18.4%	33,967	n.a.

(Euros/000)	QIV2013		QIV 2013		Change	Change %
Total revenues	**119,964**	**100.0%**	**112,004**	**100.0%**	**7,960**	**7.1%**
EBITDA	16,766	14.0%	16,987	15.2%	(221)	-1.3%
Ordinary operating income (EBITANR) (*)	14,194	11.8%	14,671	13.1%	(477)	-3.3%
Operating result (EBIT)	12,883	10.7%	13,225	11.8%	(342)	-2.6%

(*) see definition on page 24.

The quarter that just ended reported an increase in revenues by 7.1% compared to the third quarter of 2013.

The results for the quarter, albeit reflecting a seasonal effect and a still cautious attitude of retail companies penalised by a substantial decline in consumption in mature markets, show encouraging signs compared to the previous year.

Performance by business segment

Operating segments are identified based on the internal statements used by senior management to allocate resources and evaluate results.

The Group operates in the following business segments:

ADC – The ADC division is the global leader in high performance fixed scanners for retail and the major EMEA supplier of manual bar code readers as well as the leading player in the mobile computer market for warehouse management, automation of sales and field forces and the collection of data at stores. Includes the manual reader product lines, fixed readers, mobile computers, self-scanning solutions and cashier technologies.

Industrial Automation – The Industrial Automation division, among the major manufacturers in the world of products and solutions for automatic identification, recognition and marketing in the industrial automation market, covers the increasing demand for tracking, inspection and recognition solutions in the manufacturing and logistics processes areas. Fixed barcode readers using imager and laser technology, the photoelectric sensors and equipment for industrial automation and security, remote cameras and software for artificial vision, barcode reader systems and technologies for the automation of logistics and postal companies, industrial laser markers.

Informatics – This company, which is based in the United States, sells and distributes products and solutions for automatic identification and caters to small and medium sized companies.

Corporate – It includes the operations of the holding company, the real estate operations of the Group and Datalogic IP Tech, which manages the Group's industrial property and research activities.

Intersegment sales transactions are executed at arm's length conditions, based on the Group transfer pricing policies.

The **financial information relating to operating segments** as at 31 December 2013 and 31 December 2012 are as follows (€/000):

(Euros/000)	Datalogic ADC Sub Consolidated		Datalogic Automation Group Total		Informatics		Datalogic Corporate		Adjustments		Total Group	
	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013
External sales	297,562	282,166	130,605	137,817	34,127	30,778		0	(44)	(24)	462,250	450,737
Intersegment sales	366	221	9	8			22,176	21,557	(22,551)	(21,786)	0	0
Total sales	**297,928**	**282,387**	**130,614**	**137,825**	**34,127**	**30,778**	**22,176**	**21,557**	**(22,595)**	**(21,810)**	**462,250**	**450,737**
Ordinary operating income (EBITANR)	**40,613**	**44,935**	**4,980**	**5,368**	**3,844**	**2,302**	**4,064**	**(2,782)**	**(89)**	**283**	**53,412**	**50,106**
% of revenues	13.6%	15.9%	3.8%	3.9%	11.3%	7.5%	18.3%	-12.9%	0.4%	-1.3%	11.6%	11.1%
Operating result (EBIT)	**36,068**	**43,375**	**(26,937)**	**2,918**	**3,221**	**1,700**	**4,064**	**(2,782)**	**(89)**	**283**	**16,327**	**45,495**
% of revenues	12.1%	15.4%	-20.6%	2.1%	9.4%	5.5%	18.3%	-12.9%	0.4%	-1.3%	3.5%	10.1%
Financial income (expenses)	**(3,959)**	**(2,736)**	**(2,058)**	**(1,445)**	**(57)**	**(27)**	**11,592**	**6,017**	**(12,320)**	**(11,774)**	**(6,802)**	**(9,965)**
Fiscal income (expenses)	**(7,451)**	**(8,817)**	**8,507**	**(452)**	**(1,007)**	**(636)**	**642**	**1,321**	**31**	**(40)**	**722**	**(8,624)**
Amortisation and depreciation	**(8,412)**	**(8,099)**	**(31,859)**	**(5,146)**	**(916)**	**(840)**	**(1,393)**	**(1,679)**	**77**	**120**	**(42,503)**	**(15,644)**
EBITDA	**46,311**	**50,408**	**7,412**	**7,977**	**4,137**	**2,540**	**5,457**	**(1,103)**	**(166)**	**163**	**63,151**	**59,985**
% of revenues	15.5%	17.9%	5.7%	5.8%	12.1%	8.3%	24.6%	-5.1%	0.7%	-0.7%	13.7%	13.3%
R&D expenses	**(23,281)**	**(20,313)**	**(13,054)**	**(12,883)**	**(796)**	**(860)**	**(2,245)**	**(7,485)**	**7,349**	**5,927**	**(32,027)**	**(35,614)**
% of revenues	-7.8%	-7.2%	-10.0%	-9.3%	-2.3%	-2.8%	-10.1%	-34.7%	-32.5%	-27.2%	-6.9%	-7.9%

Reconciliation between **EBITDA, EBITANR and Profit/(Loss) before tax** is as follows:

(Euros/000)	31.12.2013	31.12.2012 Restated
EBITDA	**59,985**	**63,151**
Depreciation and write-downs of Tangible assets	(7,342)	(7,648)
Amortisation and write-downs of Intangible assets	(2,537)	(2,091)
EBITANR	**50,106**	**53,412**
Non-recurring costs and revenues	1,154	(4,321)
Depreciation & amortisation due to acquisitions (*)	(5,765)	(32,764)
EBIT (Operating Result)	**45,495**	**16,327**
Financial income	12,933	14,070
Financial expenses	(23,184)	(21,059)
Profits from associates	286	187
Pre-tax profit/(loss)	**35,530**	**9,525**

(*) see definition on page 24.

The Automatic Data Capture (ADC) Division, specialised in the manufacture of fixed bar code readers for the retail market, manual readers and mobile computer for warehouse management, recorded a turnover of €282.4 million, down compared to €297.9 million in 2012. This partition is more affected by the slowdown in investments in the retail segment, which is the core market of the division.

The Industrial Automation Division, specialised in the production of automatic identification systems, security, detection and marking for the Industrial Automation market, reported a turnover of €137.8 million, up compared to €130.6 million in 2012.

Lastly, Informatics reported a turnover of €30.8 million compared with €34.1 million in 2012.

DATALOGIC ADC

In addition to Datalogic ADC S.r.l., Datalogic ADC Ireland and the related European branches, the ADC Division comprises the Slovakian branch and the branches located in the United States, as well as in Australia and Asia.

As at 31 December 2013, the ADC Group reported total revenues of €282,387 thousand, comprising €268,291 thousand from the sale of products and €14,096 thousand from the sale of services. Europe, which recorded sales amounting to €159,518 thousand, equal to 56.5% of total revenues, while North America, which recorded revenues of €60,169 thousand, represented around one fourth of the total volume of business.

The gross profit, equal to €138,724 thousand, is 49.13% of revenues, an improvement compared to 47.5% over 2012.
Operating costs, which include R&D, distribution and overhead and administrative expenses, amounted to €94,707 thousand, down by €7,632 thousand compared with the prior year.
Research and development expenses amounted to €20,313 thousand, 7.2% of sales, an evidence of how much the Company relies on investments in technological innovation.
Group EBITDA was €50,408 thousand, corresponding to 17.85% of total revenues, an increase compared to 15.53% over the previous year.

Net profit as at 31 December 2013 was €31,822 thousand (11.27% of revenues).

I net financial income is negative by €2,736 thousand, down compared to €3,959 over 2012.

DATALOGIC IA

The Industrial Automation Division reported revenues amounting to €137,825 thousand, compared to revenues of €130,614 thousand recorded during the previous year. The revenues recorded in Europe totalled €62,332 thousand, equal to 45.2% of the total amount; revenues in North America amounted to €52,929 thousand, equal to 38.4% of total revenues. The margins, at the level of ordinary operating level, increased from €4,980 thousand in 2012 to €5,368 thousand in 2013.

2013 was a reflective year for products in the ID range. With regard to geographic areas, the results in Asia and Europe were good.

The good performance reported in photoelectric sensors and devices in 2013 is mainly attributable to the good performance reported by the Italian and German market.

Products for industrial marked a substantial growth compared to the previous year. Good performance on the European and Italian market.

Excellent performance of the Business Unit Vision, with special reference to customers on the European market.

The Business Unit Systems reported a good growth in revenues compared with the prior year thanks to important orders acquired in the Postal segment.

The Statement of Financial Position information relating to operating sectors as at 31 December 2013 compared with the information as at 31 December 2012 is as follows:

(Euros/000)	Datalogic ADC Sub Consolidated		Datalogic Automation Group Total		Informatics		Datalogic Corporate		Adjustments		Total Group	
	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013
Total Assets	**394,369**	**430,524**	**163,995**	**171,624**	**20,729**	**19,548**	**453,547**	**538,806**	**(457,466)**	**(577,698)**	**575,174**	**582,804**
Non-current assets	139,394	136,235	80,525	75,004	13,396	12,069	29,135	31,327	567	843	263,017	255,478
Equity investments in associates	64,468	62,063	6,512	6,188	-	-	155,190	155,190	(223,472)	(221,658)	2,698	1,783
Total Liabilities	**252,626**	**271,213**	**113,729**	**121,973**	**4,264**	**3,884**	**264,398**	**355,450**	**(233,246)**	**(354,963)**	**401,771**	**397,557**

Sector information by region as at 31 December 2013 and 31 December 2012 breaks down as follows (€/000):

(Euros/000)	31.12.2013	% of total revenues	31.12.2012	% of total revenues	Change
Revenues in Italy	38,040	8%	38,978	8%	-2%
Revenues in Europe	183,810	41%	181,428	38%	1%
Revenues in North America	143,876	32%	159,227	34%	-10%
Revenues in Rest of the World	85,011	19%	82,617	20%	3%
Total Group	**450,737**	**100%**	**462,250**	**100%**	**-2%**

2012 was reclassified in order to enable comparison with respect to breakdown made for 2013.

(Euros/000)	31.12.2013	31.12.2012	Adjustments 31.12.2013	Adjustments 31.12.2012	Consolidated 31.12.2013	Consolidated 31.12.2012	Change
Non-current assets							
Italy	393,891	408,621			393,891	408,621	-4%
Europe	25,115	28,634			25,115	28,634	-12%
North America	317,997	338,315			317,997	338,315	-6%
Rest of the World	9,577	8,388			9,577	8,388	14%
Eliminations and adjustments			(445,851)	(470,045)	(445,851)	(470,045)	-5%
Total	**746,580**	**783,958**	**(445,851)**	**(470,045)**	**300,729**	**313,913**	**-4%**

Research and development expenses

DATALOGIC IP TECH

As already reported in the section above, in 2013, Datalogic consolidated the organisational platform for the medium-long term technological research, through the creation of Business Development Division (through the company Datalogic IP Tech S.r.l.). Their intervention strategic areas are as follows:

- strategic technological management and supervision of research projects by Datalogic Strategic Technology Committee, a team of international experts coming from universities and research centres;
- research of new technologies and support to divisional group for the development of products, while supplying them the required technological innovations to be always updated in the markets in which they operate thanks to Datalogic Labs;
- centralised management of the Group's patent portfolio, with the aim of systematically co-ordinating all activities connected with the evaluation, management and protection of the Group's industrial property.

DATALOGIC ADC

Research and development expenses for the year amounted to €20,313 thousand, with respect to ADC Division. The research and development activities carried out during 2013 by the Datalogic ADC Group are described hereunder, by reason of the fact that they are deemed more significant to describe the performance of Research activities.

Hand-held readers (HHRs)

In 2013, the Company continued the development of 2D technology and new generation products based on this technology. During 2013, the Company continued to widen its offer in the 2D reader field, mainly considering the renewal of the industrial product line with the launching of the first versions of the new Powerscan 9000. Meanwhile, the offer of Hand Held Product range was enlarged by adding an economic version of the 2D reader and a new product in the presentation scanner field.

The major products introduced in 2013 are described hereunder.

Quickscan QD2400 - the new Quickscan QD2400 family comprises the 2D readers based on the Gryphon platform. The cabled version was launched in the 2nd quarter of 2013, while the cordless models are currently being developed.

Gryphon ™ GPS4400 Area imager - This Presentation scanner offers all functionality and potentiality of the Gryphon GD4400 hand reader while scanning with free hands. Thanks to its reduced size and adjustable support, this device is the ideal solution for environments with limited space availability.

Powerscan PD9500 - Powerscan PD9500 is a 2D area imager based on a 1.3 Mpixel processor and high-speed sensor. This device is a real innovative product in the industrial field.
Available in two models, the standard version features high reading capabilities and speed on standard-resolution codes and the HP (High Performance) model, more versatile, combines high resolution reading capabilities with a wide reading range of images, while maintaining outstanding optical characteristics.

Powerscan PD9500 DPM - A new model in the Powerscan family was launched on the market in 2013. This new model was specially designed to read DPM codes (Direct Part Marking - codes engraved or printed directly on any type of surface - plastics, metal, wood, etc.). The demand for products able to scan DPM codes is increasing and this is the first solution offered by Datalogic to meet this need.

Powerscan PBT9500 - The Powerscan PBT9500 is a 2D imager area based on the same hardware and mechanical structure as Powerscan PD9500, but cordless. A basis, called BC9000, completes the product and it operates both as battery charger and receiving station, equipped with various interfaces for connection to a number of industrial systems.

Checkout scanners

The new **Magellan 9800i-High Performance Digital Imaging** was launched in 2013, entirely based on the high-performance imaging technology. Magellan 9800, with its Top Down Reader function, allows for a new way of interacting with customers, a new dedicated imager reader, and permits an easy reading of digital coupons from smart phones, paper coupons and loyalty cards.

The year 2013 also witnessed a significant enlargement in the installation of pilot shops for the **Datalogic Jade X7 Automated Scanning**.
The automatic scanner Jade X7 system permits customers to place the items on a moving conveyor in any position. The elements are then scanned without any intervention required by the operator. This system allows the checkout staff to focus on the interaction with customers and carry out other operations at the same time as the automatic scanning.

LaneHawk ™ LH4000 is a smart video camera, mounted with cable in the payment area, at foot level. It checks the items in the trolleys (bottles of water, cleaning products, etc.). By using the Visual software Pattern Recognition (ViPR ™), it detects and recognized the items and sends information directly to POS. The checkout personnel will check the items and complete the payment transaction.

Mobile Computing Store Automation

In 2013, the Mobile Computing BU completed its integration with Enterprise Business Solutions, thus creating the new Mobile Computing Store Automation (MCSA). Self-shopping and mobile computing services and products are combined, while offering a complete MCSA product range to sales and marketing networks, and are able to meet all customers' needs.
In 2013, the company's consolidated its third position worldwide thanks to the great results achieved with the X3 Skorpio product range, a handheld terminal dedicated to in-store and back-end retail applications.
In the second quarter 2013, the pocket-sized, rugged PDA **Lynx 4G** was launched for applications which require cellular connection.
The new generation of **Memor** will be launched in the first months of 2014. This is one of the items in the product range which gained the utmost success and, with its introduction on the market, a better penetration in the retail segment is expected.

The development of **Joya X1** was completed in the fourth quarter of 2013. This self-shopping device, endowed of linear imaging technology, allows for an easy reading of bar codes on smart phones and electronic labels. Its market launch is scheduled for the first quarter of 2014.

The mass marketing package is included in the wide technological renovation and development project of the new Joya with Shopevolution. This project aims at enlarging services offered to consumer by ensuring a custom-made dialog between retailer and purchaser. Through the reading of the loyalty card or the introduction of the shopping list in the retailer site, the Joya system is able to recall the consumer's purchasing habits and therefore offer the preferred products or create a tailored "promotion list" of items which might be of greater interest.

In 2013, Datalogic was once again confirmed as leader in Europe for self-shopping solutions and its presence is still expanding in United States and APAC markets.

DATALOGIC AUTOMATION

During the year, €12,883 thousand were invested in research and development projects.

Always in 2013, the ID Business Unit continued its review of its product range. In particular, it is worth highlighting the launch on the market of the new **Imager Matrix300** in September for the Electronics and Automotive markets, as well as the new device for applications dedicated to Couriers in the Logistics world (measurement of the volume of parcels).

A number of projects, aimed at updating products, both laser and imagers, have been launched in the manufacturing and logistics segments, with special attention to new software. Many of these investments will involve the launch of new products over 2014.

During the year, the Lasermarking Business Unit has started the development of a new "All in one" laser, based on the Fiber technology, which will be completed and launched by 2014.
Moreover, the "MOPA" Fiber technology has been acquired over the year. This technology can be applied in both industrial marking and material processing fields.

As regards the area of sensors and photoelectric devices, development especially focused on the introduction of new innovative technologies and products with new dimensions, thus widening the offer in the industrial automation field as well as the application possibilities of sensors. The new series S85 of remote sensors, operating up to 20m, with 1mm resolution, has been developed based on the patented measurement system of the light time-of-flight.

In the software development area, new tools have been introduced in the **IMPACT** vision platform. Among these new tools, the Pattern Sorting Tool, based on algorithms owned by Datalogic, allows for the detection of objects within a wide range of items and it is therefore destined to the logistics market.

During the year, the Systems BU has launched the last version of the **FAST (Flexible Automation Solution Tools)** product suite. The FAST systems enable operations related to material handling with the utmost efficiency: automated sorting out, labelling, data management, amongst others.

Social, political and trade union climate

The year 2013 was characterised by important business renewal and strengthening strategies, as well as Group growth, strongly endorsed by the Group CEO through the identification of three key actions:

- focusing on Customers' needs, investing in technology and developing products of excellence,
- developing the fastest growing markets,
- investing in the working environment and human resource management.

An enquiry on the main needs and requirements of Datalogic's customers was started in the first months of the year, aiming at analysing products in both the Automatic Data Capture (ADC) and the Industrial Automation (IA) divisions. This enquiry was carried out through an initiative called "Voice of the Customer", whose outcome has been submitted to in-house attention with the aim of planning new marketing and sales strategies at best in the next few months.

With the aim of achieving the target of developing new markets, in February 2013 already, a special plan was implemented addressed to growth in China and Brazil for the ADC division, and in China and Korea for the IA division. The project, not yet fully implemented, of expanding market shares also in Countries with significant growth rates, like India, Turkey and Africa, started in the fourth quarter of 2013 with the opening of a new Datalogic branch in Istanbul.

The willingness to anticipate market needs and develop new technologies gave birth to a new Business Development Division (BDD), with the ambitious target of ensuring that in future times the Datalogic Group would be the Italian High Tech Company operating worldwide through the listening to customers' needs, the holding of core technologies and product innovation.

Investments in favour of a satisfactory work environment and human resource management started from an in-house enquiry on work environment which involved all Group sites, either productive sites or not. The data collected were submitted to the evaluation of Top Leaders with the objective of making managers aware of the situation and proving the importance of implementing Human Resources processes aimed at enhancing employees' motivation while guaranteeing better fairness and uniformity of treatment. In the last months of 2013, also with the aim of providing a concrete response to the needs highlighted in the enquiry, the Company hired new professionals within the Human Resources function, as well as the Corporate structure and regional areas.

Datalogic also consistently implemented staff training initiatives which led to the award of the 2013 Top Employers prize. The Company resorted to most of the funds available for training by focusing on the following: development of skills within the R&D field, methods and knowledge of instruments used; project management; effective management of time, priorities and workload; improvement of staff competences, like negotiating skills, to enhance fluidity and effectiveness of personal relations. Moreover, a remarkable portion of training hours was dedicated to the fulfilment of regulatory obligations as regards security and health on workplace, as set forth in the Legislative Decree 81/08 and the 2011 Agreement between the central Government and Italian Regions. This year as well, attention was paid to the need for English courses.

As regards Industrial Relations, pursuant to provisions set out in the second level Agreement, the agreement on the Production Bonus for 2013 was renewed based on the same growth and profitability targets established in the Group Budget.

During 2013, organizational changes continued in some Corporate functions. Both Finance and Human Resources functions completed the integration of all world teams through the strengthening of the Corporate function and the creation of regional teams. This change will allow to implement uniform and global systems and processes for the management of Finance and Human Resources all over the world.

The above strengthened the company's climate and loyalty of employees, also thanks to the number of communication initiatives of the new Group development plan, as described in the booklet "*Una nuova partenza per un nuovo futuro" (*A new start for a new future).

Analysis of financial and capital data

The following table shows the main financial and equity items for the Datalogic Group as at 31 December 2013, compared with 31 December 2012.

(Euros/000)	31.12.2013	31.12.2012 Restated
Net intangible assets	59,058	60,262
Goodwill	145,092	151,134
Net tangible assets	51,328	51,621
Unconsolidated equity investments	5,452	3,936
Other non-current assets	39,441	46,602
Non-current capital	**300,371**	**313,555**
Net trade receivables vs. Customers	69,953	82,552
Amounts due to Suppliers	(84,712)	(71,102)
Inventories	53,803	49,153
Net working capital, trading	**39,044**	**60,603**
Other current assets	26,483	25,577
Other current liabilities and provisions for short term risks	(48,838)	(71,566)
Net working capital	**16,689**	**14,614**
Other M/L term liabilities	(20,359)	(22,513)
Employee severance indemnity	(7,049)	(7,367)
Provisions for risks	(7,398)	(3,768)
Net invested capital	**282,254**	**294,521**
Total Shareholders' Equity	**(185,247)**	**(173,403)**
Net financial position	**(97,007)**	**(121,118)**

As at 31 December 2013, the net financial position was negative by €97,007 thousand, broken down as follows:

(Euros/000)	31.12.2013	31.12.2012
A. Cash and bank deposits	128,497	94,665
B. Other cash and cash equivalents	42	87
b1. restricted cash deposit	42	87
C. Securities held for trading	358	9,585
c1. Short-term	0	9,227
c2. Long-term	358	358
D. Cash and equivalents (A) + (B) + (C)	**128,897**	**104,337**
E. Current financial receivables	3,297	0
F. Other current financial receivables	0	0
f1. hedging transactions	0	0
G. Bank overdrafts	49	154
H. Current portion of non-current debt	46,360	85,583
I. Other current financial payables	248	444
I1. hedging transactions	14	183
I2. payables for lease	234	261
J. Current financial debt (G) + (H) + (I)	**46,657**	**86,181**
K. Current financial debt, net (J) - (D) - (E) - (F)	**(85,537)**	**(18,156)**
L. Non-current bank borrowing	181,327	137,223
M. Other non-current financial receivables	0	0
N. Other non-current liabilities	1,217	2,051
n1. hedging transactions	371	961
n2. payables for lease	846	1,090
O. Non-current financial debt (L) - (M) + (N)	**182,544**	**139,274**
P. Net financial debt (K) + (O)	**97,007**	**121,118**

Net financial debt at 31 December 2013 was -€97,007 thousand, an improvement of €24,111 thousand compared to 31 December 2012 (when it was negative for €121,118 thousand), mainly due to the decrease in net trading working capital (-€21,559 thousand), attributable to both the decrease in customer trade receivables and the increase in trade payables.

Note that the following transactions were carried out in the period:

- sale/purchase of treasury shares, which generated a positive cash flow amounting to €1,728 thousand,
- payment of dividends of €8,525 thousand,
- cash outflows for leaving incentives for managers, amounting to €14,349 thousand,
- cash outflows for leaving incentives amounting to €4,347 thousand,
- cash outflows for consulting services connected with M&A activities and charged at cost in 2012, amounting to €1,324 thousand,
- cash outflows for remuneration of the outgoing CEO, amounting to €3,760 thousand.

Investments were also made amounting to €17,132 thousand.

Net working capital as at 31 December 2013 was €16,689 thousand, up by €2,075 thousand compared with 31 December 2012 (€14,614 thousand), mainly resulting from:

- cash outflows for leaving incentives for managers, amounting to €14,349 thousand classified in December 2012 under "Other current liabilities",
- cash outflows for taxes of €14,012 thousand.

The reconciliation between the Parent Company's shareholders' equity and net profit and the corresponding consolidated amounts is as follows:

(Euros/000)	31 december 2013		31 december 2012 Restated*	
	Total equity	Period results	Total equity	Period results
Parent Company shareholders' equity and profit	**189,084**	**6,921**	**191,725**	**6,171**
Difference between consolidated companies' net equity and their carrying value in the Parent Company's financial statements; effect of equity-based valuation	54,340	60,534	38,469	40,380
Reversal of dividends	0	(39,202)	0	(28,214)
Amortisation of intangible assets "business combination"	(5,827)		(5,827)	
Effect of acquisition under common control	(31,733)		(31,733)	
Elimination of capital gain on sale of business branch	(18,665)		(18,628)	(7,195)
Effect of eliminating intercompany transactions	(9,445)	(3,693)	(5,752)	(1,081)
Reversal of write-downs and capital gains on equity investments	6,121	2,175	3,946	381
Sale of know-how	(7)		(7)	
Goodwill impairment	(1,395)		(1,395)	
Other	(953)	(51)	(900)	(102)
Deferred taxes	3,727	222	3,505	(93)
Group Shareholders' Equity	**185,247**	**26,906**	**173,403**	**10,247**

(*) Figures disclosed for comparison purposes have been restated due to the application of IAS 19R, as specified in Note 11.

Ordinary shares and treasury shares

The "Treasury shares" item, negative for €5,171 thousand, includes purchases and sales of treasury shares in the amount of €8,103 thousand, which have been recognised net of gains and charges realised following the sale of treasury shares (€2,932 thousand). In 2013, the Group purchased 17,600 treasury shares and sold 232,724, with a capital gain of €502 thousand.
For these purchases, in accordance with Article 2357 of the Italian civil code, capital reserves (through the treasury share reserve) in the amount of €8,103 thousand have been made unavailable.

Financial income (expenses)

Financial income was negative by €10,251 thousand, compared to a negative result of €6,989 thousand last year. This result is broken down as follows:

(Euros/000)	31.12.2013	31.12.2012	Change
Financial income/(expenses)	(6,858)	(7,077)	219
Foreign exchange differences	(3,720)	(3,307)	(413)
Bank expenses	(2,349)	(1,300)	(1,049)
Revaluations/(write-downs) of equity investments	2,787	0	2,787
Other	(111)	4,695	(4,806)
Total net financial expenses	**(10,251)**	**(6,989)**	**(3,262)**

Item "Bank expenses" includes costs of €275 thousand related to the substitute tax paid for the granting of a long-term loan, the portions of the period of upfront fees discounted at the disbursement date of long-term loans (€912 thousand) and costs and interests for factoring (€369 thousand).

Item "Revaluations/(write-downs) of equity investments" is attributable to the disposal of shares owned in Japan, to the company IDEC Corporation, strategic partner in the Japanese market.

Item "Other" includes net revenues totalling €56 thousand from the adjustment to fair value and from the capital gains from the sale of treasury credit certificates recognised under the item "Other securities" (€112 thousand) (Note 5).

Item "Other", equal to €106 thousand in 2013 and €4,962 thousand in 2012, mainly included:

- revenues, in the amount of €4,101, deriving from sales/purchase of shares;
- revenues of €1,452 thousand from the adjustment to fair value of treasury credit certificates recognised under the item "Other securities" (Note 5).

Profits generated by companies carried at equity were recognised in the amount of €286 thousand (€187 thousand as at 31 December 2012).

Exposure to various types of risk

The Datalogic Group is exposed to various types of corporate risk in carrying out its business. Financial risks (market risk, credit risk and liquidity risk) will be discussed more detail later on. The key corporate risks affecting the financial and economic situation of the Group are as follows:

a) Staff skills: the Group's business is closely related to the technical skills of its employees, especially in the areas of research and development. To limit this risk, the Group carries out actions with a view to increasing its ability to attract and maintain highly qualified personnel, including implementation of advanced human resources management tools (such as managerial training programmes) and a positive work environment.
b) Protection of technology: the Group reference market is characterized by the design and production of high-tech products, with the resulting risk that the technologies adopted might be copied and used by other operators in the sector. With regard to this risk, the Group has made considerable investments in the area of intellectual property over several years, and following the acquisition of Accu-Sort now holds more than 1,000 patents (including patents granted and patents for which an application was filed).
c) Difficult procurement: the Group is exposed to contained procurement risk thanks to a strategy whereby every component is sourced from several suppliers. In the few cases when components are sourced from a single supplier, the Group maintains adequate inventories of the critical components, in order to minimize the risks related to this situation.
d) Competition: the Datalogic Group operates in a market that is extremely dynamic and potentially attractive for new operators with financial means greater than those of the company. To mitigate the risk associated with these events, the company maintains a high level of investment in Research & Development (the Group objective is approximately 7% of revenues) and a large portfolio of patents which represents a significant barrier to the entry of new competitors. The Datalogic Group also has a strong commercial structure (direct presence in the key countries where the Group operates) and a solid network of commercial partners which makes it possible to ensure a high level of customer service and thus achieve a high degree of loyalty.

Financial risk management objectives and policies

In carrying out its business, the Datalogic Group is exposed to various financial risks: market risk, credit risk and liquidity risk.

Market risk is connected with the Group's level of exposure to financial instruments that generate interest (**interest rate risk**) and to transactions that generate cash flows in other currencies that fluctuate in value against the euro (**exchange rate risk**).

The Group monitors each of the financial risks mentioned, duly intervening in order to minimise them, sometimes with hedging derivatives. The Parent Company manages the market and liquidity risks, whereas credit risks are managed by the Group's operating units. For more information on financials risks and financial instruments, please refer to the relevant section in the Notes to the Accounts, which includes disclosure in accordance with IFRS 7.

Information on company ownership/ Corporate Governance Report

We note that Datalogic S.p.A. is subject to the direction and coordination of Hydra S.p.A. which held 68.4% of the shares as at 31 December 2013.

Pursuant to article 123-*bis*, paragraph 3, of Legislative Decree 58 of 24 February 1998 (as subsequently amended), the Board of Directors of Datalogic S.p.A. has approved a report on corporate governance and company ownership for the year ended 31 December 2013 (separate from the management report), containing information pursuant to paragraphs 1 and 2 of article 123-*bis* above. Pursuant to article 89-*bis*, paragraph 2, of the Issuer Regulation adopted with Consob Resolution 11971 of 14 May 1999 (as subsequently amended), this report on corporate governance and company ownership (Corporate Governance Report) is available to the public on the website www.datalogic.com.

Related parties

With Resolution 17221 of 12 March 2010, Consob adopted the regulation governing transactions with related parties, subsequently amended with Consob Resolution 17389 of 23 June 2010, effectively completing the approval process for new rules on transactions with related parties carried out, directly or via subsidiaries, by companies making use of the capital risk market ("Consob Rules").

In accordance with the Consob Rules, paying particular attention to the adequacy and functioning of the Group's own corporate governance system and proceeding with the development of decision-making and control structures in line with national corporate governance best practice, the Board of Directors of Datalogic S.p.A. adopted, on 4 November 2010, an internal regulation for transactions with related parties, in order to ensure transparency and substantive and procedural rectitude in transactions with related parties.

Pursuant to the combined provisions of article 2391-*bis* of the Civil Code and article 4, paragraph 7, of the Consob Rules, the full text of the internal regulation can be found on the website www.datalogic.com.

Tax consolidation

The Parent Company Datalogic S.p.A. and other Italian subsidiaries fall within the scope of the "domestic tax consolidation" of Hydra S.p.A.. This permits the transfer of total net income or the tax loss of individual participant companies to the Parent Company, which calculates a single taxable income for the Group or a single tax loss carried forward, as the algebraic sum of the income and/or losses, and therefore files a single tax liability or credit with the Tax Authorities.

Outlook for current year and subsequent events

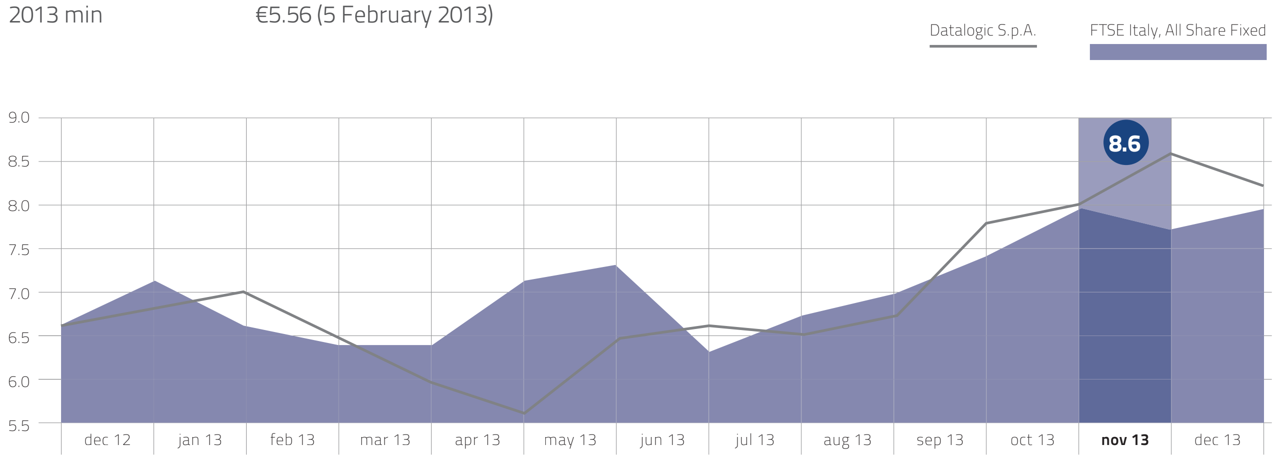
The 2012-13 period was characterised by a substantially stagnating performance of our products in the main target markets, which were affected by the weakness of the largest economies in the world.
For the year 2014, a recovery in the target markets is expected, which the two major operating Divisions, ADC and Industrial Automation, will be able to seize by resorting on important investments, made and still ongoing, aimed to improve product ranges, as well as increase the market share in fast growing markets (especially China and Brazil).

Stock market performance

Datalogic S.p.A. has been listed on the Borsa Italiana since 2001 on the STAR segment of the MTA, Italy's screen-based stock market, which comprises medium-sized companies with market capitalisations of between €40 million and €1 billion, committed to meeting standards of excellence.
During 2013, the share outperformed the shares belonging to the FTSE MIB by 12.3%. The security reached a maximum value of €8.6 per share on 26 November 2013 and a minimum value of €5.56 on 5 February 2013. The average daily volumes exchanged in 2013 were approximately 35,400 shares (substantially unchanged over the prior year), with exchanges higher than the average near the presentation of the 2013-2015 Industrial Plan occurred on 27 September 2013.

STOCK EXCHANGE 2013

Segment	STAR - MTA
Bloomberg Code	DAL.IM
Reuters Code	DAL.MI
MKT Cap.	€484 million as at 31 December 2013
Number of shares	58,446,491 (of which 1,393,233 treasury shares)
2013 max	€8.6 (26 November 2013)
2013 min	€5.56 (5 February 2013)



RELATIONS WITH INSTITUTIONAL INVESTORS AND SHAREHOLDERS

Datalogic actively strives to maintain an ongoing dialogue with shareholders and institutional investors, periodically arranging meetings with representatives of the Italian and international financial community, including annual roadshows organized by Borsa Italiana for companies belonging to the STAR segment.

During 2013, the Company met over 100 institutional investors in one to one meetings and the following corporate events:

- 15th Annual Needham Growth Conference - New York 15 January 2013
- Star Conference - Milan, 27 March 2013 and London, 2 October 2013
- Kepler Investment Conference - Milan, 4 June 2013
- Presentation of the Business Plan - Milan, 27 September 2013
- CFA Event: From Italy... with Value - Milan, 4 December 2013
- Roadshow in Milan and Paris - October 2013
- Conference Call on the financial results.

Secondary locations

The Parent Company has no secondary locations.

Allocation of the year's earnings

To our Shareholders,

we believe that the Management Report, which accompanies the statutory year-end accounts of the company and the Datalogic Group's consolidated year-end financial statements, provides exhaustive illustration of the performance and results achieved in 2013.

Since the financial statements of Datalogic S.p.A. show a net operating profit for the year of €6,921,069 the Board of Directors proposes to:

- allocate 5% of earnings (i.e. €346,053) to the legal reserve,
- distribute an ordinary unit dividend to Shareholders, gross of legal withholdings, of 16 cents per share with coupon detachment on 12 May 2014 and payment on 15 May 2014, for a maximum amount of €9,351,439 using:
  - the profits not allocated to the legal reserve of €6,575,016;
  - distributable profit reserves of €2,776,423.

The Chairman of the Board of Directors
(Mr. Romano Volta)

Consolidated financial statements

Consolidated Statement of Financial Position

	ASSETS (Euros/000)	Notes	31.12.2013	31.12.2012 Restated (*)
A)	Non current assets (1+2+3+4+5+6+7)		300,729	313,913
1)	Tangible assets	1	51,328	51,621
	land	1	5,223	5,112
	buildings	1	24,528	24,379
	other assets	1	19,822	18,659
	assets in progress and payments on account	1	1,755	3,471
2)	Intangible assets	2	204,150	211,396
	goodwill	2	145,092	151,134
	development costs	2	6,339	1,674
	other	2	50,493	53,579
	assets in progress and payments on account	2	2,226	5,009
3)	Equity investments in associates	3	1,783	2,698
4)	Financial assets	5	4,027	1,596
	equity investments	5	3,669	1,238
	securities	5	358	358
5)	Loans			
6)	Trade and other receivables	7	1,744	1,949
7)	Receivables for deferred tax assets	13	37,697	44,653
B)	Current assets (8+9+10+11+12+13+14)		282,075	261,261
8)	Inventories	8	53,803	49,153
	raw and ancillary materials and consumables	8	14,072	20,761
	work in progress and semi-finished products	8	15,951	8,140
	finished products and goods	8	23,780	20,252
9)	Trade and other receivables	7	85,475	100,232
	trade receivables	7	69,953	82,552
	due within 12 months	7	68,406	81,215
	of which to associates	7	1,536	1,335
	of which to related parties	7	11	2
	other receivables - accrued income and prepaid expenses	7	15,522	17,680
	of which to related parties	7	75	75
10)	Tax receivables	9	10,961	7,897
	of which to the Parent Company	9	6,225	3,058
11)	Financial assets	5	1,297	9,227
	securities	5	0	9,227
	Other	5	1,297	
12)	Loans	5	2,000	0
	of which to the Parent Company	5	2,000	
13)	Financial assets - Derivatives	6	0	0
14)	Cash and cash equivalents	10	128,539	94,752
Total assets (A+B)			582,804	575,174

(*) Figures disclosed for comparison purposes have been restated due to the application of IAS 19R, as specified in Note 11.

Consolidated Statement of Financial Position

LIABILITIES (Euros/000)		Notes	31.12.2013	31.12.2012 Restated (*)
A)	**Total Shareholders' Equity (1+2+3+4+5)**	**11**	**185,247**	**173,403**
1)	Share capital	11	137,000	135,272
2)	Reserves	11	(16,154)	(7,877)
3)	Profits/(Losses) of previous years	11	37,495	35,761
4)	Group profit/(Loss) for the period/year	11	26,906	10,247
5)	Minority interests	11		
B)	Non current liabilities (6+7+8+9+10+11+12)		217,350	172,922
6)	Financial payables	12	182,173	138,313
7)	Financial liabilities - derivatives	6	371	961
8)	Tax payables		575	2,417
9)	Deferred tax liabilities	13	17,136	17,462
10)	Post-employment benefits	14	7,049	7,367
11)	Provisions for risks and charges	15	7,398	3,768
12)	Other liabilities	16	2,648	2,634
C)	**Current liabilities (13+14+15+16+17)**		**180,207**	**228,849**
13)	Trade and other payables	16	120,740	125,453
	trade payables	16	84,712	71,102
	of which within 12 months	16	84,391	70,789
	of which to associates	16	124	32
	of which to related parties	16	197	281
	other payables - accrued liabilities and deferred income	16	36,028	54,351
14)	Tax payables		5,763	9,244
	of which to the Parent Company		138	16
15)	Provisions for risks and charges	15	7,047	7,971
16)	Financial liabilities - derivatives	6	14	183
17)	Financial payables	12	46,643	85,998
Total liabilities (A+B+C)			**582,804**	**575,174**

(*) Figures disclosed for comparison purposes have been restated due to the application of IAS 19R, as specified in Note 11.

Consolidated Statement of Income

(Euros/000)	Notes	31.12.2013	31.12.2012 Restated (*)
1) Total revenues	17	450,737	462,250
Revenues from sale of products	17	427,463	435,769
Revenues for services	17	23,274	26,481
of which to related parties	17	8,150	8,862
2) Cost of goods sold	18	238,414	250,171
of which non-recurring	18	(62)	847
of which to related parties	18	(170)	157
Gross profit (1-2)		212,323	212,079
3) Other operating revenues	19	2,069	6,893
of which non-recurring	19	95	
of which to related parties	19	8	
4) R&D expenses	18	35,610	32,302
of which non-recurring	18	(4)	275
5) Distribution expenses	18	82,475	88,938
of which non-recurring	18	(975)	2,906
6) General and administrative expenses	18	47,934	78,925
of which non-recurring	18	(18)	293
amortisation, depreciation and write-downs pertaining to acquisitions	18	5,765	32,764
of which to related parties	18	1,375	1,054
7) Other components of the Statement of Comprehensive Income which will not be restated under Profit/(Loss) for the year	18	2,878	2,480
Total operating costs		168,897	202,645
Operating result		45,495	16,327
8) Financial income	20	12,933	14,070
9) Financial expenses	20	23,184	21,059
Net financial income (expenses) (8-9)	20	(10,251)	(6,989)
10) Profits from associates	3	286	187
Profit/(Loss) before taxes from the operating assets		35,530	9,525
Income tax	21	8,624	(722)
Profit/(Loss) for the period		26,906	10,247
Basic Earnings/(loss) per share (€)	22	0.4729	0.1809
Diluted Earnings/(Loss) per share (€)	22	0.4729	0.1809

(*) Figures disclosed for comparison purposes have been restated due to the application of IAS 19R, as specified in Note 11.

Consolidated Statement of Comprehensive Income

(Euros/000)	Notes	31.12.2013	31.12.2012 Restated (*)
Net Profit/(Loss) for the period		**26,906**	**10,247**
Other components of the Statement of Comprehensive Income:			
Other components of the Statement of Comprehensive Income which will be restated under Profit/(Loss) for the year:			
Profit/(Loss) on cash flow hedges	11	555	(66)
of which tax effect		(205)	16
Profit/(Loss) due to translation of the accounts of foreign companies	11	(5,828)	(2,141)
Profit/(Loss) on exchange rate adjustments for financial assets available for sale	11	(1)	158
of which tax effect			(45)
Reserve for exchange rate adjustment	11	(2,767)	
of which tax effect		1,050	
Total Other components of the Statement of Comprehensive Income which will be restated under Profit/(Loss) for the year		**(8,041)**	**(2,049)**
Other components of the Statement of Comprehensive Income which will be restated under Profit/(Loss) for the year:			
Actuarial (Loss)/gain on defined-benefit plans		(236)	(309)
of which tax effect		90	117
Other components of the Statement of Comprehensive Income which will not be restated under Profit/(Loss) for the year		**(236)**	**(309)**
Total Profit/(Loss) of Comprehensive Income Statement		**(8,277)**	**(2,358)**
Total net Profit/(Loss) for the period		**18,629**	**7,889**
Attributable to:			
Parent Company shareholders		18,629	7,889
Minority interests		0	0

(*) Figures disclosed for comparison purposes have been restated due to the application of IAS 19R, as specified in Note 11.

Consolidated Statement of Cash Flow

(Euros/000)	31.12.2013	31.12.2012 Restated (*)
Pre-tax profit	**35,530**	**9,099**
Depreciation and amortisation of tangible and intangible assets and write-downs	15,644	42,503
Change in employee benefits reserve	(318)	701
Allocation to provision for doubtful receivables	515	370
Net financial expenses/(income) including exchange rate differences	10,251	6,989
Adjustments to value of financial assets	(286)	(187)
Cash flow from operations before changes in working capital	**61,336**	**59,475**
Change in trade receivables (net of provision) (**)	12,084	2,265
Change in final inventories (**)	(4,650)	14,652
Change in current assets (**)	2,158	(6,654)
Other medium/long-term assets (**)	205	(319)
Change in trade payables (**)	13,610	22
Change in other current liabilities (**)	(18,323)	10,284
Other medium/long-term assets	14	(161)
Change in provisions for risks and charges	2,706	(8,858)
Commercial foreign exchange gains/(losses)	(1,084)	(812)
Foreign exchange effect of working capital	(306)	(162)
Cash flow from operations after changes in working capital	**67,750**	**69,732**
Change in tax	(10,381)	(12,953)
Other components of the Statement of Comprehensive Income which will not be restated under Profit/(Loss) for the year	(466)	(235)
Interest paid and banking expenses	(6,531)	(3,682)
Cash flow generated from operations (A)	**50,372**	**52,862**
(Increase)/Decrease in intangible assets excluding exchange rate effect (**)	(9,386)	(5,293)
(Increase)/Decrease in tangible assets excluding exchange rate effect (**)	(7,746)	(9,107)
Change in unconsolidated equity interests	(1,230)	4,202
Acquisition of an equity investment		(100,264)
Changes generated by investment activity (B)	**(18,362)**	**(110,462)**
Change in LT/ST financial receivables	5,975	786
Change in short-term and medium-/long-term financial payables	3,851	(5,231)
Financial foreign exchange Gains/(Losses)	(2,636)	(2,495)
Purchase/sale of treasury shares	1,728	3,792
Change in reserves and exchange rate effect of financial assets/liabilities, equity and tangible and intangible assets	1,534	3,140
Dividend payment	(8,525)	(8,518)
Cash flow generated/(absorbed) by financial assets (C)	**1,927**	**(8,526)**
Net increase/(decrease) in available cash (A+B+C)	**33,937**	**(66,126)**
Net cash and cash equivalents at beginning of period (Note 10)	**94,511**	**160,637**
Net cash and cash equivalents at end of period (Note 10)	**128,448**	**94,511**

(*) Figures disclosed for comparison purposes have been restated due to the application of IAS 19R, as specified in Note 11.
(**) For 2012, these items are net of the balances from the acquisition of Accu Sort Systems Inc. that were reported under item "Acquisition of an equity investment".

Changes in Consolidated Shareholders' Equity

Description (Euros/000)	Share capital and capital reserves			Statement of comprehensive income		
	Share capital	Treasury shares	Total share capital and capital reserves	Cash-flow hedge reserve	Translation reserve	Actuarial Gains/(Losses) reserve
01.01.2012 Restated (*)	**30,392**	**101,088**	**131,480**	**(769)**	**(4,760)**	**167**
Allocation of earnings			**0**			
Dividends					0	
Translation reserve			**0**			
Change in IAS reserve			**0**			
Sale/purchase of treasury shares		**3,792**	**3,792**			
Other changes						
Profit/(Loss) as at 31.12.2012			0			
Total other components of the Statement of Comprehensive Income				(66)	(2,141)	(309)
31.12.2012	**30,392**	**104,880**	**135,272**	**(835)**	**(6,901)**	**(142)**

Description (Euros/000)	Share capital and capital reserves			Statement of comprehensive income			
	Share capital	Treasury shares	Total share capital and capital reserves	Cash-flow hedge reserve	Translation reserve	Actuarial Gains/(Losses) reserve	
01.01.2013 Restated (*)	**30,392**	**104,880**	**135,272**	**(835)**	**(6,901)**		**(142)**
Allocation of earnings			**0**				
Dividends					0		
Translation reserve			**0**				
Change in IAS reserve			**0**				
Sale/purchase of treasury shares		**1,728**	**1,728**				
Other changes							
Profit/(Loss) as at 31.12.2013			0				
Total other components of the Statement of Comprehensive Income				555	(5,828)	(2,767)	(236)
31.12.2013	**30,392**	**106,608**	**137,000**	**(280)**	**(12,729)**	**(2,767)**	**(378)**

(*) Figures disclosed for comparison purposes have been restated due to the application of IAS 19R, as specified in Note 11.

Statement of comprehensive income		Profits of previous years						
Held-for-sale financial assets reserve	Total Statement of comprehensive income	Earnings carried forward	Capital contribution reserve	Legal reserve	IAS reserve	Total	Profit for the year	Total Group Shareholders' Equity
(157)	**(5,519)**	**5,244**	**958**	**3,658**	**8,681**	**18,541**	**25,748**	**170,250**
	0	25,324		424		**25,748**	**(25,748)**	**0**
	0	(8,518)				**(8,518)**		**(8,518)**
	0					**0**		**0**
	0					**0**		**0**
	0					**0**		**3,792**
	0				(10)	**(10)**		**(10)**
	0					**0**	**10,247**	**10,247**
158	**(2,358)**							**(2,358)**
1	**(7,877)**	**22,050**	**958**	**4,082**	**8,671**	**35,761**	**10,247**	**173,403**

Statement of comprehensive income		Profits of previous years						
Held-for-sale financial assets reserve	Total Statement of comprehensive income	Earnings carried forward	Capital contribution reserve	Legal reserve	IAS reserve	Total	Profit for the year	Total Group Shareholders' Equity
1	**(7,877)**	**22,050**	**958**	**4,082**	**8,671**	**35,761**	**10,247**	**173,403**
	0	9,941		306		**10,247**	**(10,247)**	**0**
	0	(8,525)				**(8,525)**		**(8,525)**
	0					**0**		**0**
	0					**0**		**0**
	0					**0**		**1,728**
	0	0			12	**12**		**12**
	0					**0**	**26,906**	**26,906**
(1)	**(8,277)**							**(8,277)**
0	**(16,154)**	**23,466**	**958**	**4,388**	**8,683**	**37,495**	**26,906**	**185,247**

Explanatory notes to the consolidated financial statements

Introduction

The Datalogic Group produces and sells handheld readers, fixed scanners for the industrial market, mobile computers, fixed scanners for the retail market and sensors. The Group is also active in self-scanning solutions and products for industrial marking.

Datalogic S.p.A. (hereinafter, "Datalogic", the "Parent Company" or the "Company") is a joint-stock company listed on the STAR segment of Borsa Italiana, with its registered office in Italy. The address of the registered office is via Candini, 2 Lippo di Calderara (BO).

The Company is a subsidiary of Hydra S.p.A., which is also based in Bologna and is controlled by the Volta family.

These consolidated financial statements to 31 December 2013 include the figures of the Parent Company and its subsidiaries (defined hereinafter as the "Group") and its minority interests in associates.
It was prepared by the Board of Directors on 6 March 2014.

Presentation and content of the consolidated financial statements

In accordance with European Regulation 1606/2002, since 2005 the consolidated financial statements have been prepared in compliance with the international accounting standards (IAS/IFRS) issued by the IASB (International Accounting Standards Board) and endorsed by the European Union, pursuant to European Regulation 1725/2003 and subsequent amendments, with all the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), formerly the Standing Interpretations Committee ("SIC"), endorsed by the European Commission at the date of approval of the draft financial statements by the Board of Directors of the Parent Company and contained in the relative EU Regulations published at this date, and in compliance with the provisions of Consob Regulation 11971 of 14 May 1999 and subsequent amendments.

The consolidated financial statements for the year ended 31 December 2013 consist of Statement of Financial Position, Income Statement, Statement of Comprehensive Income, Statement of Changes in Shareholders' Equity, Cash Flow Statement and Explanatory Notes.
We specify that, in the Statement of Financial Position, assets and liabilities are classified according to the "current/non-current" criterion, with specific separation of assets and liabilities held for sale.
Current assets, which include cash and cash equivalents, are those set to be realised, sold or used during the company's normal operational cycle or in the 12 months following the reporting date; current liabilities are those whose extinction is envisaged during the company's normal operating cycle or in the 12 months after the reporting date.
The Income Statement reflects analysis of costs grouped by function, as this classification was deemed more meaningful for comprehension of the Group's business result.
The Statement of Comprehensive Income presents the components that determine gain/(loss) for the period and the costs and revenues reported directly under shareholders' equity for transactions other than those set up with Shareholders.

The Cash Flow Statement is presented using the indirect method.
The statement of changes in Shareholders' Equity analytically details the changes occurring in the financial year and in the previous financial year.
In preparing the consolidated financial statements, the historic cost principle has been adopted for all assets and liabilities except for some tangible assets in the "Land and buildings" category which were revalued on transition to IFRS, as described later in this document, and some financial assets available for sale (AFS) for which the fair value principle is applied.

Preparation of IFRS-compliant financial statements requires the use of some estimates. Reference should be made to the section describing the main estimates made in this set of consolidated financial statements.

The accounting standards were uniformly applied at all Group companies and for all periods presented.

These financial statements are drawn up in thousands of euro, which is the Group's "functional" and "presentation" currency as envisaged by IAS 21, unless otherwise indicated.

Consolidation standards and policies

SUBSIDIARIES

Companies are defined as controlled, i.e. subsidiaries, when the Parent Company has the power, as defined by IAS 27 – Consolidated and separate financial statements, directly or indirectly, to govern the company in such a way as to obtain benefits connected with its business. In general, control is presumed to exist when the Group owns the majority of voting rights at the subsidiary's Shareholders' meeting. The definition of control also takes into consideration potential voting rights that, on the date of preparing the financial statements, can be exercised or converted. The accounts of subsidiaries are consolidated on a 100% line-by-line basis from the start of exercise of control until the date of its cessation.

The result of the Comprehensive Statement of Income relating to a subsidiary is attributed to the minority interests even if this implies that the minority interests have a negative balance.

The changes in the shareholding interest of the Parent Company in the subsidiary that do not result in loss of control are accounted for as capital transactions.
If the Parent Company loses the control in a subsidiary, it shall:

- eliminate the assets (including any goodwill) and liabilities of the subsidiary;
- eliminate the carrying values of any minority interests in the former subsidiary;
- eliminate the accrued exchange differences in Shareholders' Equity;
- recognize the fair value of the consideration received;
- recognize the fair value of any equity investment maintained by the former subsidiary;
- recognize any profit or loss in the Income Statement;
- reclassify the portion of the items concerning the Parent Company previously recognised in the Statement of Comprehensive Income in the Income Statement or the earnings carried forward, as applicable.

Reciprocal payables and receivables and cost and revenue transactions between consolidated companies and the effects of all significant transactions between them have been eliminated.
More specifically, profits not yet realised with third parties, stemming from infragroup transactions and those included, as at reporting date, in the measurement of inventories have been eliminated where they exist.
The criteria for preparation of subsidiaries' financial statements have been amended to make them consistent with the accounting standards adopted by the Group.
Subsidiaries acquired by the Group are accounted for using the purchase method.

The cost of an acquisition is measured as the sum of the consideration transferred, measured at fair value on the acquisition date and the amount of any minority interests in the acquired company. For all business combinations, the Group assesses whether to measure the minority interests in the acquired company at fair value or as a proportion of the minority shareholdings in the net identifiable assets of the acquired company. The acquisition costs are written off and recognised as the administrative expenses.

When the Group acquires a business, it classifies or designates the financial assets acquired or the financial liabilities assumed according to the terms of the contract, the economic terms and conditions in the other pertinent conditions as at the acquisition date. This includes the verification of whether an incorporated derivative must be separated from the primary contract.

If the business combination takes place in several phases, the purchaser must recalculate the fair value of the equity investment previously held and recognize in the Income Statement any profit or loss that results.
Any contingent consideration is recognised by the purchaser at fair value on the acquisition date. The change in the fair value of the contingent consideration classified as an asset or liability will be recognised pursuant to the provisions of IAS 39, in the Income Statement or the other items of Comprehensive Income. If the contingent consideration is classified in equity, its value does not need to be recalculated until its extinction is recognised directly in Equity. The subsequent transaction will be recognised directly in equity. If the contingent consideration does not fall under the scope of IAS 39, it is measured according to the appropriate IFRS.

ASSOCIATES

Associates are companies in which the Group has significant influence but does not exercise control over operations. Significant influence is presumed to exist when the Group holds 20 to 50 percent of voting rights.
Our consolidated financial statements for the year as at 31 December 2013 include our share of the profits and losses of associates, recognised in Equity, from the date when significant influence over operations began until cessation of the same. Under the Equity method, the equity investment in an associate is initially recognised at cost and the carrying value is increased or decreased to recognise the portion of the profits or losses of the investee that are realized after the acquisition. The goodwill concerning the associate is included in the carrying value of the investment and is not subject to amortisation, nor to an individual impairment test.

The Group's share of associates' post-acquisition profits or losses is recognised in the Income Statement, whereas its post-acquisition share of changes in reserves is recognised in reserves. Cumulative post-acquisition changes are included in the investment's carrying value.

Unrealised profits relating to transactions between the Group and its associates are eliminated in proportion to the Group's interests in such associates. Unrealised losses are also eliminated unless the loss is considered to represent impairment of the assets transferred. Accounting standards adopted by associates have been modified when necessary to ensure consistency with the policies adopted by the Group.
Upon losing significant influence over an associate, the Group measures and recognizes the residual equity interest at fair value. Any difference between the carrying value of the equity interest on the date that significant influence is lost, as well as the fair value of the residual equity interest and the consideration received must be recognised in the Income Statement.

Accounting policies and standards applied

The accounting criteria used to prepare the Datalogic Group's consolidated financial statements for the year ended 31 December 2013 are described below. The accounting standards described have been consistently applied by all Group entities.

PROPERTY, PLANT AND EQUIPMENT (IAS 16)

Owned tangible assets are initially recognised at the cost of contribution, purchase, or in-house construction. The cost comprises all directly attributable costs necessary to make the asset available for use (including, when significant and in the presence of effective obligations, the present value of the estimated costs for decommissioning and removal of the asset and for reinstatement of the location), net of trade discounts and allowances.

Some tangible assets in the "Land and buildings" categories, in line with IAS 16 provisions, were measured at fair value (market value) as at 1st January 2004 (IFRS transition date) and this value was used as the deemed cost. Fair value was calculated based on evaluation expertises performed by independent external consultants. The fair value was determined according to appraisals made by independent external consultants. The cost of buildings is depreciated net of the residual value estimated as the realisation value obtainable via disposal at the end of the building's useful life.

Costs incurred after purchase are recognised in the asset's carrying value, or are recognised as a separate asset, only if it is thought likely that the future economic benefits associated with the asset will be enjoyed and the asset's cost can be reliably measured. Maintenance and repair costs or replacement costs that do not have the above characteristics are recognised in the Income Statement in the year in which they are borne.

Tangible assets are depreciated on a straight-line basis each year - starting from the time when the asset is available for use, or when it is potentially able to provide the economic benefits associated with it - according to economic/technical rates determined according to assets' residual possibility of use and taking into account the month when they became available for use in the first year of utilisation.
Land is considered to be an asset with an indefinite life and therefore not subject to depreciation.

The depreciation rates applied by the Group are as follows:

Asset category	Annual depreciation rates
Property:	
Buildings	2% - 3.3%
Land	0%
Plant and equipment:	
Automatic operating machines	20% - 14.29%
Furnaces and appurtenances	14%
Generic/specific production plant	20% - 10%
Other assets:	
Plant pertaining to buildings	8.33% - 10% - 6.67%
Lightweight constructions	6.67% - 4%
Production equipment & electronic instruments	20% - 10%
Moulds	20%
Electronic office machinery	33% - 20% - 10%
Office furniture and fittings	10% - 6.67% - 5%
Cars	25%
Freight vehicles	14%
Trade show & exhibition equipment	11% - 20%
Improvements to third-party assets	Contract duration

If, regardless of the depreciation already posted, enduring impairment of value emerges, the asset is written down; if the reasons for devaluation disappear in later years, the original value is reinstated. The residual value and useful life of assets are renewed at least at each year-end in order to assess any significant changes in value.

Gains and losses on disposals are calculated by comparing the selling price with net carrying value. The amount thus determined is recognised in the Income Statement.

ASSETS HELD UNDER FINANCE LEASE CONTRACTS (IAS 17)

The fixed assets under financial leases are those fixed assets for which the Group has assumed all the risks and benefits connected with the ownership of the asset. Such assets are measured at the lower of fair value and present value of lease instalments at the time of contract signature, net of cumulative depreciation and write-downs. Financial lease instalments are recorded as described in IAS 17; specifically, each instalment is subdivided into principal and interest. The sum of the portions of principal payable at the reporting date is recorded as a financial liability; the portions of interest are recorded in the Income Statement each year until full repayment of the liability.

INTANGIBLE ASSETS (IAS 38)

Intangible assets are recognised under assets in the Statement of Financial Position when it is likely that use of the asset will generate future economic benefits and when the asset’s costs can be reliably calculated. They are initially recognised at the value of contribution or at acquisition or production cost, inclusive of any ancillary costs.
Gains and losses on disposals are calculated by comparing the selling price with net carrying value. The amount thus determined is recognised in the Income Statement.

GOODWILL

Goodwill is initially valued at the cost which is the difference between the consideration paid and the amount recognised for the minority interests as compared to the net identifiable assets acquired and the liabilities assumed by the Group. If the consideration is less than the fair value of the net assets of the acquired subsidiary, the difference is recognised in the Income Statement. It is an intangible asset with an indefinite life.

After initial recognition, goodwill is measured at cost less any cumulative impairment losses.

Goodwill is allocated to the Cash Generating Units (CGUs) and is tested for impairment annually, or more frequently if events or changes in circumstances suggest possible loss of value, pursuant to IAS 36 – "Impairment of Assets".
If the goodwill has been allocated to a Cash Generating Unit (CGU) and the entity disposes of part of this unit, the goodwill associated with the sold unit must be included in the carrying value of the asset when the profit or loss on disposal is determined. The goodwill associated with the disposed asset must be determined on the basis of the values relating to the disposed asset and the part of the CGU that was maintained.

RESEARCH AND DEVELOPMENT EXPENSES

As required by IAS 38, research costs are entered in the Income Statement at the time when the costs are incurred.
Development costs for projects concerning significantly innovative products or processes are capitalised only if it is possible to demonstrate:

- the technical possibility of completing the intangible asset in such a way as to make it available for use or sale;
- the intention of completing the intangible assets for use or sale;
- the ability to use or sell the intangible asset;
- the ability to reliably measure the cost attributable to the intangible asset during its development;
- the availability of adequate technical, financial or other resources to complete the intangible asset's development and for its use or sale;
- how the intangible asset will generate probable future economic benefits.

In the absence of any one of the above requirements, the costs in question are fully recognised in the Income Statement at the time when they are borne.
Development costs have a finite useful life and are capitalised and amortised on a straight-line basis from the start of the product's commercial production for a period equal to the useful life of the products to which they relate, estimated to be five years.

OTHER INTANGIBLE ASSETS

Other intangible assets consist of:

- software acquired under licence, valued at purchase cost;
- specific intangible assets purchased as part of acquisitions that have been identified and recognised at fair value at acquisition date according to the purchase method of accounting mentioned above;
- a licence agreement arranged during the course of the fourth quarter 2010.

These assets are considered to be intangible assets of finite duration and are amortised over their presumable useful life (see the next table).

AMORTISATION AND DEPRECIATION

Intangible assets of finite duration are systematically amortised according to their projected future usefulness, so that the net value at the reporting date corresponds to their residual usefulness or to the amount recoverable according to corporate business plans. Amortisation starts when the asset is available for use.

The useful life for each category is detailed below:

Description	Useful life - years
Goodwill	Indefinite useful life
Development costs	5
Other intangible assets:	
- Software licences (other than SAP licences)	3/5
- Patents (formerly PSC)	20
- Customer (formerly PSC)	10
- Trademarks	3/10
- "Service agreement" (formerly PSC)	4
- Know-how (Laservall)	7
- Commercial structure (Laservall)	10
- Commercial structure (Informatics)	10
- Patents (Evolution Robotics Retail Inc.)	10
- "Trade Secret" (Evolution Robotics Retail Inc.)	10
- Patents (former Accu-Sort Systems Inc.)	10
- "Trade Secret" (former Accu-Sort Systems Inc.)	10
- SAP licences	10
- User licences	Contract duration

Intangible assets with an indefinite useful life are not amortised but tested to identify any impairment of value annually, or more frequently when there is evidence that the asset may have suffered impairment.

IMPAIRMENT (IAS 36)

Tangible and intangible assets are tested for impairment in the presence of specific indicators of loss of value, and at least annually for intangible assets with an indefinite life and goodwill.
The aim of this impairment test is to ensure that tangible and intangible assets are not carried at a value exceeding their recoverable value, consisting of the higher between their fair value and selling costs and their value in use.
Value in use is calculated based on the future cash flows that are expected to originate from the asset or CGU (Cash Generating Unit) to which the asset belongs. Cash flows are discounted to present value using a discount rate reflecting the market's current estimate of the time value of money and of the risks specific to the asset or CGU to which presumable realisation value refers.
Given their autonomous ability to generate cash flows, the Group's CGUs are defined as being the individual consolidated companies.

If the recoverable value of the asset or CGU to which it belongs is less than the net carrying value, the asset in question is written down to reflect its impairment, with recognition of the latter in the Income Statement for the period.

Impairment losses relating to CGUs are allocated firstly to goodwill and, for the remaining amount, to the other assets on a proportional basis.

If the reasons causing it cease to exist, impairment is reversed within the limits of the amount of what would have been the book value, net of amortisation of the historical cost, if no impairment had been recognised.
Any reinstatements of value are recognised in the Income Statement. In the case of goodwill, impairment value is never reversed.

FINANCIAL ASSETS (IAS 39)

In accordance with IAS 39, the Group classifies its financial assets in the following categories:

Financial assets at fair value with contra entry in the Income Statement: These are financial assets acquired primarily with the intention of making a profit from short-term price fluctuations and designated as such from the outset; they are recognised at fair value and any changes during the period are recognised in the Income Statement. Within the Group this category includes securities classified among current assets.

Loans and receivables: loans and receivables are financial assets other than derivatives with a fixed or calculable payment flow and which are not listed in an active market. They are recognised according to the amortised cost criterion using the effective interest rate method. They are classified as "Current assets", apart from those due after 12 months, which are classified as non-current assets. Within the Group this category includes trade receivables, other receivables and cash.

Available for sale financial assets: these are financial assets other than derivatives, which are not classified in other categories; they are valued at fair value and related changes are entered in an equity reserve. They are classified under non-current assets, unless they are intended to be sold within 12 months. Within the Group this category includes investments in other companies and securities.

The fair value of listed securities is based on current market prices. If a financial asset's market is not active, the Group establishes fair value by using recent transactions taking place close to balance sheet date or by referring to other instruments of substantially the same kind or using Discounted Cash Flow (DCF) models.
In some circumstances, the Group does not have sufficient information to calculate the fair value of these financial assets. In this case, they are maintained at cost.
A financial asset (or, where applicable, the portion of a financial asset or part of a group of similar financial assets) is removed from the financial statements when:

- the rights to receive the cash flows from the asset have been extinguished;
- the Group has transferred the right to receive cash flows from the asset or has assumed the contractual obligation to pay them to a third party in their entirety and without delay and:
  (a) has transferred essentially all the risks and benefits of ownership of the financial asset or
  (b) has not transferred or essentially held all the risks and benefits of the asset, but has transferred control of the asset.

Financial hedging instruments: the Group holds derivative financial instruments to hedge exposure to foreign exchange or interest rate risk. In accordance with the rules of the Risk Policy approved by the Board of Directors, the Group does not have any speculative financial instruments. Consistently with the approach established by IAS 39, hedging instruments are accounted for using the hedge-accounting approach if all the following conditions are met:

- at the inception of a hedge, there is formal documentation of the hedging relationship, of the entity's risk management objectives, and of the strategy for undertaking the hedge;
- the hedge is expected to be highly effective in offsetting changes in fair value (fair value hedge) or in cash flows (cash flow hedge) attributable to the risk hedged;
- for cash flow hedges, an expected transaction that is hedged must be highly probable and feature exposure to changes in cash flows that could ultimately affect profit or loss;
- the hedge's effectiveness can be reliably assessed, i.e. the fair value or cash values of the item hedged and the hedging instrument's fair value can be reliably measured;
- the hedge has been assessed on the basis of a recurrent criterion and is considered highly effective throughout the derivative's life.

The basis of measurement of hedging instruments is their fair value on the designated date.

The fair value of currency derivatives is calculated in relation to their intrinsic value and their time value.

At each annual reporting date, hedging instruments are tested for effectiveness to see whether the hedge qualifies as an effective hedge and is therefore eligible for hedge accounting.

The fair value of hedging instruments is set out in Note 6, while movements in the cash flow hedge reserve are shown in Note 11.

When financial instruments qualify for hedge accounting, the following accounting treatment is applied:

Fair value hedge – If a financial derivative is designated as a hedge for exposure to the changes in fair value of an asset or liability attributable to a particular risk that may affect the Income Statement, profit, or loss, deriving from subsequent valuations of the hedge's fair value is recognised in the Income Statement. The profit or loss on the hedged item, attributable to the risk covered, changes the carrying value of that item and is recognised in the Income Statement.

Cash flow hedge – If a financial derivative is designated as a hedge for exposure to the variability of future cash flows of an asset or liability, or of an expected, highly probable transaction that may affect profit and loss, the changes in the hedge's fair value are recognised in Equity for the effective portion of the hedge (intrinsic value) while the part relating to time value and any ineffective portion (over-hedging) is recognised in the Income Statement.
If a hedge or hedging relationship has ended but the hedged transaction has not yet taken place, cumulative profits and losses recognised thus far in Equity are recognised in the Income Statement when the related transaction takes place. If the hedged transaction is no longer considered probable, the still unrealised profits and losses suspended in equity are immediately recognised in the Income Statement.

If hedge accounting cannot be applied, gains and losses arising from fair-value measurement of the financial derivative are immediately recognised in the Income Statement.

INVENTORIES (IAS 2)

Inventories are measured at the lower of cost and net realisable value. Cost is calculated using the weighted average cost method. Finished product, semi-finished product and raw material costs include the cost of raw materials, direct labour, and other production costs that are directly and indirectly allocable (in this case on the basis of normal production capacity). Net realisable value is the estimated selling price in the normal course of business, less any selling costs.

TRADE RECEIVABLES (IAS 32, 39)

Trade receivables are amounts due from customers following the sale of products and services.
Receivables are initially recognised at fair value and subsequently at amortised cost – using the effective interest rate method – net of related impairment losses. Short term payables are not discounted, since the effect of discounting the cash flows is not significant.

The estimated impairment of receivables is recognised when it becomes evident that the past-due receivable cannot be recovered, due to financial difficulties of the customer that might lead to its bankruptcy or financial restructuring.

CASH AND CASH EQUIVALENTS (IAS 32 AND 39)

Cash and cash equivalents comprise cash on hand, bank and post office balances, and short-term financial investments (maturity of three months or less after purchase date) that are highly liquid, readily convertible into cash and are subject to insignificant risk of changes in value.
Current-account overdrafts and advances on invoices subject to collection are deducted from cash only for the purposes of the Cash Flow Statement.

SHAREHOLDERS' EQUITY

Share capital consists of the ordinary shares outstanding, which are posted at par value.
Costs relating to the issue of new shares or options are classified in Equity (net of associated tax benefit relating to them) as a deduction from the proceeds of the issuance of such instruments.
In the case of buyback of treasury shares, the price paid, inclusive of any directly attributable accessory costs, is deducted from the Group's Shareholders' Equity until such shares are cancelled, re-issued, or sold, as required by IAS 32. When treasury shares are resold or re-issued, the proceeds, net of any directly attributable accessory costs and related tax effect, are posted as Group Shareholders' Equity.
Consequently, no profit or loss is entered in the consolidated Income Statement at the time of purchase, sale or cancellation of treasury shares.

INTERESTING-BEARING FINANCIAL LIABILITIES (IAS 32 AND 39)

Interest-bearing financial liabilities are initially recorded at fair value, net of ancillary costs.
After initial recognition, interesting-bearing financial liabilities are measured at amortised cost using the effective interest rate method.

A financial obligation is written off when the obligation underlying the liability has been extinguished or annulled or fulfilled.
If an existing financial liability is replaced by another one from the same lender, under conditions that are essentially different, or if the terms and conditions of an existing liability are essentially amended, this change or amendment will be treated as a reversal of the original liability or the recognition of a new liability, with recognition in income of any differences involving the carrying values.

LIABILITIES FOR EMPLOYEE BENEFITS (IAS 19)

Post-employment benefits are calculated based on programmes that, depending on their characteristics, are either "defined-contribution programmes" or "defined-benefit programmes".

Employee benefits substantially consist of accrued provision for severance indemnities of the Group's Italian companies and of retirement provisions.

Italian Law No. 296 of 27 December 2006 ("2007 National Budget Law") and subsequent decrees and regulations enacted during 2007 introduced – as part of overall reform of the Italian pension system – significant changes regarding the ultimate use of the portions of severance-indemnity provision accruing.

Until 31 December 2006, severance indemnity provision came within the scope of post-employment defined-benefit plans and was measured in accordance with IAS 19, by independent actuaries, using the projected unit credit method.
Actuarial gains and losses as at 1st January 2004 – the date of transition to IFRSs – were recognised in specific Equity reserved. Actuarial gains and losses after that date are recognised in the Income Statement on an accrual accounting basis, i.e. not using the "corridor" method envisaged by IAS 19.
Following the reform of supplemental pensions, employees can allocate the new severance indemnity provision accruing to supplemental pension systems, or opt to keep it in the company (in the case of companies with less than 50 employees) or to transfer them to the INPS – the state pension and welfare agency (in the case of companies with more than 50 employees).

Based on these rules, and also basing itself on the generally accepted interpretation, the Group decided that:

- for the portion of severance indemnities accruing up to 31 December 2006, the provision in question constituted a defined-benefit plan, to be valued according to the actuarial rules, but no longer including the component relating to future salary increases. The difference resulting from the new calculation in relation to the previous one was treated as curtailment as defined by IAS 19.109 and consequently entered in the Income Statement for the year ended on 31 December 2007;
- subsequent portions of severance indemnities accruing, both in the case of opting for supplemental pension planning and in the case of allocation to the central treasury fund c/o the INPS, come within the scope of defined-contribution plans, thus excluding – in calculating the cost for the year – components relating to actuarial estimates.

PROVISIONS FOR RISKS AND CHARGES (IAS 37)

Provisions for risks and charges are set aside to cover liabilities whose amount or due date are uncertain and that must be recognised on the Statement of Financial Position when the following conditions are satisfied at the same time:

- the entity has a present obligation (legal or constructive), i.e. under way as at the reporting date, arising from a past event;
- it is probable that economic resources will have to be used to fulfil the obligation;
- the amount needed to fulfil the obligation can be reliably estimated;
- risks, for which materialisation of a liability is only contingent, are disclosed in the notes to accounts, in the section commenting on provisions, without provision being made.

In the case of events that are only remote, i.e. events that have very little likelihood of occurrence, no provision made and no additional or supplementary disclosure is provided.

Provisions are recognised at the value representing the best estimate of the amount the entity would pay to settle the obligation, or to transfer it to third parties, at the reporting date. If the time value of money is material, provisions are calculated by discounting expected future cash flows at a pre-tax discount rate reflecting the market's current evaluation of the cost of money over time.
When discounting to present value is performed, the increase in the provision due to the passage of time is recognised as finance expense.

The Group established restructuring provisions if there exists an implicit restructuring obligation and a formal plan for the restructuring that created in interested third parties the reasonable expectation that the company will carry out the restructuring or because it has begun its realisation or because it has already communicated its main aspects to interested third parties.

INCOME TAXES (IAS 12)

Income taxes include current and deferred taxes. Income taxes are generally recognised in the Income Statement, except when they relate to items entered directly in Equity, in which case the tax effect is recognised directly in Equity.
Current income taxes are the taxes that are expected to be paid, calculated by applying to taxable income the tax rate in force at the reporting date and adjustments to taxes related to prior periods.

Deferred taxes are calculated using the liability method applied to temporary differences between the amount of assets and liabilities in the consolidated financial statements and the corresponding amounts recognised for tax purposes, except as follows:

- deferred tax liabilities derive from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, when the transaction itself occurs, does not affect the balance sheet profits or the profits or losses calculated for tax purposes;
- the reversal of taxable temporary differences associated with equity investments in subsidiaries, associates or joint ventures, may be controlled and will probably not occur in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences and tax credits and losses and can be brought forward, to the extent that the existence of adequate future taxable profits will exist against which the usage of the deductible temporary differences and the tax credits and losses brought forward can be used, except in cases where:

- the deferred tax assets connected to the deductible temporary differences arise from initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction itself, does not affect the balance sheet result or the profit or loss for tax purposes;
- there are taxable temporary differences associated with equity investments in subsidiaries, associates and joint ventures and deferred tax assets are recognized only to the extent that the deductible temporary differences will be reversed in the foreseeable future and that there are adequate taxable profits against which the temporary differences can be used.

Deferred taxes are calculated at the tax rate expected to be in force at the time when the asset is sold or the liability is redeemed.

Deferred tax assets are recognised only if it is probable that sufficient taxable income will be generated in subsequent years to realise them.

The direct Parent Company Datalogic S.p.A. and numerous Italian subsidiaries fall within the scope of the "domestic tax consolidation" of Hydra S.p.A.. This permits the transfer of total net income or the tax loss of individual participant companies to the Parent Company, which calculates a single taxable income for the Group or a single tax loss carried forward, as the algebraic sum of the income and/or losses, and therefore files a single tax liability or credit with the Tax Authorities.

TRADE AND OTHER PAYABLES (IAS 32 AND 39)

Trade and other payables are measured at cost, which represents their discharge value.

Short-term payables are not discounted, since the effect of discounting the cash flows is not significant.

REVENUE RECOGNITION (IAS 18)

Revenues include the fair value of the amount collected or collectable from the sale of goods or rendering of services within the scope of the company's characteristic business activity. Revenues are shown net of VAT, returns, discounts and reductions and after eliminating Group intercompany sales.

Sale of goods

Revenues from the sale of goods are recognised only when all the following conditions are met:

- most of the risks and rewards of ownership of the goods have been transferred to the buyer;
- effective control over the goods sold and continuing managerial involvement to the degree usually associated with ownership have ceased;
- the amount of revenues can be reliably measured;
- it is probable that the economic benefits associated with the transaction will flow to the entity;
- the costs incurred or to be incurred in respect of the transaction can be reliably measured.

Rendering of services

Revenues arising from a transaction for the rendering of services is recognised only when the results of the transaction can be reliably estimated, based on the stage of completion of the transaction at the reporting date. The results of a transaction can be reliably measured when all the following conditions are met:

- the amount of revenues can be reliably measured;
- it is probable that the economic benefits of the transaction will flow to the entity;
- the stage of completion at the reporting date can be reliably measured;
- the costs incurred, or to be incurred, to complete the transaction can be reliably measured.

Revenues relating to dividends, interest and royalties are respectively recognised as follows:

- **dividends**, when the right is established to receive dividend payment (with a receivable recognised in the Statement of Financial Position when distribution is resolved);
- **interest**, with application of the effective interest rate method (IAS 39);
- **royalties**, on an accruals basis in accordance with the underlying contractual agreement.

GOVERNMENT GRANTS (IAS 20)

Government grants are recognised - regardless of the existence of a formal grant resolution - when there is reasonable certainty that the company will comply with any conditions attached to the grant and therefore that the grant will be received.

Government grants receivable as compensation for costs already incurred or to provide immediate financial support to the recipient company with no future related costs, are recognised as income in the period in which they become receivable.

RENTAL AND OPERATING LEASE COSTS (IAS 17)

Lease contracts in which the lessor substantially preserves all the risks and rewards of ownership are classified as operating leases and related fees are charged to the Income Statement on a straight-line basis according to the contract's duration.

DIVIDENDS DISTRIBUTED (IAS 1 AND 10)

Dividends are recognised when shareholders have the right to receive payment. This normally corresponds to the date of the annual general Shareholders' meeting that approves dividend distribution.

The dividends distributable to Group Shareholders are recognised as an equity movement in the year when they are approved by the Shareholders' meeting.

EARNINGS PER SHARE - EPS (IAS 33)

Basic

Basic EPS is calculated by dividing the Group's profit by the weighted average number of ordinary shares outstanding during the year, excluding treasury shares.

Diluted

Diluted EPS is calculated by dividing the Group's profit by the weighted average number of ordinary shares outstanding during the year, excluding treasury shares. For the purposes of calculation of diluted EPS, the weighted average number of outstanding shares is determined assuming translation of all potential shares with a dilutive effect, and the Group's net profit is adjusted for the post-tax effects of translation.

TREATMENT OF FOREIGN CURRENCY ITEMS (IAS 21)

Functional presentation currency

The items shown in the financial statements of each Group entity are shown in the currency of the economic environment in which the entity operates, i.e. in its functional currency. The consolidated financial statements are presented in euro, the euro being the Parent Company's functional presentation currency.

Transactions and balances

Foreign currency transactions are initially converted to euro at the exchange rate existing on the transaction date.
On the reporting date, foreign-currency monetary assets and liabilities are converted at the exchange rate in force on that date. The exchange differences are recognised in the Income Statement.
Foreign-currency non-monetary items measured at cost are converted using the exchange rate in force on the transaction date.
Non-monetary items recognised at fair value are converted using the exchange rate in force when carrying value is calculated.
Foreign exchange gains and losses arising from the collection of foreign currency receivables or payment of foreign currency payables are recognised in the Income Statement.

Translation of foreign currency financial statements

The assets and liabilities of Group companies with functional currencies other than the euro are calculated as follows:

- assets and liabilities are converted using the exchange rate in force on balance sheet date;
- costs and revenues are converted using the period's average exchange date.

The exchange differences deriving from the conversion were recognised in the Statement of Comprehensive Income. In the event of disposal of a foreign equity investment, cumulative foreign exchange differences recognised in the equity reserve are recycled to the Income Statement.
As permitted by IFRS 1, the existing translation reserve in the consolidated financial statements prepared according to Italian GAAPs at IFRS transition date has been cleared.
Goodwill and fair value adjustment of assets and liabilities acquired as part of a foreign business combination are considered as assets and liabilities converted into euro at the exchange rate in force on balance sheet date.

The exchange rates recorded by the Italian Foreign Exchange Bureau and used for translation into euro of the foreign companies' financial statements are as follows:

Currency (ISO Code)	Quantity of currency/1 Euro			
	2013 Final exchange rate	2013 Average exchange rate	2012 Final exchange rate	2012 Average exchange rate
US Dollar (USD)	1.3791	1.3281	1.3194	1.2848
British Pound Sterling (GBP)	0.8337	0.8493	0.8161	0.8108
Swedish Krona (SEK)	8.8591	8.6515	8.582	8.7041
Singapore Dollar (SGD)	1.7414	1.6619	1.6111	1.6055
Japanese Yen (JPY)	144.72	129.6627	113.61	102.4919
Australian Dollar (AUD)	1.5423	1.3777	1.2712	1.2406
Hong Kong Dollar (HKD)	10.6933	10.3016	10.226	9.9657
Chinese Renminbi (CNY)	8.3491	8.1646	8.2207	8.1048
Real (BRL)	3.2576	2.8687	2.7036	2.5089
Mexican Pesos (MXN)	18.0731	16.9641	17.1845	16.9029
Hungarian forint (HUF)	297.04	296.8730	292.3	289.2116

SEGMENT REPORTING (IFRS 8)

Operating segments are identified based on the internal statements used by senior management in order to allocate resources and evaluate results (internal reporting for performance analysis).

ADOPTION OF THE PRINCIPLE OF CONTINUITY OF VALUES FOR THE ACCOUNTING OF BUSINESS COMBINATIONS UNDER COMMON CONTROL (IAS 8)

Business combinations under common control are excluded from the application field of IFRS 3. In the absence of a reference to a specific IFRS standard or interpretation that specifically applies to a transaction, it is worth recalling that IAS 1.13 requires, in general terms, that the financial statements give a reliable and relevant disclosure of the effects of transactions, other events and conditions in compliance with definitions and reporting criteria provided for by the IFRS Framework for assets, liabilities, income and expenses and that IAS 1.15 sets out that companies, in compliance with the hierarchy set out by IAS 8, shall select the accounting criteria suited to achieve the general target of a reliable and relevant disclosure. Given the specificity of these transactions and the fact that IFRS Standards do not consider them specifically, the Company's management deemed that the most suited accounting principle should refer to the general policies set forth by IAS 8.

As clearly shown in IAS 8.11, the IAS/IFRS criteria may be defined as a "closed" system. Therefore, the solution to the issue of transactions under common control shall be found at first instance within the IFRS standards. A derogation related, for example, to a system of national standards or segment accounting treatments might therefore be inappropriate. In particular, IAS 8.10 standard sets out that, in the absence of an IFRS standard or interpretation that specifically applies to a transaction, other event or condition, management must use its judgement in developing and applying an accounting policy that results in information that is:

(a) relevant as to the economic decisions by users;

(b) reliable, so that the financial statements:

   (I) give a true vision of the entity's financial position, financial performance and cash flows;

   (II) reflect the economic substance of transactions, other events and conditions, and not merely the legal form;

   (III) are neutral, i.e. without prejudices;

   (IV) are prudent;

   (V) relate to all relevant issues.

In making that judgement, management must refer to, and consider the applicability of, the following sources in descending order:

(a) the requirements and guidance in standards and interpretations dealing with similar or related issues;

(b) the definitions, recognition criteria and measurement concepts for assets, liabilities, income and expenses in the Framework.

In expressing the aforementioned judgement, management may also consider the most recent pronouncements of other standard-setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and accepted sector practices, to the extent that these do not conflict with the above-mentioned sources. In finding an accounting policy within the conceptual framework and meeting the criteria set out by IAS 8.10, the key element is represented by the fact that the accounting policy selected to disclose transactions "under common control" must reflect their economic substance, independently from their juridical form. The presence or absence of "economic substance", therefore, seems to be the key element for the selection of an accounting policy.
As shown also in the Assirevi OPI 1 document on the "Accounting treatment of "business combinations of entities under common control", the economic substance must be a generation of added value for the entirety of the parties involved (such as higher income, cost-saving, realization of synergies) which results in significant changes in cash flows, before and after the transaction of transferred assets. The application of the value continuity principle results in the disclosure, in the Statement of Financial Position, of amounts equal to those that would have been disclosed if the companies under business combination had always been combined together. Net assets of the acquired entity and the acquiring entity have therefore been measured at the carrying values which were disclosed in the related accounts before the transaction in question.

LONG-TERM CONSTRUCTION CONTRACTS (IAS 11)

A construction contract, as defined by IAS 11 ("Long-term construction contracts"), is a contract specifically negotiated for the construction of an asset or a group of strictly linked or interrelated assets as regards their design, technology and function or their final use. The costs of a construction contract are recognised in the year in which they are borne. Revenues are recognised in proportion to the stage of completion of this contract at balance-sheet date, when the result can be estimated reliably.
When the outcome of a contract cannot be estimated reliably, revenues should be recognised only to the extent that contract costs incurred are expected to be recoverable. When total contract costs are likely to exceed the total contract revenues, the total expected loss should be recognised immediately as an expense.
The contract revenues are recognised in proportion to the stage of completion of contract activity, based on the cost-to-cost method, which provides for the proportion between contract costs incurred for the works performed till the reference date and the total expected contract costs.

Disclosure of contract works in the Statement of Financial Position is as follows:

- the amount due from customers for contract works should be shown as an asset, under item trade receivables and other short-term assets, when incurred costs, added with margins recognised (less losses), exceed the advance payments received;
- the amount due to customers for contract work should be shown as a liability, under item trade payables and other short-term liabilities when advance payments received exceed costs incurred added with margins recognised (less losses).

Amendments, new standards and interpretations

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED AS OF 1ST JANUARY 2013

The accounting standards adopted for preparation of the consolidated financial statements conform to those used for the preparation of the consolidated financial statements for the period ended 31 December 2012, except for the adoption on 1st January 2013 of the new standards, amendments and interpretations.

The Group has adopted for the first time some accounting standards and amendments which involve the restatement of the prior financial statements. These standards comprise IAS 19 (2011) - Employee Benefits, IFRS 13 - Fair Value Measurement and amendments to IAS 1 - Presentation of Financial Statements. The nature and effect of these changes are described hereunder, pursuant to requirements set forth in IAS 8.

Further new principles and amendments entered in force for the first time in 2013. However, the above had no impact on the consolidated financial statements of the Group. The nature and impact of any new principle/amendment are specified hereunder:

- **IAS 1 - Presentation of Financial Statements - Disclosure of items of other components of the Comprehensive Income**
  The amendment to IAS 1 includes the group of items disclosed in other components of the Comprehensive Income. Items that might be in the future reclassified (or "recycled") to the Income Statement (e.g. net profit/loss from financial assets

available for sale) should now be disclosed separately from items which will never be reclassified (e.g. revaluation of land and buildings). This amendment referred only to the modality of presentation and had no effect on the Group's performance or financial position.

- **IAS 12 - Deferred taxes: recovery of underlying assets**
  This amendment clarifies the determination of deferred taxes on investment property measured at fair value. The amendment includes the rebuttable presumption that the book value of a real estate investment, measured using the fair value model provided in IAS 40, will be recovered through sale and, consequently, the relative deferred tax asset should be measured on a sale basis. The presumption is rebuttable if the real estate investment is depreciable and held for the purpose of receiving, over time, essentially all the benefits deriving from the real estate investment itself, rather than receiving these benefits by selling. This amendment has had no effect on the Group's performance, Financial Position or information.

- **IFRS 7 - Disclosures - Offsetting financial assets and financial liabilities - Amendments to IFRS 7**
  These amendments require the entity to supply information on offsetting rights and related agreements (e.g. guarantees). The information will supply the reader of the financial statements with useful information to evaluate the effect of offsetting agreements on the Financial Position of the entity. The new information is required for all financial instruments accounted for and offset pursuant to IAS 32 - Financial Instruments: disclosure and presentation. The information is also required for financial instruments object of framework offsetting agreements (or similar agreements), regardless from whether they are offset according to IAS 32. These amendments had no impact on the Group's Financial Position or Profit/(Loss).

- **IAS 19 (2011) - Employee Benefits**
  IAS 19R comprises some changes in accounting for employee defined benefit plans, including actuarial gains and losses, which are now recognised under other components in the Comprehensive Income Statement and permanently excluded from the Income Statement. Expected revenues from the plan assets are no longer recognised in the Income Statement. Conversely, interest on net liabilities (assets) of the plan should be recognised in the Income Statement. These interest should be calculated by using the same interest rate applied for the discounting of bonds and costs related to past worker services which are now recognised in the Income Statement. Other changes comprise new information, such as information on qualitative sensitive. The effects of the adoption of IAS 19R are described in Note 11.

- **IFRS 13 - Measurement at fair value**
  Within the IFRS standards, IFRS 13 introduces a new converged guideline for any fair value measurement. IFRS 13 does not amend the cases which require the usage of fair value but rather provides the guideline on how to assess fair value in IFRS. The application of IFRS 13 had no relevant impact on fair value measurements carried out by the Group.

The Group has not provided for an early adoption of any standard, interpretation or improvement that has been issued but is not yet effective.

Standards issued which are not yet in force

Following are the standards which, on the date that the Group consolidated financial statements were prepared, had already been issued but were not yet in force.

- **IFRS 10 - Consolidated Financial Statements, IAS 27 (2011) Separate Financial Statements**
  IFRS 10 replaces the portion of IAS 27 - Consolidated and separate financial statements that refers to accounting of the consolidated financial statements. It also includes the problems referred to in SIC 12 Consolidation - Special Purpose Entities.
  IFRS 10 establishes a single control model that is applicable to all the companies, including special purpose entities. The changes introduced by IFRS 10, as opposed to IAS 27, will require management to make assessments to determine which companies are subsidiaries and therefore which must be consolidated by the Parent Company. Based on the preliminary analysis performed, it is not expected that IFRS 10 would have any impact on equity investments currently held by the Group. This standard will be applicable to periods beginning on 1st January 2014 or later.

- **IFRS 11 - Joint arrangements**
  IFRS 11 replaces IAS 31 Interests in Joint ventures and SIC 13 Jointly controlled entities – Non-monetary contributions by Venturers.
  IFRS 11 eliminates the option of accounting for subsidiaries jointly using the proportional consolidation method. Jointly controlled companies that can be defined as a joint venture must be accounted for using the Equity method.
  The application of this principle will have no impact on the Group's Financial Position. This standard will be applicable to periods beginning on 1st January 2014 or later, and shall be applied retrospectively to joint arrangements in force at the initial effective date.

- **IFRS 12 - Disclosure of interests in other entities**
  IFRS 12 encompasses all the disclosure requirements for consolidated financial statements that were previously contained within IAS 27 as well as the disclosure requirements for IAS 31 and IAS 28. This disclosure refers to the interests of one company in subsidiaries, joint arrangements, associates and structured entities.
  Furthermore a new type of disclosure is provided. These amendments will have no impact on the Group's Financial Position or profit/(loss). This standard will be applicable to periods beginning on 1st January 2014 or later.

- **IAS 28 (2011) - Investments in Associates and Joint Ventures**
  Following the new IFRS 11 - Joint Arrangements and IFRS 12 - Disclosure of interests in other entities, the new IAS 28 was renamed Investments in Associates and Joint ventures and describes application of the Equity method to equity investments in jointly controlled companies in addition to associates. The amendments are applicable from annual reporting periods beginning on or after 1st January 2014.

- **IFRS 32 - Disclosures - Offsetting financial assets and financial liabilities - amendments to IFRS 32**
  The amendments clarify the meaning of "currently has a legally enforceable right to set-off". The amendments also clarify the application of the offsetting criterion set forth in IAS 32 in the event of offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. These amendments are not likely to have any impact on the Group's Financial Position or profit and loss and will be applicable to annual periods beginning on or after 1st January 2014.

Use of estimates

Preparation of IFRS - compliant consolidated financial statements and of the relevant notes requires directors to apply accounting principles and methodologies that, in some cases, are based on valuations and estimates, which in turn are based on historic experience and assumptions considered reasonable and realistic based on circumstances at any given time. The application of such estimates and assumptions affects the amounts reported in financial statements, i.e. the Statement of Financial Position, Income Statement, and Cash Flow Statement, as well as the information disclosed. The ultimate actual amounts of accounting items, for which these estimates and assumptions have been used, might be different from those reported in the financial statements due to the uncertainty characterising the assumptions and conditions on which estimates are based.
Below we list the accounting items that, more than others, require greater subjectivity on the part of directors in developing estimates and for which any change in conditions underlying assumptions made could have a significant impact on the Group's consolidated financial statements:

- goodwill;
- impairment of non-current assets;
- development costs;
- inventories write-down;
- deferred tax assets;
- provisions for doubtful accounts;
- employee benefits;
- provisions for risks and charges.

Estimates and assumptions are reviewed regularly and the effects of every change are immediately reflected in the Income Statement.

Financial risk management

RISK FACTORS

The Group is exposed to various types of financial risks in the course of its business, including:

- **credit risk**, deriving from trade transactions or from financing activities;
- **liquidity risk**, relating to availability of financial resources and access to the credit market;
- **market risk**, specifically:
  a) **foreign exchange risk**, relating to operations in currency areas other than that of the functional currency;
  b) **interest rate risk**, relating to the Group's exposure to financial instruments that generate interest.

The Group is not exposed to any price risk, as it does not hold significant quantities of listed securities in its portfolio, nor is it otherwise exposed to risk deriving from the performance of commodities traded on the financial markets.
Financial risk management is an integral part of management of the Datalogic Group's business activities. Market and liquidity risk is managed on a centralised basis by the Parent Company.
According to the Parent Company's directives, the Group uses derivative contracts relating to underlying financial assets or liabilities or future transactions. More specifically, management of these risks is centralised in the Central Treasury Dept., which has the task of assessing risks and performing related hedging. The Central Treasury Dept. operates directly on the market on behalf of subsidiary and investee companies.
Credit risk is managed by the Group's operating units.

MARKET RISK

a) Foreign exchange risk

Datalogic operates in the international environment and is exposed to translation and transaction exchange risk.

Translation risk relates to the conversion into euro during consolidation of items in the individual financial statements of companies outside the Eurozone. The key currencies are the US dollar, the Australian dollar and the British pound.

Transaction risk relates to trade transactions (foreign currency receivables/payables) and financial transactions (foreign currency borrowings or loans) of Group companies in currencies other than their functional currency.
The key currency is the US dollar (for companies in the Eurozone).

To permit full understanding of the foreign exchange risk on the Group's consolidated financial statements (Income Statement impact), we have analysed the sensitivity of foreign currency accounting items to changes in exchange rates. The variability parameters applied were identified among the exchange rate changes considered reasonably possible, with all other variables remaining equal. The following table shows the results of the analysis as at 31 December 2013:

USD	Carrying value	Portion exposed to exchange rate risk	+ 10%	+ 5%	+ 1%	-1%	-5%	-10%
Exchange rates		**1.3791**	**1.5171**	**1.4481**	**1.3929**	**1.3653**	**1.3101**	**1.2412**
Financial assets								
Cash and cash equivalents	128,539	47,246	(4,295)	(2,250)	(468)	477	2,487	5,250
Trade and other receivables	87,219	32,121	(2,920)	(1,530)	(318)	324	1,691	3,569
Financial assets e loans	3,297	363	(33)	(17)	(4)	4	19	40
Income Statement impact			**(7,248)**	**(3,797)**	**(789)**	**805**	**4,196**	**8,859**
Financial liabilities								
Loans	228,816	19,445	1,768	926	193	(196)	(1,023)	(2,161)
Trade and other payables	123,388	53,287	4,844	2,537	528	(538)	(2,805)	(5,921)
Income Statement impact			**6,612**	**3,463**	**720**	**(735)**	**(3,828)**	**(8,081)**
Income Statement impact Net			**(636)**	**(333)**	**(69)**	**71**	**368**	**778**

As at 31 December 2013, there were no items subject to exchange risk that could affect Shareholders' Equity.

b) Interest rate risk

The Datalogic Group is exposed to interest rate risk associated both with the availability of cash and with loans. The aim of interest rate risk management is to limit and stabilise payable flows caused by interest paid mainly on medium-term debt in order to achieve a tight match between the underlying and the hedging instrument.

With regard to medium/long-term loans, as at 31 December 2013 Datalogic had interest rate swaps in place with financial counterparties of premier standing for a notional total of €27 million. These derivatives permit the hedging of about 11% of total bank borrowings against the risk of a rise in interest rates, synthetically transforming variable-rate loans into fixed-rate loans.

Short/long-term borrowings and financial liabilities (Euros/000)	31.12.2013		31.12.2012	
	Amount	%	Amount	%
Variable rate	201,679	88%	174,664	78%
Fixed rate	1,207	1%	1,250	1%
Variable rate hedged through derivative instruments	24,850	11%	47,046	21%
Payables for lease	1,080	0.5%	1,351	0.6%
Total	**228,816**	**100%**	**224,311**	**100%**

In order to fully understand the potential effects of fluctuations in interest rates to which the Group is exposed, we analysed the accounting items most at risk, assuming a change of 20 basis points in the Euribor and of 10 basis points in the USD Libor. The analysis was based on reasonable assumptions. The following table shows the results of the analysis as at 31 December 2013:

Items exposed to interest rate risk with impact on the Income Statement before taxes:

Euribor (Euros/000)	Carrying value	of which exposed to exchange rate risk	20bp	-20bp
Financial assets			**Profit/(Loss)**	**Profit/(Loss)**
Cash and cash equivalents	128,539	73,637	147	(147)
Financial assets e loans	3,297	2,935	6	(6)
Income Statement impact			**153**	**(153)**
Financial liabilities			**Profit/(Loss)**	**Profit/(Loss)**
Loans	228,816	208,091	(416)	416
Income Statement impact			**(416)**	**416**
Total increases/(decreases)			**(263)**	**263**

Libor USD	Carrying value	of which exposed to exchange rate risk	10bp	-10bp
Financial assets			**Profit/(Loss)**	**Profit/(Loss)**
Cash and cash equivalents	128,539	47,246	47	(47)
Financial assets e loans	3,297	363	0	0
Income Statement impact			**47**	**(47)**
Financial liabilities			**Profit/(Loss)**	**Profit/(Loss)**
Loans	228,816	19,445	(19)	19
Income Statement impact			**(19)**	**19**
Total increases/(decreases)			**28**	**(28)**

Items exposed to interest rate risk with impact on the Equity before taxes:

Euribor	Carrying value	of which exposed to exchange rate risk	20bp	-20bp
Financial liabilities			**Profit/(Loss)**	**Profit/(Loss)**
Derivative instruments	385	385	(50)	50

Credit risk

The Group is exposed to credit risk associated with trade transactions. The three operating divisions have therefore planned risk protection measures in order to keep the amounts outstanding to a minimum, i.e. a specific check on receivables due, management of client credit-line limits and gathering of financial information on companies with higher exposure. A large part of Datalogic's business is conveyed on a network of known clients/distributors, with whom, statistically, no problems connected with credit recoverability have been encountered. In any case, there are no significant concentrations of the risk and it is therefore not considered relevant to provide detailed, quantitative information. Clients requesting deferred conditions of payment are subjected to screening procedures concerning their creditworthiness grade (degree of solvency) and an analysis of the specific deal. If they are significant, trade receivables are subjected to individual impairment testing.
The maximum exposure to credit risk on the balance sheet date is the carrying amount of each class of financial asset presented in Note 4.

Liquidity risk

The Datalogic Group's liquidity risk is minimized by specific central management by the Parent Company. Bank indebtedness and the management of liquidity are handled centrally via a series of instruments used to optimize the management of financial resources. Firstly, there are automatic mechanisms such as cash pooling (subsidiaries are in the process of being integrated into existing arrangements) with consequently easier maintenance of levels of availability. The Parent Company manages and negotiates medium/long-term financing and credit lines to meet the Group's requirements. Specifically, each division's sub-holding company has operating lines for short-term requirements (revolving credit lines and on the receivables book) while Datalogic S.p.A., as the Parent Company, has cash credit lines for future requirements in favour of the Group. Centralised negotiation of credit lines and loans on the one hand and centralised management of the Group's cash resources on the other have made it possible to reduce the costs of short-term indebtedness and increase interest income.
We also report that, as at 31 December 2013, the Group's Liquidity Reserve – which includes committed but undrawn credit lines of €187 million – is considered largely sufficient to meet commitments existing as at balance-sheet date.
The following table details the financial liabilities and derivative financial liabilities settled on a net basis by the Group, grouping them according to residual contractual maturity as at balance sheet date. The amounts shown are contractual cash flows not discounted to present value.

The following table shows financial liabilities by maturity:

(Euros/000)	31 December 2013		
	0 - 1 year	1 - 5 years	> 5 years
Loans	46,346	180,898	430
Bank overdrafts	49		
Payables for lease	234	846	
EU financing	13		
Financial derivatives (IRS)	14	371	
Trade and other payables	120,740	2,648	
Total	**167,396**	**184,763**	**430**

Capital risk management

The Group manages capital with the intention of protecting its own continuity and optimising shareholder value, maintaining an optimum capital structure while reducing its cost.
In line with sector practice, the Group monitors capital based on the gearing ratio. This indicator is calculated as a ratio between net indebtedness (see Note 10) and Shareholders' Equity.

(Euros/000)	31.12.2013	31.12.2012
Net indebtedness (A)	97,007	121,118
Shareholders' Equity (B)	185,247	173,403
Total capital [(A)+(B)]=C	**282,254**	**294,521**
"Gearing ratio" (A)/(C)	**34.37%**	**41.12%**

Segment information

Operating segments are identified based on the internal statements used by senior management to allocate resources and evaluate results.

The Group operates in the following business segments:

ADC – The ADC division is the global leader in high performance fixed scanners for retail and the major EMEA supplier of manual bar code readers as well as the leading player in the mobile computer market for warehouse management, automation of sales and field forces and the collection of data at stores. It includes the manual reader product lines (HHR), fixed readers, mobile computers (MC), self-scan solutions and cashier technologies.

Industrial Automation – The Industrial Automation division, among the major manufacturers in the world of products and solutions for automatic identification, recognition and marketing in the industrial automation market, covers the increasing demand for tracking, inspection and recognition solutions in the manufacturing and logistics processes areas. Fixed barcode readers using imager and laser technology, the photoelectric sensors and equipment for industrial automation and security, remote cameras and software for artificial vision, barcode reader systems and technologies for the automation of logistics and postal companies, industrial laser markers.

Informatics – This Company, which is based in the United States, sells and distributes products and solutions for automatic identification and caters to small and medium sized companies.

Corporate – It includes the operations of the holding company, the real estate operations of the Group and Datalogic IP Tech, which manages the Group's industrial property, and research activities.

Intersegment sales transactions are executed at arm's length conditions, based on the Group transfer pricing policies.

The financial information relating to operating segments at 31 December 2013 and 31 December 2012 are as follows:

(Euros/000)	Datalogic ADC Sub Consolidated		Datalogic Automation Group Total		Informatics		Datalogic Corporate		Adjustments		Total Group	
	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013
External sales	297,562	282,166	130,605	137,817	34,127	30,778		0	(44)	(24)	462,250	450,737
Intersegment sales	366	221	9	8			22,176	21,557	(22,551)	(21,786)	0	0
Total sales	**297,928**	**282,387**	**130,614**	**137,825**	**34,127**	**30,778**	**22,176**	**21,557**	**(22,595)**	**(21,810)**	**462,250**	**450,737**
Ordinary operating income (EBITANR)	40,613	44,935	4,980	5,368	3,844	2,302	4,064	(2,782)	(89)	283	53,412	50,106
% of revenues	13.6%	15.9%	3.8%	3.9%	11.3%	7.5%	18.3%	-12.9%	0.4%	-1.3%	11.6%	11.1%
Operating result (EBIT)	36,068	43,375	(26,937)	2,918	3,221	1,700	4,064	(2,782)	(89)	283	16,327	45,495
% of revenues	12.1%	15.4%	-20.6%	2.1%	9.4%	5.5%	18.3%	-12.9%	0.4%	-1.3%	3.5%	10.1%
Financial Income/(Expenses)	(3,959)	(2,736)	(2,058)	(1,445)	(57)	(27)	11,592	6,017	(12,320)	(11,774)	(6,802)	(9,965)
Fiscal Income/(Expenses)	(7,451)	(8,817)	8,507	(452)	(1,007)	(636)	642	1,321	31	(40)	722	(8,624)
Amortisation and depreciation	(8,412)	(8,099)	(31,859)	(5,146)	(916)	(840)	(1,393)	(1,679)	77	120	(42,503)	(15,644)
EBITDA	46,311	50,408	7,412	7,977	4,137	2,540	5,457	(1,103)	(166)	163	63,151	59,985
% of revenues	15.5%	17.9%	5.7%	5.8%	12.1%	8.3%	24.6%	-5.1%	0.7%	-0.7%	13.7%	13.3%
R&D expenses	(23,281)	(20,313)	(13,054)	(12,883)	(796)	(860)	(2,245)	(7,485)	7,349	5,927	(32,027)	(35,614)
% of revenues	-7.8%	-7.2%	-10.0%	-9.3%	-2.3%	-2.8%	-10.1%	-34.7%	-32.5%	-27.2%	-6.9%	-7.9%

Reconciliation between **EBITDA, EBITANR and Profit/(Loss)** before tax is as follows:

(Euros/000)	31.12.2013	31.12.2012 Restated
EBITDA	**59,985**	**63,151**
Depreciation and write-downs of Tangible assets	(7,342)	(7,648)
Amortisation and write-downs of Intangible assets	(2,537)	(2,091)
EBITANR	**50,106**	**53,412**
Non-recurring costs and revenues	1,154	(4,321)
Depreciation & amortisation due to acquisitions	(5,765)	(32,764)
EBIT (Operating result)	**45,495**	**16,327**
Financial income	12,933	14,070
Financial expenses	(23,184)	(21,059)
Profits from associates	286	187
Pre-tax Profit/(Loss)	**35,530**	**9,525**

The Statement of Financial Position information relating to operating sectors as at 31 December 2013 compared with the information as at 31 December 2012 is as follows:

(Euros/000)	Datalogic ADC Sub Consolidated		Datalogic Automation Group Total		Informatics		Datalogic Corporate		Adjustments		Total Group	
	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013
Total Assets	**394,369**	**430,524**	**163,995**	**171,624**	**20,729**	**19,548**	**453,547**	**538,806**	**(457,466)**	**(577,698)**	**575,174**	**582,804**
Non-current assets	139,394	136,235	80,525	75,004	13,396	12,069	29,135	31,327	567	843	263,017	255,478
Equity investments in associates	64,468	62,063	6,512	6,188			155,190	155,190	(223,472)	(221,658)	2,698	1,783
Total Liabilities	**252,626**	**271,213**	**113,729**	**121,973**	**4,264**	**3,884**	**264,398**	**355,450**	**(233,246)**	**(354,963)**	**401,771**	**397,557**

Sector information by region as at 31 December 2013 and 31 December 2012 breaks down as follows:

(Euros/000)	31.12.2013	% of total revenues	31.12.2012	% of total revenues	Change
Revenues in Italy	38,040	8%	38,978	8%	-2%
Revenues in Europe	183,810	41%	181,428	38%	1%
Revenues in North America	143,876	32%	159,227	34%	-10%
Revenues in Rest of the World	85,011	19%	82,617	20%	3%
Total Group	**450,737**	**100%**	**462,250**	**100%**	**-2%**

(Euros/000)	31.12.2013	31.12.2012	Adjustments 31.12.2013	Adjustments 31.12.2012	Consolidated 31.12.2013	Consolidated 31.12.2012	Change
Non-current assets							
Italy	393,891	408,621			393,891	408,621	-4%
Europe	25,115	28,634			25,115	28,634	-12%
North America	317,997	338,315			317,997	338,315	-6%
Rest of the World	9,577	8,388			9,577	8,388	14%
Eliminations and adjustments			(445,851)	(470,045)	(445,851)	(470,045)	-5%
Total	**746,580**	**783,958**	**(445,851)**	**(470,045)**	**300,729**	**313,913**	**-4%**

Group structure

The consolidated financial statements include the statements of the Parent Company and of the companies in which the former directly or indirectly holds the majority of voting rights.

The companies consolidated on a line-by-line basis for the period ended 31 December 2013 are as follows:

Company	Registered office		Share capital	Total Shareholders' Equity (€/000)	Profit/Loss for the period (€/000)	% Ownership
Datalogic S.p.A. Holding	Bologna – Italy	Euro	30,392,175	189,084	6,921	
Datalogic Real Estate France Sa	Paris – France	Euro	2,227,500	3,566	(32)	100%
Datalogic Real Estate Germany Gmbh	Erkenbrechtsweiler-Germany	Euro	1,025,000	1,743	(102)	100%
Datalogic Real Estate UK Ltd	Redbourn-England	GBP	3,500,000	4,540	65	100%
IP tech S.r.l.	Bologna – Italy	Euro	65,677	3,041	(1,704)	100%
Informatics Inc.	Plano Texas - Usa	$USA	9,996,000	15,664	1,038	100%
Datalogic Automation S.r.l.	Monte San Pietro (BO) - Italy	Euro	10,000,000	8,249	492	100%
Datalogic Sweden AB	Malmö - Sweden	KRS	200,000	27	(11)	100%
Datalogic Automation Inc.	Telford, USA	$USA	6,009,352	38,928	(512)	100%
Datalogic Automation PTY Ltd	Mount Waverley (Melbourne)-Australia	$AUD	3,188,118	(289)	53	100%
Datalogic Automation Asia Limited	Hong-Kong - China	HKD	7,000,000	(364)	28	100%
Datalogic (Shenzhen) Trading Business China	Shenzhen - China	USD	2,136,696	551	278	100%
Datafoton Kft	Fonyod - Hungary	HUF	3,000,000	617	354	100%
Accu-Sort Gmbh	Berlin - Germany	USD	100	311	2	100%
Datalogic ADC S.r.l.	Bologna – Italy	Euro	10,000	156,048	22,624	100%
Datalogic Mobile Asia	Hong-Kong - China	HKD	100,000	58	(18)	100%
Datalogic ADC Ltd Ireland	Dublin - Ireland	Euro	100	13,410	8,275	100%
Datalogic Slovakia sro	Tvrn-Slovakia	Euro	66,388	3,772	4,061	100%
Datalogic Holdings Inc.	Eugene OR-Usa	$USA	100	70,224	(1,885)	100%
Datalogic ADC Inc.	Eugene OR-Usa	$USA	11	77,491	7,664	100%
Datalogic ADC do Brasil	Sao Paulo - Brazil	R$	159,525	24	236	100%
Datalogic ADC Mexico	Colonia Cuauhtemoc-Mexico	$USA	-	(1,671)	(293)	100%
Datalogic Scanning GMBH	Darmstadt-Germany	Euro	306,775	3,695	(258)	100%
Datalogic Scanning Eastern Europe Gmbh	Darmstadt-Germany	Euro	30,000	2,209	595	100%
Datalogic ADC PTY	Sidney-Australia	$ AUD	2	1,080	153	100%
Datalogic Vietnam LLC	Vietnam	USD	3,000,000	20,342	18,828	100%
Datalogic ADC Singapore	Singapore	SGD	100,000	199	69	100%

The following companies were consolidated at equity as at 31 December 2013:

Company	Registered office		Share capital	Total Shareholders' Equity (€/000)	Profit/loss for the period (€/000)	% Ownership
Laservall Asia Co. Ltd	Hong Kong - China	HKD	460,000	3,414	488	50%

The following companies were consolidated at cost as at 31 December 2013:

Company	Registered office		Share capital	Total Shareholders' Equity (€/000)	Profit/loss for the period (€/000)	% Ownership
Datasensor Gmbh	Otterfing - Germany	Euro	150,000	0	(5)	30%
Datalogic Automation AB (*)	Malmö - Sweden	KRS	100,000	478	115	20%
Specialvideo S.r.l. (**)	Imola - Italy	Euro	10,000	171	83	40%

(*) annual financial statements as at 30.06.2013
(**) financial statements before taxes

Change in consolidation area

On 20 December 2013, the Group sold its equity investments owned in Japan (50% of IDL and 100% of Datalogic ADC KK Co. Ltd.) to the company Idec Corporation, with a capital gain of €2,787 thousand, recorded in the Income Statement under item "Financial income". The Group received 477,640 shares, equal to around 1.2% of the share capital of the above-mentioned company. This equity investment amounted to €3,106 thousand and it is recorded under item Long-term financial assets.

Information on Statement of Financial Position Assets

NOTE 1. TANGIBLE ASSETS

Details of movements as at 31 December 2013 and 31 December 2012 are as follows:

(Euros/000)	31.12.2013	31.12.2012	Change
Land	5,223	5,112	111
Buildings	24,528	24,379	149
Other assets	19,822	18,659	1,163
Assets in progress and payments on account	1,755	3,471	(1,716)
Total	**51,328**	**51,621**	**(293)**

Details of movements as at 31 December 2012 and 31 December 2013 are as follows:

(Euros/000)	Land	Buildings	Other assets	Assets in progress and payments on account	Total
Historical cost	5,100	27,672	93,437	1,961	128,170
Accumulated depreciation	0	(2,880)	(75,299)	0	(78,179)
Net initial value at 01.01.2012	**5,100**	**24,792**	**18,138**	**1,961**	**49,991**
Increases 31.12.2012					
Investments		137	7,712	1,714	9,563
Acquisition of Accu-Sort Systems Inc.			3,885		3,885
Total	**0**	**137**	**11,597**	**1,714**	**13,448**
Decreases 31.12.2012					
Disposals historical cost			(5,549)	(42)	(5,591)
Disposals accum. depreciation			5,135		5,135
Write-down			(45)		(45)
Depreciation		(505)	(7,098)		(7,603)
Acquisition of Accu-Sort Systems Inc.			(3,485)		(3,485)
Total	**0**	**(505)**	**(11,042)**	**(42)**	**(11,589)**
Reclass. and other changes 31.12.2012					
Incoming transfers		70	(5)	(74)	(9)
(Outgoing transfers)		(39)	91	(24)	28
Diff. exchange in historical cost	12	(83)	(470)	(64)	(605)
Diff. exchange in accum. depreciation		7	350		357
Total	**12**	**(45)**	**(34)**	**(162)**	**(229)**
Historical cost	5,112	27,757	99,056	3,471	135,396
Accumulated depreciation	0	(3,378)	(80,397)	0	(83,775)
Net value as at 31.12.2012	**5,112**	**24,379**	**18,659**	**3,471**	**51,621**

(Euros/000)	Land	Buildings	Other assets	Assets in progress and payments on account	Total
Historical cost	5,112	27,757	99,056	3,471	135,396
Accumulated depreciation	0	(3,378)	(80,397)	0	(83,775)
Net initial value at 01.01.2013	**5,112**	**24,379**	**18,659**	**3,471**	**51,621**
Increases 31.12.2013					
Investments	159	827	7,144	286	8,416
Total	**159**	**827**	**7,144**	**286**	**8,416**
Decreases 31.12.2013					
Disposals historical cost		(126)	(874)	(640)	(1,640)
Write-down		(22)	(661)		(683)
Disposals accum. depreciation		52	848		900
Write-down		2	376		378
Depreciation		(515)	(6,523)		(7,038)
Total	**0**	**(609)**	**(6,834)**	**(640)**	**(8,083)**
Reclass. and other changes 31.12.2013					
Incoming transfers		160	1,039		1,199
(Outgoing transfers)			150	(1,279)	(1,129)
Diff. exchange in historical cost	(48)	(267)	(1,178)	(83)	(1,576)
Diff. exchange in accum. depreciation		38	842		880
Total	**(48)**	**(69)**	**853**	**(1,362)**	**(626)**
Historical cost	5,223	28,329	104,676	1,755	139,983
Accumulated depreciation	0	(3,801)	(84,854)	0	(88,655)
Net value as at 31.12.2013	**5,223**	**24,528**	**19,822**	**1,755**	**51,328**

The "Other assets" item as at 31 December 2013 mainly includes the following categories: Plant and machinery (€4,427 thousand), Trade and industrial equipment (€6,667 thousand), Office furniture and machines (€6,123 thousand), General plant (€1,872 thousand), Motor vehicles (€238 thousand), and Maintenance on third-party assets (€310 thousand).

Over the period, the Group made investments for a total amount of €8,416 thousand, in particular:

- the increase in "Buildings", totalling €827 thousand is primarily attributable to the Parent Company for building works of the canteen and the new layout of the building in via san Vitalino;
- the increase in "Other assets" is mainly attributable to new moulds purchased in Vietnam and the furniture purchased by the Parent Company for the above-mentioned works.

The balance of "Assets in progress and payments on account" mainly comprises down payments for equipment, instruments and moulds for normal production activities.

It is worth noting that item "Other assets" includes €305 thousand of impairment of the residual value of assets and upgrading of third-party assets following the termination of the rental contract by the head office in Sesto Calende.

NOTE 2. INTANGIBLE ASSETS

Details of movements as at 31 December 2013 and 31 December 2012 are as follows:

(Euros/000)	31.12.2013	31.12.2012	Change
Goodwill	145,092	151,134	(6,042)
Development costs	6,339	1,674	4,665
Others	50,493	53,579	(3,086)
Assets in progress and payments on account	2,226	5,009	(2,783)
Total	**204,150**	**211,396**	**(7,246)**

Details of movements as at 31 December 2012 and 31 December 2013 are as follows:

(Euros/000)	Goodwill	Development costs	Others	Assets in progress and payments on account	Total
Historical cost	112,152	6,905	91,805	2,701	213,563
Accumulated amortisation		(6,881)	(52,302)		(59,183)
Net initial value at 01.01.2012	**112,152**	**24**	**39,503**	**2,701**	**154,380**
Increases 31.12.2012					
Investments		369	1,139	3,913	5,421
Acquisition of Accu-Sort Systems Inc.	69,390		22,628		92,018
Total	**69,390**	**369**	**23,767**	**3,913**	**97,439**
Decreases 31.12.2012					
Disposals historical cost			(600)		(600)
Disposals accum. amortisation			472		472
Amortisation		(82)	(7,777)		(7,859)
Write-downs	(27,000)				(27,000)
Accumulated amortisation pertaining to the acquisition of Accu-Sort Systems Inc.	0		(919)		(919)
Total	**(27,000)**	**(82)**	**(8,824)**	**0**	**(35,906)**
Reclass. and other changes 31.12.2012					
Incoming transfers		1,363	140		1,503
(Outgoing transfers)				(1,503)	(1,503)
Diff. exchange in historical cost	(3,408)	(5)	(1,618)	(102)	(5,133)
Diff. exchange in accum. amortisation		5	611		616
Total	**(3,408)**	**1,363**	**(867)**	**(1,605)**	**(4,517)**
Historical cost	151,134	8,632	113,494	5,009	278,269
Accumulated amortisation	0	(6,958)	(59,915)	0	(66,873)
Net value as at 31.12.2012	**151,134**	**1,674**	**53,579**	**5,009**	**211,396**

(Euros/000)	Goodwill	Development costs	Others	Assets in progress and payments account	Total
Historical cost	151,134	8,632	113,494	5,009	278,269
Accumulated amortisation		(6,958)	(59,915)	0	(66,873)
Net initial value at 01.01.2013	**151,134**	**1,674**	**53,579**	**5,009**	**211,396**
Increases 31.12.2013					
Investments		0	6,769	2,776	9,545
Total	**0**	**0**	**6,769**	**2,776**	**9,545**
Decreases 31.12.2013					
Disposals historical cost			(223)		(223)
Disposals accum. amortisation			79		79
Amortisation		(501)	(7,801)		(8,302)
Write-downs					0
Total	**0**	**(501)**	**(7,945)**	**0**	**(8,446)**
Reclass. and other changes 31.12.2013					
Incoming transfers		5,358	323	(5,534)	147
(Outgoing transfers)			(162)	0	(162)
Diff. exchange in historical cost	(6,042)	(208)	(3,535)	(25)	(9,810)
Diff. exchange in accum. amortisation		16	1,464		1,480
Total	**(6,042)**	**5,166**	**(1,910)**	**(5,559)**	**(8,345)**
Historical cost	145,092	13,782	116,666	2,226	277,766
Accumulated amortisation	0	(7,443)	(66,173)	0	(73,616)
Net value as at 31.12.2013	**145,092**	**6,339**	**50,493**	**2,226**	**204,150**

"Goodwill", totalling €145,092 thousand, consisted of the following items:

(Euros/000)	31.12.2013	31.12.2012	Change
CGU ADC	84,667	88,258	(3,591)
CGU IA	48,929	50,985	(2,056)
CGU Informatics	11,496	11,891	(395)
Total	**145,092**	**151,134**	**(6,042)**

The change in "Goodwill" by comparison with 31 December 2012 is mainly attributable to translation differences.
Goodwill has been allocated to the CGUs (Cash Generating Units) corresponding to the individual companies and/or sub-groups to which they pertain.
As highlighted in the paragraph included in the section on accounting standards and policies used in the financial statements for the year ended 31 December 2013, to which reference should be made, in compliance with IFRS 3 goodwill has not been amortised since 1st January 2004 and is tested for impairment each year unless loss indicators suggest the need for more frequent impairment testing. The estimated recoverable value of each CGU, associated with each goodwill item measured, consists of its corresponding value in use.
Value in use is calculated by discounting the future cash flows generated by the CGU – during production and at the time of its retirement – to present value using a certain discount rate, based on the discounted cash flow method.
The cash flows of the individual CGUs have been taken from their respective 2014 Budgets and forward-looking plans prepared by Management. These plans represent the best estimate of foreseeable operating performance, based on business strategies and growth indicators in the sector to which the Group belongs and in its reference markets.
The assumptions used for the purposes of impairment, and the consequent results, have been approved by the Datalogic S.p.A. Audit and Risk Management Committee and the Board of Directors of each Company, for the related Goodwill.

Based on use of an Unlevered approach, we have used, through the discounted cash flow method, unlevered free cash flows from operations (FCFO) as detailed below:

= EBIT
- taxes on EBIT
= NOPLAT (Net operating profit after taxes)
+ depreciation and amortization
- capital expenditures
+/- change in provisions
+/- change in working capital
+/- change in other assets – liabilities
= Unlevered Free Cash Flows from Operations (FCFO)

To expected flows for the period 2014-2018, which are explicitly forecast, the flow relating to Perpetuity – representing Terminal value – is added.

This is calculated using a long-term growth rate (G) of 2%, which represents the long-term expectations for the industrial sector to which we belong.

The discount rate, consisting of the Weighted Average Cost of Invested capital (WACC), is estimated before tax and based on the financial structure of the sector to which the Datalogic Group belongs.

The WACC used – ranging from 9.27% to 11.01% depending on the goodwill measured – reflects the return opportunity for all capital contributions, for whichever reason they are made.

In the table below we provide the goodwill reallocated according to the new structure of the operating sectors and the breakdown of the growth assumptions made in the forecast plans and the discount rates used:

(Euros/000)	CGU ADC	CGU IA	Informatics
Goodwill at acquisition date	**84,667**	**48,929**	**11,496**
Weighted average cost of capital (WACC)	11.01%	10.85%	9.27%
Long-term growth rate (G)	2%	2%	2%

CGU ADC

Goodwill attributed to CGU ADC results from acquisitions of the PSC Group occurred in 2005, of the subsidiary EVO Inc. occurred in 2010 and of IDWARE S.r.l., occurred in 1998. The recoverable value of the ADC CGU was determined based on the calculation of the value in use, in which projected cash flows, resulting from the plan approved by the Board of Directors, have been used. The discount rate before taxes applied to projected cash flows is 11.01% (2012: 11.96%) and cash flows over five years have been inferred based on 2.0% growth rate (2012: 2.0%), which is the average growth rate used in the sector. During testing for impairment, goodwill of CGU ADC confirmed its carrying value.

CGU IA

Goodwill attributed to CGU IA results from acquisitions of the Laservall Group, occurred in 2004, of INFRA S.r.l., occurred in 2004, of PPT Vision Inc., occurred in 2011 and of Accu-Sort Systems Inc., occurred in 2012. The recoverable value of the CGU IA was determined based on the calculation of the value in use, in which projected cash flows, resulting from the plan approved by the Board of Directors, have been used. The discount rate before taxes applied to projected cash flows is 10.85% (2012: 12.16%) and cash flows over five years have been inferred based on 2.0% growth rate (2012: 2.0%), which is the average growth rate used in the sector.
During testing for impairment, goodwill of CGU IA confirmed its carrying value.

CGU INFORMATICS

Goodwill attributed to CGU Informatics results from acquisitions made by Informatics Inc. in 2005. The recoverable value of the CGU IA was determined based on the calculation of the value in use, in which projected cash flows, resulting from the plan approved by the Board of Directors, have been used. The discount rate before taxes applied to projected cash flows is 9.27%

(2012: 10.66%) and cash flows over five years have been inferred based on 2.0% growth rate (2012: 2.0%), which is the average growth rate used in the sector. During testing for impairment, goodwill of CGU Informatics confirmed its carrying value.

Sensitivity to changes in assumptions

As regards the measurement of the value in use of the aforementioned CGUs, the management deems that a change in the previous key assumptions so that a carrying value of the units would be lower than their recoverable value would not reasonably occur, also by reason of the fact that the differentials between the recoverable values of CGUs and the corresponding carrying values are positive as at 31 December 2013, especially for ADC and Informatics CGUs.

There is no external indicator to justify a loss in value of consolidated assets, either belonging to the CGUs used for testing impairment or represented by the residual portion of assets, that is the facilities belonging to Datalogic S.p.A., whose carrying value is lower than the fair value resulting from current market prices.

The "Other" item, which amounts to €50,493 thousand, consists primarily of intangible assets acquired through business combinations carried out by the Group, which are specifically identified and valued in the context of purchase accounting. Details are shown in the following table:

(Euros/000)	31.12.2013	31.12.2012	Useful life
Acquisition of the PSC Group (on 30 November 2006)	**18,712**	**21,672**	
Patents	17,603	19,933	20
Trademark	563	883	10
Client portfolio	546	856	10
Acquisition of Laservall S.p.A. (on 27 August 2004)	**221**	**663**	
Unpatented technology	0	0	7
Commercial structure	221	663	10
Acquisition of Informatics Inc. (on 28 February 2005)	**676**	**1,313**	
Commercial structure	676	1,313	10
Acquisition of Evolution Robotics Retail Inc. (concluded on 1st July 2010)	**3,301**	**3,981**	
Patents	550	663	10
Trade secrets	2,751	3,318	10
Acquisition of Accu-Sort Systems Inc. (concluded on 20 January 2012)	**16,308**	**19,155**	
Patents	9,645	11,329	10
Trade secrets	6,663	7,826	10
Licence agreement	**6,948**	**2,808**	**5-12**
Others	**4,327**	**3,987**	
Total other intangible assets	**50,493**	**53,579**	

The increase in this item is mainly due to the capitalisation of a licence contract for a total amount of €5,076 thousand.

The "Other" item mainly consists of software licences.

€2,776 thousand of the increase in the "Assets in progress and payments on account" is attributable to the capitalisation of costs relating to the two research and development projects with the features required by IAS 38 that are currently still underway.

NOTE 3. EQUITY INVESTMENTS IN ASSOCIATES

Equity investments owned by the Group as at 31 December 2013 were as follows:

(Euros/000)	31.12.2012	Increases	Decreases	Diff. exchange rate	Share of profit	31.12.2013
Associates						
Idec Datalogic Co.Ltd	1,159		(936)	(266)	43	0
Laservall Asia Co. Ltd	1,463				244	1,707
Datalogic Automation AB	2					2
Specialvideo S.r.l.	29					29
Datasensor Gmbh	45					45
Total associates	**2,698**	**0**	**(936)**	**(266)**	**287**	**1,783**
Total	**2,698**	**0**	**(936)**	**(266)**	**287**	**1,783**

The change in item "Associates" is due to the following:

- the Group result realised by the associates Idec Datalogic Co. Ltd and Laservall Asia Co., in addition to the exchange rate adjustment,
- the disposal of the equity investment in Idec Datalogic Co. Ltd.

NOTE 4. FINANCIAL INSTRUMENTS BY CATEGORY

The Statement of Financial Position items coming within the scope of "Financial instruments" as defined by IAS/IFRSs are as follows:

31.12.2012 (Euros/000)	Loans and receivables	Held for trading	Available for sale	Total
Non-current financial assets	**1,949**	**0**	**1,596**	**3,545**
Financial assets - equity investments (5)			1,238	1,238
Financial assets - Securities			358	358
Other receivables (7)	1,949			1,949
Current financial assets	**193,572**	**9,227**	**0**	**202,799**
Trade receivables from third parties (7)	81,215			81,215
Other receivables from third parties (7)	17,605			17,605
Financial assets - Securities (5)		9,227		9,227
Cash and cash equivalents (10)	94,752			94,752
Total	**195,521**	**9,227**	**1,596**	**206,344**

31.12.2013 (Euros/000)	Loans and receivables	Available for sale	Total
Non-current financial assets	**1,744**	**4,027**	**5,771**
Financial assets - equity investments (5)		3,669	3,669
Financial assets - Securities		358	358
Other receivables (7)	1,744		1,744
Current financial assets	**213,689**	**0**	**213,689**
Trade receivables from third parties (7)	68,406		68,406
Other receivables from third parties (7)	15,447		15,447
Financial assets - Other (5)	1,297		1,297
Financial assets - Securities (5)	0		0
Cash and cash equivalents (10)	128,539		128,539
Total	**215,433**	**4,027**	**219,460**

31.12.2012 (Euros/000)	Derivatives	Other financial liabilities	Total
Non-current financial liabilities	961	140,947	141,908
Financial payables (12)		138,313	138,313
Financial liabilities - Derivative instruments (6)	961		961
Other payables (16)		2,634	2,634
Current financial liabilities	183	211,138	211,321
Trade payables to third parties (16)		70,789	70,789
Other payables (16)		54,351	54,351
Financial liabilities - Derivative instruments (6)	183		183
Short-term financial payables (12)		85,998	85,998
Total	1,144	352,085	353,229

31.12.2013 (Euros/000)	Derivatives	Other financial liabilities	Total
Non-current financial liabilities	371	184,821	185,192
Financial payables (12)		182,173	182,173
Financial liabilities - Derivative instruments (6)	371		371
Other payables (16)		2,648	2,648
Current financial liabilities	14	167,145	167,159
Trade payables to third parties (16)		84,391	84,391
Other payables (16)		36,028	36,028
Financial liabilities - Derivative instruments (6)	14		14
Short-term financial payables (12)		46,643	46,643
Total	385	351,883	352,268

FAIR VALUE – HIERARCHY

All the financial instruments measured at fair value are classified in the three categories defined below:

- **Level 1:** market prices;
- **Level 2:** valuation techniques (based on observable market data);
- **Level 3:** valuation techniques (not based on observable market data).

31.12.2013 (Euros/000)	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets - Equity Investments (5)	3,106		563	3,669
Financial assets - LT securities (5)	358			358
Financial assets - Other (5)			1,297	1,297
Total assets measured at fair value	3,464	0	1,860	5,324
Liabilities measured at fair value				
Financial liabilities - LT Derivative instruments (6)		371		371
Financial liabilities - ST derivative instruments (6)		14		14
Total liabilities measured at fair value	0	385	0	385

NOTE 5. AVAILABLE-FOR-SALE FINANCIAL ASSETS AND LOANS

Available-for-sale financial assets include the following items:

(Euros/000)	31.12.2013	31.12.2012	Change
Securities	**1,655**	**9,585**	**(7,930)**
Long-term government bonds	358	358	0
Short-term government bonds		9,227	(9,227)
Other	1,297		1,297
Other equity investments	**3,669**	**1,238**	**2,431**
Total	**5,324**	**10,823**	**(5,499)**

The decrease in item "Short-term government bonds" results from the sale, with a capital gain (€112 thousand) entered in the Income Statement, of CCTs owned in 2012 by the Parent Company.

The "Other" item comprises receivables from factoring companies regarding trade receivables disposed without recourse, for which the amount of the sale has not yet been entirely collected as at 31 December 2013.

As at 31 December 2013, equity investments held in other companies were as follows:

(Euros/000)	31.12.2012	Increases	Decreases	Adj. to fair value	Write-downs	31.12.2013
Listed shares		3,106				3,106
Unlisted shares	1,238	22	(697)			563
Total equity investments	**1,238**	**3,128**	**(697)**	**0**	**0**	**3,669**

The increase in item "Listed shares" relates to the purchase of 477,640 shares, equal to roughly 1.2% of the capital of the Japanese company Idec Corporation, already partner of Datalogic on the Industrial Automation market. IDEC Corporation is a listed company on the Tokyo Stock Exchange, and it is a leading company in the Industrial Automation market.

The amount of the "Unlisted shares" item is mainly represented by the Parent Company's investment in the Mandarin Fund, a Private Equity fund that mainly invests in Italian and Chinese small and medium-sized companies, whose primary investors and sponsors are Intesa San Paolo and two leading Chinese banks. The increase for the period is due to the purchase of 160 shares and the repayment of 5,049 (at par) of the aforementioned fund.
It should be noted that the Parent Company holds a minority interest in the Alien Technology Corporation which was written down completely as at 31 December 2010.

(Euros/000)	31.12.2013	31.12.2012
Financial receivables	2,000	0
Total financial Receivables	**2,000**	**0**

Financial receivables, totalling €2,000 thousand, were subscribed on 20 December 2013, and repayment is expected by 20 July 2014.

NOTE 6. FINANCIAL DERIVATIVES

(Euros/000)	31.12.2013		31.12.2012	
	Assets	Liabilities	Assets	Liabilities
Financial instruments measured at fair value and recognised in the Statement of Comprehensive Income				
Interest rate derivatives - LT cash flow hedges		371		961
Interest rate derivatives - ST cash flow hedges		14		183
Total	**0**	**385**	**0**	**1,144**

INTEREST RATE DERIVATIVES

The Group has entered into interest rate derivative contracts to manage the risk stemming from changes in interest rates on bank borrowings, converting them from variable to fixed-rate via interest rate swaps having the same amortisation plan as the hedged underlying asset. As envisaged by IAS 39, the fair value of these contracts, totalling €385 thousand, is recognised in a specific Equity reserve net of the tax effect, because they hedge future cash flows and meet all IAS 39 requirements for the application of hedge accounting.

As at 31 December 2013, the notional capital of the interest rate swaps was €27,350 thousand (€47,249 thousand as at 31 December 2012), and capital in USD was nil (US$4,600 thousand as at 31 December 2012).

CURRENCY DERIVATIVES

As at 31 December 2013, the Group had no active forward contracts for exchange rate risk.

NOTE 7. TRADE AND OTHER RECEIVABLES

TRADE AND OTHER RECEIVABLES

(Euros/000)	31.12.2013	31.12.2012	Change
Third-party trade receivables	70,665	83,313	(12,648)
Deducted: provision for doubtful receivables	2,259	2,098	161
Net third-party trade receivables	**68,406**	**81,215**	**(12,809)**
Receivables from associates	**1,536**	**1,335**	**201**
Idec Datalogic Co. Ltd	0	373	(373)
Laservall Asia Co.	541		541
Datasensor Gmbh	202	217	(15)
Specialvideo S.r.l.	41	12	29
Datalogic Automation AB	752	733	19
Related-party receivables	**11**	**2**	**9**
Total Trade receivables	**69,953**	**82,552**	**(12,599)**
Other receivables – current accrued income and prepaid expenses	15,522	17,680	(2,158)
Other receivables – non-current accrued income and prepaid expenses	1,744	1,949	(205)
Total other receivables - accrued income and prepaid expenses	**17,266**	**19,629**	**(2,363)**
Deducted: non-current portion	1,744	1,949	(205)
Trade and other receivables - current portion	**85,475**	**100,232**	**(14,757)**

TRADE RECEIVABLES

"Trade receivables falling due within 12 months" as at 31 December 2013 are equal to €69,953 thousand, down by 15% by comparison with 31 December 2012, mainly due to the widening of factoring activities over the year. As at 31 December 2013 trade receivables transferred to factoring amounted to €17,443 thousand (compared to €3,840 thousand at end 2012).

Receivables from associates arise from commercial transactions carried out at arm's length conditions.

As at 31 December 2013 the breakdown of the item by due date is as follows:

(Euros/000)	2013	2012
Not yet due	53,261	63,899
Past due by 30 days	9,824	11,695
Past due by 30 - 60 days	2,243	3,252
Past due by more than 60 days	3,078	2,369
Total	**68,406**	**81,215**

The following table shows the breakdown of trade receivables by currency:

Currency	2013	2012
Euro	29,207	43,390
US Dollar (USD)	30,943	34,408
British Pound Sterling (GBP)	3,655	386
Australian Dollar (AUD)	1,483	837
Canadian Dollar (CAD)	863	-
Japanese Yen (JPY)	675	2,007
Singapore Dollar (SGD)	754	-
Swedish Krona (SEK)	476	-
Chinese Renminbi (CNY)	350	187
Total	**68,406**	**81,215**

Customer trade receivables are posted net of doubtful debt provision totalling €2,259 thousand (€2,098 thousand as at 31 December 2012).

Changes in accrued doubtful debt provision during the period were as follows:

(Euros/000)	2013	2012
As at 1st January	2,098	2,281
Exchange-rate change	(25)	(1)
Contribution from acquisition		257
Allocation to provision for doubtful receivables	674	391
Unused and reversed amounts	(158)	(21)
Receivables reversed as considered uncollectable in the year	(330)	(809)
As at 31 December	2,259	2,098

OTHER RECEIVABLES – ACCRUED INCOME AND PREPAID EXPENSES

The detail of the item "Other receivables – accrued income and prepaid expenses" is as shown below:

(Euros/000)	31.12.2013	31.12.2012	Change
Other short-term receivables	2,291	2,790	(499)
Other long-term receivables	1,744	1,949	(205)
VAT Tax Credit	10,842	12,783	(1,941)
Accrued income and prepaid expenses	2,389	2,107	282
Total	**17,266**	**19,629**	**(2,363)**

NOTE 8. INVENTORIES

(Euros/000)	31.12.2013	31.12.2012	Change
Raw and ancillary materials and consumables	14,072	20,761	(6,689)
Work in progress and semi-finished products	15,951	8,140	7,811
Finished products and goods	23,780	20,252	3,528
Total	**53,803**	**49,153**	**4,650**

Inventories are shown net of an obsolescence provision that, as at 31 December 2013, amounted to €9,118 thousand (€9,448 thousand as at 31 December 2012). The movements of this provision as at 31 December of each year is shown hereunder:

(Euros/000)	31.12.2013	31.12.2012
1st January	**9,448**	**6,431**
Exchange-rate change	(741)	37
Acquisition		1,435
Allocations	4,712	2,994
Release for scrap and other utilisations	(4,301)	(1,449)
31 December	**9,118**	**9,448**

NOTE 9. TAX RECEIVABLES AND TAX LIABILITIES

As at 31 December 2013, the item "Tax receivables" amounted to €10,961 thousand and recorded an increase of €3,064 thousand (€7,897 thousand as at 31 December 2012); this item includes the amount receivable from Parent Company Hydra S.p.A. relating to the IRES (corporate tax) credit arising from participation in tax consolidation, equal to €6,225 thousand, up by €3,167 thousand (€3,058 thousand as at 31 December 2012).

As at 31 December 2013, the item "Tax payables" amounted to €5,763 thousand and recorded an increase of €3,481 thousand (€9,244 thousand as at 31 December 2012); this item includes the amount payable to Parent Company Hydra S.p.A. relating to the IRES (corporate tax) credit arising from participation in tax consolidation; as at 31 December 2013, the item was equal to €138 thousand, whereas it amounted to €16 thousand as at 31 December 2012.

NOTE 10. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are broken down as follows for the purposes of the Cash Flow Statement:

(Euros/000)	31.12.2013	31.12.2012	Change
Cash and cash equivalents shown on financial statements	128,539	94,752	33,787
Restricted cash	(42)	(87)	45
Current account overdrafts	(49)	(154)	105
Cash and cash equivalents for statement	**128,448**	**94,511**	**33,937**

According to the requirements of Consob Communication No. 15519 of 28 July 2006, the Group's financial position is reported in the following table:

(Euros/000)	31.12.2013	31.12.2012
A. Cash and bank deposits	128,497	94,665
B. Other cash and cash equivalents	42	87
b1. restricted cash deposit	42	87
C. Securities held for trading	358	9,585
c1. Short-term	0	9,227
c2. Long-term	358	358
D. Cash and equivalents (A) + (B) + (C)	**128,897**	**104,337**
E. Current financial receivables	3,297	0
F. Other current financial receivables	0	0
f1. hedging transactions	0	0
G. Bank overdrafts	49	154
H. Current portion of non-current debt	46,360	85,583
I. Other current financial payables	248	444
i1. hedging transactions	14	183
i2. payables for lease	234	261
J. Current financial debt (G) + (H) + (I)	**46,657**	**86,181**
K. Current financial debt, net (J) - (D) - (E) - (F)	**(85,537)**	**(18,156)**
L. Non-current bank borrowing	181,327	137,223
N. Other non-current liabilities	1,217	2,051
n1. hedging transactions	371	961
n2. payables for lease	846	1,090
O. Non-current financial debt (L) - (M) + (N)	**182,544**	**139,274**
P. Net Financial Debt (K) + (O)	**97,007**	**121,118**

Net Financial Debt at 31 December 2013 was -€97,007 thousand, an improvement of €24,111 thousand compared to 31 December 2012 (when it was negative for €121,118 thousand), mainly due to the decrease in net trading working capital (-€21,559 thousand), attributable to both the decrease in customer trade receivables and the increase in trade payables.

Note that the following transactions were carried out in the period:
- sale/purchase of treasury shares, which generated a positive cash flow amounting to €1,728 thousand;
- payment of dividends of €8,525 thousand;
- cash outflows for leaving incentives for managers, amounting to €14,349 thousand;
- cash outflows for leaving incentives amounting to €4,347 thousand;
- cash outflows for consulting services connected with M&A activities and charged at cost in 2012, amounting to €1,324 thousand;
- cash outflows for remuneration of the outgoing Chief Executive Officer, amounting to €3,760 thousand.

Investments were also made amounting to €17,132 thousand.

Net working capital as at 31 December 2013 was €16,689 thousand, up by €2,075 thousand compared with 31 December 2012 (€14,614 thousand), mainly resulting from:

- cash outflows for leaving incentives for managers, amounting to €14,349 thousand classified in December 2012 under "Other current liabilities",
- cash outflows for taxes of €14,012 thousand.

Information on Statement of Financial Position - Shareholders' Equity and Liabilities

NOTE 11. SHAREHOLDERS' EQUITY

The detail of Equity Accounts is shown below, while changes in equity are reported in the specific statement.

(Euros/000)	31.12.2013	31.12.2012	IAS 19R Application	31.12.2012 Restated*
Share capital	30,392	30,392		30,392
Share premium reserve	100,863	99,637		99,637
Extraordinary share-cancellation reserve	2,813	2,813		2,813
Treasury shares held in portfolio	(5,171)	(6,900)		(6,900)
Treasury share reserve	8,103	9,330		9,330
Share capital and capital reserves	**137,000**	**135,272**		**135,272**
Cash flow hedge reserve	(280)	(835)		(835)
Translation reserve	(12,729)	(6,901)		(6,901)
Reserve for exchange rate adjustment	(2,767)	0		0
Actuarial gains/(losses) reserve	(378)		(142)	(142)
Held-for-sale financial assets reserve	0	1		1
Other reserves	**(16,154)**	**(7,735)**	**(142)**	**(7,877)**
Profits of previous years	**37,495**	**35,928**	**(167)**	**35,761**
Earnings carried forward	23,466	22,217	(167)	22,050
Capital contribution reserve	958	958		958
Legal reserve	4,388	4,082		4,082
IAS reserve	8,683	8,671		8,671
Profit/(Loss) for the year	26,906	9,938	309	10,247
Total Group Shareholders' Equity	**185,247**	**173,403**	**0**	**173,403**

(*) Figures disclosed for comparison purposes have been restated due to the application of IAS 19R.

SHARE CAPITAL

Movements in share capital as at 31 December 2012 and 31 December 2013 are reported below:

(Euros/000)	Number of shares	Share capital	Extraordinary share-cancellation reserve	Share premium reserve	Treasury shares	Treasury share reserve	Total
01.01.2012	56,166,493	30,392	2,813	96,335	(10,692)	12,632	131,480
Purchase of treasury shares	(565,359)			(3,667)	(3,667)	3,667	(3,667)
Sale of treasury shares	1,237,000			6,969	6,969	(6,969)	6,969
Capital gains/(capital losses) from the sale of treasury shares					503		503
Costs for the purchase/sale of treasury shares					(13)		(13)
31.12.2012	56,838,134	30,392	2,813	99,637	(6,900)	9,330	135,272

(Euros/000)	Number of shares	Share capital	Extraordinary share-cancellation reserve	Share premium reserve	Treasury shares	Treasury share reserve	Total
01.01.2013	56,838,134	30,392	2,813	99,637	(6,900)	9,330	135,272
Purchase of treasury shares	(17,600)			(127)	(127)	127	(127)
Sale of treasury shares	232,724			1,353	1,353	(1,354)	1,352
Capital gains/(capital losses) from the sale of treasury shares					503		503
Costs for the purchase/sale of treasury shares							0
31.12.2013	57,053,258	30,392	2,813	100,863	(5,171)	8,103	137,000

Ordinary shares

As at 31 December 2013, the total number of ordinary shares was 58,446,491, including 1,393,233 held as treasury shares, making the number of outstanding shares at that date 57,053,258. The shares have a nominal unit value of €0.52 and are fully paid up.

Treasury shares

The "Treasury shares" item, negative for €5,171 thousand, includes purchases and sales of treasury shares in the amount of €8,103 thousand, which have been recognised net of gains and charges realised following the sale of treasury shares (€2,932 thousand). In 2013, the Group purchased 17,600 treasury shares and sold 232,724, with a capital gain of €502 thousand.
For these purchases, in accordance with Article 2357 of the Italian civil code, capital reserves (through the treasury share reserve) in the amount of €8,103 thousand have been made unavailable.

OTHER RESERVES

Cash flow hedge reserve

Following adoption of IAS 39, changes in the fair value of derivative contracts designated as effective hedging instruments are recognised in accounts directly with Shareholders' Equity, in the cash flow hedge reserve. These contracts have been concluded to hedge exposure to the risk of interest rate fluctuations on variable-rate loans (negative by €385 thousand) and amounts are shown net of the tax effect (€105 thousand).

Translation reserve

In compliance with IAS 21, translation differences arising from translation of the foreign currency financial statements of consolidated companies into the Group accounting currency are classified as a separate equity component.

Reserve for exchange rate adjustment

In application to IAS 21.15, this reserve comprises profit/(losses) generated by monetary elements which are an integral part of the net investment of foreign managements. In particular, it relates to the effect of exchange rates measurement at year-end for receivables for loans in US dollars supplied by the Parent Company Datalogic S.p.A. to the subsidiaries Datalogic Automation Inc., Datalogic Automation S.r.l. and Datalogic Holdings Inc., and granted to acquire the Accu-Sort Systems Inc. Group. For these loans no regulation and/or a defined reimbursement plan are provided not is it deemed probable that they will be reimbursed in the foreseeable future.

Actuarial gains and losses reserve

This reserve comprises actuarial gains and losses which, according to IAS 19R, are now recognised under other components in the Comprehensive Income Statement and permanently excluded from the Income Statement.

Financial asset revaluation reserve

This reserve primarily includes the adjustment at fair value of securities available for sale, recorded under financial assets.

PROFITS OF PREVIOUS YEARS

IAS reserve

This reserve was created upon first-time adoption of international accounting standards as at 1st January 2004 (Consolidated Financial statements for the year ended 31 December 2003) pursuant to IFRS 1.

Profits/losses of previous years

This item includes equity changes occurring in consolidated companies after acquisition date.

DIVIDENDS

On 23 April 2013, the Ordinary Shareholders' Meeting of Datalogic S.p.A. decided to distribute an ordinary dividend of €0.15 per share (€0.15 in 2012). The overall dividends of €8,525 thousand began to be paid starting from 16 May 2013 and had been paid in full by 31 December.

The reconciliation between the Parent Company's shareholders' equity and net profit and the corresponding consolidated amounts is as shown below:

(Euros/000)	31 December 2013		31 December 2012 Restated*	
	Total equity	Period results	Total equity	Period results
Parent Company Shareholders' Equity and Profit	**189,084**	**6,921**	**191,725**	**6,171**
Difference between consolidated companies' net equity and their carrying value in the Parent Company's financial statements; effect of equity-based valuation	54,340	60,534	38,469	40,380
Reversal of dividends	0	(39,202)	0	(28,214)
Amortisation of intangible assets "business combination"	(5,827)		(5,827)	
Effect of acquisition under common control	(31,733)		(31,733)	
Elimination of capital gain on sale of business branch	(18,665)		(18,628)	(7,195)
Effect of eliminating intercompany transactions	(9,445)	(3,693)	(5,752)	(1,081)
Reversal of write-downs and capital gains on equity investments	6,121	2,175	3,946	381
Sale of know-how	(7)		(7)	
Goodwill impairment	(1,395)		(1,395)	
Other	(953)	(51)	(900)	(102)
Deferred taxes	3,727	222	3,505	(93)
Group Shareholders' Equity	**185,247**	**26,906**	**173,403**	**10,247**

(*) Figures disclosed for comparison purposes have been restated due to the application of IAS 19R, as specified in Note 11.

NOTE 12. SHORT/LONG-TERM BORROWINGS AND FINANCIAL LIABILITIES

The breakdown of this item is as detailed below:

(Euros/000)	31.12.2013	31.12.2012	Change
Bank loans	227,674	222,806	4,868
EU financing	13	0	13
Payables for lease	1,080	1,351	(271)
Bank overdrafts (ordinary current accounts)	49	154	(105)
Total financial payables	**228,816**	**224,311**	**4,505**

Following is the breakdown of changes in "Bank loans" as at 31 December 2013 and 2012:

(Euros/000)	2013	2012
1st January	222,806	229,472
Foreign exchange differences	(770)	(483)
Increases	123,762	78,579
Repayments	(36,000)	(37,000)
Decreases for loan repayments	(82,124)	(47,842)
31 December	**227,674**	**222,806**

The **increases** are mainly related to the use by the parent company of the following sources:

- hot money credit lines in the amount of €15,000 thousand,
- a medium to long-term loan of €110,000 thousand, concluded on 28 June 2013.

The **decrease** of the repayment refers to the stand by lines of credit and the hot money in the amount of €36,000 thousand. Following the granting of the new loan, the shares being due within this year of some mortgage loans were redeemed in advance for a total amount of €15,809 thousand. Moreover, the medium/long-term loan, to be due in 2014, was redeemed on 24 July 2013.

The breakdown of the "Bank loans" item by maturity is as follows:

(Euros/000)	31.12.2013	31.12.2012
Variable rate	**226,467**	**221,556**
Due < 1 year	46,194	85,288
Due > 1 year	180,273	136,268
Due > 5 years		
Fixed rate	**1,207**	**1,250**
Due < 1 year	152	265
Due > 1 year	625	527
Due > 5 years	430	458
Total financial payables	**227,674**	**222,806**

The breakdown of the "Bank loans" item by currency is as follows:

Currency	2013	2012
Euro	208,377	193,586
US Dollar (USD)	19,297	29,220
Total	**227,674**	**222,806**

Bank loans have maturities until 2020 and approximate annual average interest rates of 3%. The fair value of the loans (current and non-current) coincides substantially with their book value.

Covenants

The companies have been asked to respect certain financial covenants for the following loans, on a semi-annual or annual basis, as summarised in the table below:

Company	Currency	Outstanding debt	Covenant			Frequency	Reference statements
Datalogic S.p.A.	Euro	1,000,000	DFL	PN	DFL/PN	annual	Datalogic S.p.A.
Datalogic S.p.A.	Euro	2,500,000	PFN/PN	PFN/Ebitda		annual	Datalogic Group
Datalogic S.p.A.	Euro	24,000,000	Ebitda/OFN	PFN/Ebitda		semi-annual	Datalogic Group
Datalogic S.p.A.	USD	26,817,143	PFN/PN	PFN/Ebitda		semi-annual	Datalogic Group
Datalogic S.p.A.	Euro	41,250,000	Ebitda/OFN	PFN/Ebitda		semi-annual	Datalogic Group
Datalogic S.p.A.	Euro	9,375,000	PFN/PN	PFN/Ebitda		semi-annual	Datalogic Group
Datalogic S.p.A.	Euro	18,750,000	Ebitda/OFN	PFN/Ebitda		semi-annual	Datalogic Group
Datalogic S.p.A.	Euro	110,000,000	Ebitda/OFN	PFN/Ebitda		semi-annual	Datalogic Group

Key: PN = Shareholders' Equity; PFN = Net Financial Position; DFL = Gross Financial Payables.

As at 31 December 2013 all covenants were respected.

Financial leases

The Group entered a financial lease agreement for the telepresence system this year. The following table shows the amount of future instalments deriving from financial leases and the current value of the instalments:

(Euros/000)	31.12.2013		31.12.2012	
	Minimum payments	Current value of payments	Minimum payments	Current value of payments
Due < 1 year	303	234	312	261
Due > 1 year	885	846	1,218	1,090
Due > 5 years				
Total minimum payments	**1,188**	**1,080**	**1,530**	**1,351**
Less interest expenses	(108)		(179)	
Current value of lease costs	1,080	1,080	1,351	1,351

NOTE 13. DEFERRED TAXES

Deferred tax assets and liabilities stem both from positive items already recognised in the Income Statement and subject to deferred taxation under current tax regulations and temporary differences between consolidated balance-sheet assets and liabilities and their relevant taxable value.

Below we show the main items forming deferred tax assets and deferred tax liabilities and changes in them during the year:

Deferred tax assets (Euros/000)	Losses and receivables on taxes paid abroad	Exchange rate adjust.	Asset write-downs	Provisions	Operations deriving from acquisitions	Others	Consolidation adjustments	Total
1st January 2013	13,393	624	5,057	11,655	100	12,379	1,445	44,653
Provisioned in (released from) Income Statement	(609)	(199)	(1,257)	(3,812)		(1,888)	72	(7,693)
Provisioned in (released from) Shareholders' Equity		1,232	0	0		(156)	(54)	1,022
Exchange rate differences	(552)		(145)	(302)		(136)		(1,135)
Reclassifications	338			820		(308)		850
31 December 2013	12,570	1,657	3,655	8,361	100	9,891	1,463	37,697

Deferred tax liabilities (Euros/000)	Deprec. & Amort.	Reserve for prevision losses	Operations deriving from acquisitions	Provisions	IAS Reserves	Others	Consolidation adjustments	Total
As at 1st January 2013	4,329	8	10,021	1,671	315	1,156	(38)	17,462
Provisioned in (released from) Income Statement	(556)		(1,055)	644		12	36	(919)
Provisioned in (released from) Shareholders' Equity						241		241
Exchange rate differences	(2)		(324)	(150)		(22)		(498)
Reclassifications	109	8	575	134		24		850
As at 31 December 2013	3,880	16	9,217	2,299	315	1,411	(2)	17,136

NOTE 14. POST-EMPLOYMENT BENEFITS

The movements are the following:

(Euros/000)	2013	2012
1st January	7,367	6,666
Amount allocated in the period	1,446	1,325
Uses	(1,367)	(1,081)
Other movements	(266)	448
Acquisition	0	103
Discounting of non-financial component	325	426
Discounting of the financial component	205	267
Social security receivables for the employee severance indemnity reserve	(661)	(786)
31 December	7,049	7,368

The main economic-financial assumptions used by the actuary are as follows:

	2013	2012
Discounting technical annual rate	3.2%	3.2%
Annual inflation rate	2%	2%

NOTE 15. PROVISIONS FOR RISKS AND CHARGES

The breakdown of the "Risks and charges" item was as follows:

(Euros/000)	31.12.2013	31.12.2012	Change
Short-term provisions for risks and charges	7,047	7,971	(924)
Long-term provisions for risks and charges	7,398	3,768	3,630
Total	**14,445**	**11,739**	**2,706**

Below we show the detailed breakdown of and changes in this item:

(Euros/000)	31.12.2012	Increases	(Uses) and (Releases)	Acquisition	Transfers	Diff. Exchange rate	31.12.2013
Product warranty provision	7,084	6,954	(5,771)			(259)	8,008
Corporate restructuring fund	1,861		(1,393)		(445)		23
Provision for management incentive scheme	0	2,824				(84)	2,740
Other	2,795	1,621	(666)			(76)	3,674
Total Provisions for risks and charges	**11,740**	**11,399**	**(7,830)**	**0**	**(445)**	**(419)**	**14,445**

The "**Product warranty provision**" covers the estimated cost of repairing products sold as up to 31 December 2013 and covered by periodical warranty; this provision amounts to €8,008 thousand (of which €4,348 thousand long-term) and is considered sufficient in relation to the specific risk it covers.

The increase in the "**Provision for management incentive scheme**" is attributable to the estimate on the portion pertaining to the provision for a long-term plan for directors and managers for the period 2013-2015.

The "**Other**" item mainly comprises:
- €2,551 thousand for a "stock rotation" provision for the ADC Group and Informatics;
- €300 thousand for outstanding tax dispute related to some Italian companies;
- €350 thousand related to contractual charges;
- €266 thousand for agent termination indemnities.

NOTE 16. TRADE AND OTHER PAYABLES

This table shows the details of trade and other payables:

(Euros/000)	31.12.2013	31.12.2012	Change
Trade payables due within 12 months	84,391	70,789	13,602
Third-party trade payables	**84,391**	**70,789**	**13,602**
Payables to associates	**124**	**32**	**92**
Idec Datalogic Co. Ltd		11	(11)
Laservall Asia	101	10	91
Datasensor Gmbh	2	1	1
Datalogic Automation AB	21	10	11
Payables to related parties	**197**	**281**	**(84)**
Total Trade payables	**84,712**	**71,102**	**13,610**
Other payables – current accrued liabilities and deferred income	36,028	54,351	(18,323)
Other payables – non-current accrued liabilities and deferred income	2,648	2,634	14
Total other payables – accrued liabilities and deferred income	**38,676**	**56,985**	**(18,309)**
Deducted: non-current portion	2,648	2,634	14
Current portion	**120,740**	**125,453**	**(4,713)**

OTHER PAYABLES – ACCRUED LIABILITIES AND DEFERRED INCOME

The detailed breakdown of this item is as follows:

(Euros/000)	31.12.2013	31.12.2012	Change
Other short-term payables	17,591	34,714	(17,123)
Other long-term payables	2,648	2,634	14
VAT liabilities	3,536	6,211	(2,675)
Accrued liabilities and deferred income	14,901	13,426	1,475
Total	**38,676**	**56,985**	**(18,309)**

The breakdown of the "Other short-term payables" item is as follows:

(Euros/000)	31.12.2013	31.12.2012	Change
Payables to employees	10,708	23,435	(12,727)
Payables to pension and social security agencies	3,287	3,260	27
Directors' remuneration payable	431	7,116	(6,685)
Other payables	3,165	903	2,262
Total	**17,591**	**34,714**	**(17,123)**

Payables to employees are the payables, due to wages and salaries and holidays, accrued with respect to staff at balance-sheet date. It is worth noting that leaving incentives allocated in 2011 and 2012 (€3,813 thousand as at 31 December 2012) have been fully paid.

During 2013, an incentive plan for managers related to the years 2010 to 2012 was paid (€11,487 thousand as at 31 December 2012).

The decrease in item "Directors' remuneration payables" is attributable to the payment of the remuneration to the leaving CEO, amounting to €3,760 thousand and the 2010-2012 incentive plan for directors of Group companies (€2,862 thousand as at 31 December 2012).

The increase in item "Other payables" is primarily attributable to the outstanding debt (€2,175 thousand) for the purchase of a license contract capitalised under intangible assets.

Information on the Income Statement

NOTE 17. REVENUES

(Euros/000)	31.12.2013	31.12.2012	Change
Revenues from sale of products	427,463	435,769	(8,306)
Revenues for services	23,274	26,481	(3,207)
Total	**450,737**	**462,250**	**(11,513)**

Revenues earned from sales of goods and services decreased by 2.5% year on year (-0.9% at constant exchange rates).

The following table shows the repartition in percentage of revenues per geographical areas:

(Euros/000)	31.12.2013	% of total revenues	31.12.2012	% of total revenues	Change
Revenues in Italy	38,040	8%	38,978	8%	-2%
Revenues in Europe	183,810	41%	181,428	38%	1%
Revenues in North America	143,876	32%	159,227	34%	-10%
Revenues in Rest of the World	85,011	19%	82,617	20%	3%
Total Group	**450,737**	**100%**	**462,250**	**100%**	**-2%**

NOTE 18. COST OF GOODS SOLD AND OPERATING COSTS

Pursuant to the IAS/IFRS standards, the following table reports non-recurring costs and amortisation arising from acquisitions as non-recurring items, no longer listed separately but included in ordinary operations.

(Euros/000)	31.12.2013	31.12.2012 Restated	Change
Total cost of goods sold (1)	**238,414**	**250,171**	**(11,757)**
of which non-recurring	(62)	847	(909)
Total operating costs (2)	**168,897**	**202,645**	**(33,748)**
Research and Development expenses	35,610	32,302	3,308
of which non-recurring	(4)	275	(279)
Distribution expenses	82,475	88,938	(6,463)
of which non-recurring	(975)	2,906	(3,881)
General and administrative expenses	47,934	78,925	(30,991)
of which non-recurring	(18)	293	(311)
of which amortisation, depreciation and write-downs pertaining to acquisitions	5,765	32,764	(26,999)
Other operating costs	2,878	2,480	398
of which non-recurring			0
Total (1+2)	**407,311**	**452,816**	**(45,505)**
of which non-recurring costs	**(1,059)**	**4,321**	**(5,380)**
of which amortisation pertaining to acquisitions	**5,765**	**32,764**	**(26,999)**

The "Non-recurring costs and (revenues)" item shows a positive amount of €1,154 thousand and it entirely relates to incentives to leave allocated in the previous year and charged back in the period due to the review and subsequent definition of the restructuring plan.

The breakdown of this item, as included in the balance-sheet statement, is as follows:

Item (Euros/000)	Amount
2) "Cost of goods sold"	62
3) "Other operating revenues"	95
4) "R&D expenses"	4
5) "Distribution expenses"	975
6) "General and administrative expenses"	18
Total non-recurring revenues	**1,154**

The amortisation from acquisitions (equal to €5,765 thousand) included under "General and administrative expenses" are comprised of:

(Euros/000)	31.12.2013	31.12.2012	Change
Acquisition of the PSC group (on 30 November 2006)	2,100	2,169	(69)
Acquisition of Laservall S.p.A. (on 27 August 2004)	441	442	(1)
Acquisition of Informatics Inc. (on 28 February 2005)	602	623	(21)
Acquisition of Evolution Robotics Retail Inc. (concluded on 1st July 2010)	527	545	(18)
Acquisition of Accu-Sort Systems Inc. (concluded on 20 January 2012)	2,095	1,985	110
Total	**5,765**	**5,764**	**1**

TOTAL COST OF GOODS SOLD (1)

This item decreased by 4.7% compared to 2012. At constant exchange rates and net of extraordinary costs, the percentage decrease would have been equal to 2.28%.

TOTAL OPERATING COSTS (2)

Operating costs decreased by 16.65%, from €202,645 thousand to €168,897 thousand. At constant exchange rates and net of extraordinary costs, the operating costs, net of the non-recurring items and the amortisation inherent in the acquisitions, would have increased by €552 thousand.

In particular:

- **"R&D expenses"** increased by €35,610 thousand and increased by €3,308 thousand compared with the same period of the previous year (+€4,162 thousand at constant exchange rates, net of extraordinary costs, equal to 13%). This increase is primarily attributable to:
  - the increase in payroll & employee benefits, in the amount of €923 thousand (+€1,361 thousand at constant exchange rates);
  - consultancy totalling €1,014 thousand (+€1,055 thousand at constant exchange rates), mainly connected with the development of new products for the Chinese market;
  - higher amortisation, totalling €629 thousand (+€650 thousand at constant exchange rates), relates to two special development projects capitalised when they meet IAS 38 requirements. They started to be amortised in December 2012 and October 2013, respectively.

- The **"Distribution expenses"** amounted to €82,475 thousand and increased by €6,463 thousand compared to the previous year. At constant exchange rates and net of non-recurring costs, the decrease would have been of €698 thousand. At constant exchange rates, it should be noted a decrease in expedition expenses, equal to €1,106 thousand, and an increase in payroll and employee benefits of €832 thousand.

- **"General and administrative expenses"** were €47,934 thousand, down by €30,991 thousand compared with the same period 2012. Net of extraordinary items and at constant exchange rates, this item increased by €3,191 thousand compared with the same period of the previous year.
  At constant exchange rates, it should be noted a decrease in consultancy expenses, equal to €2,823 thousand, and in the director's remunerations (€3,727), as well as an increase in payroll & employee benefits of €2,982 thousand.

The detailed breakdown of "Other operating costs" is as follows:

(Euros/000)	31.12.2013	31.12.2012	Change
Capital losses on assets	56	177	(121)
Contingent liabilities	98	41	57
Allocation to provision for doubtful accounts	516	370	146
Allocation to the risk reserve	500	(36)	536
Non-income taxes	1,313	1,377	(64)
Cost charge backs	387	423	(36)
Other	8	128	(120)
Total	**2,878**	**2,480**	**398**

"Allocation to the risk reserve", totalling €500 thousand, consisted of the following items:

- €350 thousand for allocation for contractual charges;
- €150 thousand estimated for transactions with employees.

BREAKDOWN OF COSTS BY TYPE

The following table provides the details of total costs (cost of goods sold + total operating costs) by type, for the main items:

(Euros/000)	31.12.2013	31.12.2012 Restated	Change
Purchases	176,627	172,521	4,105
Inventory change	(7,165)	10,375	(17,539)
Payroll & employee benefits	126,913	128,202	(1,289)
Goods receipt & shipment	15,946	16,482	(536)
Amortisation, depreciation and write-downs	15,644	42,503	(26,859)
Technical, legal and tax advisory services	13,349	15,583	(2,234)
Travel & accommodation	7,795	8,296	(501)
Marketing expenses	7,668	6,786	882
Building expenses	6,150	6,768	(618)
Repairs	5,009	5,436	(427)
Material collected from the warehouse	4,075	2,961	1,114
Vehicle expenses	3,941	4,440	(499)
EDP expenses	2,245	2,107	138
Consumables	2,131	1,538	593
Telephone expenses	1,898	2,108	(210)
Utilities	1,821	1,983	(162)
Directors' remunerations	1,731	5,456	(3,725)
Royalties	1,524	929	595
Accounts certification expenses	1,455	1,341	114
Commissions	1,452	1,293	159
Subcontracted work	1,428	1,485	(57)
Insurance	1,217	876	341
Meeting expenses	1,201	1,276	(75)
Quality certification expenses	1,178	957	221
Entertainment expenses	927	1,069	(142)
Leasing and maintenance of plant and machinery	601	468	133
Stationery	519	593	(74)
R&D materials	505	387	118
Personnel training	376	307	69
Other	9,150	8,289	861
Total (1+2)	**407,311**	**452,816**	**(45,505)**

It should be noted that item "Amortisation, depreciation and write-downs" comprises the write-down, amounting to €305 thousand, connected with the disposal of assets which are not entirely amortised due to the transfer of part of the production in Sesto Calende to another factory.

The increase in item "Marketing expenses" is primarily attributable to the attendance to new exhibitions and the increase in marketing co-participation expenses.

The decrease in item "Building expenses" is due to the recording, in the first half of 2012, of non-recurring costs, resulting from the integration process of the companies Datalogic Automation Inc. and Accu-Sort.

The decrease in item "Remunerations to directors" is attributable to the lower remunerations to Directors following the changes occurred in the management over the period.

The "Other" item mainly consists of several costs all of which are lower than €150 thousand.

The detailed breakdown of payroll and employee benefits is as follows:

(Euros/000)	31.12.2013	31.12.2012 Restated	Change
Wages and salaries	97,598	93,254	4,344
Social security charges	19,179	18,632	547
Employee severance indemnities	1,289	1,325	(36)
Retirement and similar benefits	797	1,699	(902)
Medium- to long-term managerial incentive plan	2,786	2,514	272
Other costs	5,264	10,778	(5,514)
of which leaving incentives	453	4,995	(4,542)
Total	**126,913**	**128,202**	**(1,289)**

The "Wages and salaries" item, equal to €97,598 thousand, includes Sales commissions and incentives of €12,199 thousand (€8,757 thousand as at 31 December 2012).

The "Other costs" item includes early retirement incentives of €453 thousand, of which:

- positive components, amounting to €1,059 thousand, classified under item "Non-recurring costs and revenues" as they related to incentives to leave, allocated and classified under the same item as the previous year, but charged back in the first half of 2013 due to the review and subsequent definition of the restructuration plan,
- €1,512 thousand are not classified under "Non-recurring costs and revenues" as they refer to the normal managerial turnover.

NOTE 19. OTHER OPERATING REVENUES

The detailed breakdown of this item is as follows:

(Euros/000)	31.12.2013	31.12.2012	Change
Miscellaneous income and revenues	1,122	759	363
Rents	68	141	(73)
Capital gains on asset disposals	61	5,594	(5,533)
Incidental income and cost cancellation	238	44	194
Grants to Research and Development expenses	515	267	248
Other	65	88	(23)
Total	**2,069**	**6,893**	**(4,824)**

The decrease in the "Capital gains on asset disposals" item is due to the capital gain made in 2012 (€5,500 thousand) with the sale of some assets, such as patents, know-how and other intangible assets relating to the RFID business.

NOTE 20. NET FINANCIAL INCOME (EXPENSES)

(Euros/000)	31.12.2013	31.12.2012	Change
Interest expenses on bank current accounts/loans	7,246	7,738	(492)
Foreign exchange losses	13,212	11,193	2,019
Bank expenses	2,349	1,300	1,049
Other	377	829	(452)
Total financial expenses	**23,184**	**21,060**	**2,124**
Interest income on bank current accounts/loans	388	661	(273)
Foreign exchange gains	9,492	7,886	1,606
Other	3,053	5,524	(2,471)
Total financial income	**12,933**	**14,071**	**(1,138)**
Net financial income (expenses)	**(10,251)**	**(6,989)**	**(3,262)**

TOTAL FINANCIAL EXPENSES

The "Foreign exchange gains" item, equal to €13,212 thousand, is attributable to the ADC Group (€7,777 thousand), Datalogic S.p.A. (€4,053 thousand) and the Industrial Automation Group (€1,229 thousand).

The most significant increases in item "Bank expenses" are attributable to:

- the recognition of portions of the period of upfront fees discounted at the disbursement date of long-term loans (€912 thousand, €277 thousand as at 31 December 2012);
- factoring costs, totalling €369 thousand (€48 thousand in 2012);
- the substitute tax of €275 thousand paid for the granting of a long-term loan.

The decrease in item "Other" is due to the recording, in 2012, of interests for the discounting of the account payable for the incentive plan addressed to the management, equal to €309 thousand.

TOTAL FINANCIAL INCOME

The "Foreign exchange gains" item, equal to €9,492 thousand, is mainly attributable to the ADC Group (€6,474 thousand), the Corporate (€2,100 thousand) and the Industrial Automation Group (€902 thousand).

The item "Others", equal to €3,053 thousand, comprises €2,787 thousand of capital gains resulting from the sale of equity investments in Datalogic KK (€2,763 thousand) and Idec (€24 thousand).

It is worth noting that in 2012 this item included:

- €1,452 thousand from the adjustment to fair value of treasury credit certificates, which were sold in 2013 with a capital gain (€112 thousand),
- €4,101 thousand related to the disposal in shares.

NOTE 21. TAXES

(Euros/000)	31.12.2013	31.12.2012 Restated	Change
Income tax	491	10,356	(9,865)
Substitute tax	1,359	2,801	(1,442)
Deferred taxes	6,774	(13,879)	20,653
Total	**8,624**	**(722)**	**9,346**

The average tax rate comes to 24.3% (9.2% as at 31 December 2012).

The reconciliation for 2013 of the nominal tax rate set out in Italian law and the effective rate in the consolidated financial statements is as follows:

(Euros/000)	2013	
Nominal tax rate under Italian law	**(9,771)**	**-27.5%**
Recoverable tax losses related to subsidiaries	(435)	-1.2%
Cumulative effect of different tax rates applied in foreign countries	4,614	13.0%
Regional tax	(1,406)	-4.0%
Non-deductible expenses for IRES	(580)	-1.6%
Tax on dividend distribution	(482)	-1.4%
Other effects	(564)	1.6%
Consolidated effective tax rate	**(8,624)**	**-24.3%**

NOTE 22. BASIC EARNINGS/(LOSS) PER SHARE

BASIC EARNINGS/LOSS PER SHARE

(Euros/000)	31.12.2013	31.12.2012 Restated
Group profit/(loss) for the period	26,906,000	10,247,000
Average number of shares	56,891,483	56,615,369
Basic earnings/(loss) per share	**0,4729**	**0,1809**

Basic EPS as at 31 December 2013 was calculated by dividing Group net profit of €26,906 thousand (Group net profit of €10,247 thousand as at 31 December 2012) by the weighted average number of ordinary shares outstanding as at 31 December 2013 equal to 56,891,438 shares (56,615,369 as at 31 December 2012).
With regard to the calculation of the diluted EPS, it should be noted that the Group issued no rights that would have a potential dilutive effect. Therefore, the diluted EPS corresponds to the basic EPS.

Notice of Auditing Firm’s fees

Pursuant to article 149-*duodecies* of the Issuer Regulation, implementing Legislative Decree 58 of 24 February 1998, the following is the summary schedule of fees pertaining to the year 2013 provided by the Independent Auditors. The table below shows the fees for the audit activity and other services, mainly including due diligence and integration processes following acquisitions and the Group reorganisation.

2013 (Euros/000)	
Fees for services supplied by the Auditing Firm to the Parent Company and to the subsidiaries	
Datalogic S.p.A.- auditing	162
Italian subsidiaries - auditing	192
Foreign subsidiaries - auditing	281
Total auditing	**635**
Non-auditing services	160
Total	**795**

Transactions with subsidiaries that are not fully consolidated, associates and related parties

For the definition of "Related parties", see both IAS 24, approved by EC Regulation 1725/2003, and the internal Regulation approved by the Board of Directors on 4 November 2010.

The parent company of the Datalogic Group is Hydra S.p.A..

Intragroup transactions are executed as part of the ordinary operations and at arm's length conditions. Furthermore, there are other relationships with related parties, chiefly with parties that control the Parent Company, or with individuals that carry out the coordination and management of Datalogic S.p.A..

Related-party transactions refer chiefly to commercial and securities transactions (instrumental and non-instrumental premises for the Group under lease or leased to the parent company) as well as to companies joining the scope of tax consolidation. None of these assumes particular economic or strategic importance for the Group since receivables, payables, revenues and cost to the related parties are not a significant proportion of the total amount of the financial statements.

Related parties (Euros/000)	Idec Dl Co. Ltd	Hydra S.p.A. (holding company)	Hydra Immobiliare	Aczon	Non-consolidated Automation Group companies	Studio Associato Caruso	Laservall Asia Co. Ltd	Total 31.12.2013
	associated company	holding company	company controlled by Chairman of BoD	company controlled by Chairman of BoD	associates	company controlled by a company Body member	associated company	
Equity investments	0	0	0	0	76	0	1,707	1,783
Automation Group					76		1,707	1,783
Trade and other receivables	0	0	77	9	995	0	541	1,622
Automation Group			75	9	922		541	1,547
ADC Group					73			73
Datalogic S.p.A.			2					2
Receivables pursuant to tax consolidation	0	6,225	0	0	0	0	0	6,225
Dl Automation S.r.l.		784						784
Datalogic IP Tech S.r.l.		2,202						2,202
Datalogic S.p.A.		3,239						3,239
Financial receivables	0	2,000	0	0	0	0	0	2,000
Datalogic S.p.A.		2,000						2,000
Liabilities pursuant to tax consolidation	0	138	0	0	0	0	0	138
Datalogic ADC		138						138
Trade and other payables	0	0	114	0	23	83	101	321
Datalogic S.p.A.			1	0		62		63
ADC Group					19	5		24
Automation Group			113		4	16	101	234
Sales/service expenses	(14)	47	527	0	70	671	(96)	1,205
Datalogic S.p.A.		47	35	0		581		663
Automation Group	(14)		492		51	68	(96)	501
ADC Group					19	22		41
Trade and other receivables	1,643	0	1	8	2,966	0	3,540	8,158
Automation Group	1,643			8	2,795		3,540	7,986
Datalogic S.p.A.			1					1
ADC Group					171			171
Profits/(Losses) from associates	43	0	0	0	45	0	243	331
Automation Group	43				45		243	331

TRANSACTIONS WITH COMPANIES CONTROLLED BY SHAREHOLDERS

Transactions with Hydra Immobiliare, a company controlled by the reference shareholders of the Company, refer to the rental of property by Group companies.

Transactions with the Parent Company (Hydra S.p.A.) mainly relate to the IRES receivables and payables as some companies have joined the tax consolidation, in their capacity as consolidated companies (Hydra is the consolidator).

TRANSACTIONS WITH COMPANIES CONTROLLED BY MEMBERS OF THE BOARD OF DIRECTORS

The transactions with Studio Associato Caruso (which is owned by director Pier Paolo Caruso) concern tax consulting.

Number of employees

	31.12.2013	31.12.2012	Change
Corporate	98	78	20
ADC Group	1,380	797	583
Automation Group	774	1,396	(622)
Informatics	112	113	(1)
Total	**2,364**	**2,384**	**(20)**

The Chairman of the Board of Directors
(Mr. Romano Volta)

Parent Company
financial statements

Statement of Financial Position

ASSETS (Euros/000)		Notes	31.12.2013	31.12.2012* Restated
A)	**Non-current assets (1+2+3+4+5+6+7+8)**		**233,457**	**245,719**
1)	Tangible assets	1	21,824	20,763
	land	1	2,466	2,466
	buildings	1	15,651	15,056
	other assets	1	3,707	3,032
	assets in progress and payments on account	1	0	209
2)	Intangible assets	2	2,679	2,799
	goodwill			
	development costs	2		
	others	2	2,679	2,799
3)	Equity investments in affiliates	3	174,599	174,599
4)	Financial assets	5	4,029	1,596
	equity investments	5	3,669	1,237
	securities	5	360	359
5)	Loans to subsidiaries	9	28,454	43,923
6)	Trade and other receivables	7	172	16
7)	Receivables for deferred tax assets	13	1,700	2,023
B)	**Current assets (9+10+11+12+13+14+15)**		**306,293**	**206,514**
8)	Inventories		0	0
	raw and ancillary materials and consumables			
	work in progress and semi-finished products			
	finished products and goods			
9)	Commissioned work in progress		0	0
10)	Trade and other receivables	7	5,057	12,235
	Trade receivables	7	4,230	9,550
	within 12 months	7	9	15
	after 12 months			
	receivables from affiliates			
	receivables from subsidiaries	7	4,221	9,535
	receivables from the parent company	7		
	receivables from related parties			
	Other receivables - accrued income and prepaid expenses	7	827	2,685
	of which other receivables from subsidiaries	7	28	1,988
11)	Tax receivables	8	4,326	2,329
	of which to the parent company	8	3,239	119
12)	Financial assets	5	0	9,227
	securities	5	0	9,227
13)	Loans to subsidiaries	9	203,023	133,049
		9	203,023	133,049
14)	Financial assets - Derivatives	6	0	0
15)	Cash and cash equivalents	10	93,887	49,674
Total assets (A+B)			**539,750**	**452,233**

(*) Figures disclosed for comparison purposes have been restated due to the application of IAS 19R, as specified in Note 11.

Statement of Financial Position

	LIABILITIES (Euros/000)	Notes	31.12.2013	31.12.2012* Restated
A)	**Total Shareholders' Equity (1+2+3+4+5)**	**11**	**189,084**	**191,725**
1)	Share capital	11	137,000	135,272
	Share capital	11	30,392	30,392
	Treasury shares	11	(5,171)	(6,899)
	Share premium reserve	11	103,676	102,450
	Treasury share reserve	11	8,103	9,329
2)	Reserves	11	(181)	(664)
	Employee severance indemnity discounting reserves	11	80	(75)
	Cash-flow hedge reserve	11	(261)	(589)
	Valuation reserve for financial assets held for sale	11	0	0
3)	Retained earnings/losses		45,344	50,946
	Profits/(Losses) of previous years	11	19,414	22,075
	Merger surplus reserve of Datalogic Real Estate		204	204
	Capital contribution reserve, not subject to taxation	11	958	958
	Legal reserve	11	4,389	4,082
	Temporary reserve for exchange rate adjustment		(3,248)	
	Capital contribution reserve	11	15,204	15,204
	IAS transition reserve	11	8,423	8,423
4)	Profit/(Loss) for the period/year		6,921	6,171
B)	**Non-current liabilities (6+7+8+9+10+11)**	**12**	**184,357**	**138,764**
5)	Financial payables	12	181,100	135,414
	of which to related parties			
6)	Financial liabilities - Derivatives	6	346	813
7)	Tax payables		0	0
8)	Deferred tax liabilities	13	1,792	1,792
9)	Post-employment benefits	14	783	707
10)	Provisions for risks and charges	15	336	38
11)	Other liabilities		0	0
C)	**Current liabilities (12+13+14+15+16)**		**166,309**	**121,744**
12)	Trade and other payables	16	9,551	10,327
	Trade payables	16	4,034	3,910
	within 12 months	16	3,902	3,784
	after 12 months			
	payables to subsidiaries	16	131	126
	payables to the parent company			
	payables to related parties	16	1	0
	Other payables - accrued liabilities and deferred income	16	5,517	6,417
	other payables from subsidiaries		3,372	179
13)	Tax payables	17	300	624
14)	Provisions for risks and charges		173	0
15)	Financial liabilities - Derivatives	6	13	0
16)	Short-term financial payables	12	156,272	110,793
	of which to subsidiaries		111,733	42,421
Total liabilities (A+B+C)			**539,750**	**452,233**

(*) Figures disclosed for comparison purposes have been restated due to the application of IAS 19R, as specified in Note 11.

Statement of Income

(Euros/000)	Notes	31.12.2013	31.12.2012* Restated
1) Total revenues	18	15,960	16,300
Revenues from sale of products	18		
Revenues for services	18	15,960	16,300
2) Cost of goods sold	19	2	1
Gross profit (1-2)		**15,958**	**16,299**
3) Other operating revenues	20	563	498
4) R&D expenses	19	315	298
5) Distribution expenses	19	3	0
6) General and administrative expenses	19	16,679	17,367
7) Other operating expenses	19	342	490
Total operating costs (4+5+6+7)		17,339	18,155
Operating result		**(818)**	**(1,358)**
8) Financial income	21	18,941	24,816
9) Financial expenses	21	12,345	17,169
Net financial income (expenses) (8-9)		6,596	7,647
Pre-Tax Profit/(Loss)		**5,778**	**6,289**
Taxes	22	(1,143)	118
Net Profit/(Loss) for the period		**6,921**	**6,171**

(*) Figures disclosed for comparison purposes have been restated due to the application of IAS 19R, as specified in Note 11.

Statement of Comprehensive Income

(Euros/000)	Notes	31.12.2013	31.12.2012* Restated
Net Profit/(Loss) for the period		**6,921**	**6,171**
Other components of the Statement of Comprehensive Income:			
Profit/(Loss) on Cash Flow Hedges	11	328	(326)
of which tax effect		(124)	124
Adjustment on exchange rates	11	(3,249)	0
of which tax effect		1,232	0
Total Other components of the Statement of Comprehensive Income which will be restated under Profit/(Loss) for the year		(2,921)	(326)
Actuarial gains/(Losses) on defined-benefit plans	11	155	(43)
of which tax effect		(58)	16
Total Other components of the Statement of Comprehensive Income which will not be restated under Profit/(Loss) for the year		155	(43)
Total Other Profit/(Loss) net of the tax effect		**(2,766)**	**(369)**
Comprehensive Net Profit/(Loss) for the period		**4,155**	**5,802**

(*) Figures disclosed for comparison purposes have been restated due to the application of IAS 19R, as specified in Note 11.

Statement of Cash Flow

(Euros/000)	31.12.2013	31.12.2012* Restated
Pre-tax profit	**5,778**	**6,230**
Depreciation of tangible assets and amortisation of intangible assets	1,470	1,263
Change in employee benefits reserve	76	220
Allocation to provision for doubtful receivables		
Net financial expenses/(income) including exchange rate differences	(6,596)	(7,647)
Adjustments to value of financial assets		
Cash flow from operations before changes in working capital	**728**	**66**
Change in trade receivables (net of provisions)	5,320	(454)
Change in final inventories	0	0
Change in other current assets	1,858	(1,481)
Other medium/long-term assets	(156)	0
Change in trade payables	124	(89)
Change in other current liabilities	(900)	2,549
Other medium/long-term liabilities	0	0
Change in provisions for risks and charges	471	(2,666)
Commercial foreign exchange gains/(losses)	0	0
	7,445	**(2,075)**
Change in tax	(855)	(1,333)
Foreign exchange effect of tax		
Interest and banking expenses	6,596	7,647
Cash flow generated from operations (A)	**13,186**	**4,239**
(Increase)/Decrease in intangible assets	(505)	(1,720)
(Increase)/Decrease in tangible assets	(1,905)	(1,009)
Change in equity investments	(2,432)	2,811
Changes generated by investment activity (B)	**(4,842)**	**82**
Change in LT/ST financial receivables	(45,279)	(85,206)
Change in short-term and medium/long-term financial payables	90,711	(4,532)
Financial foreign exchange gains/(losses)	0	0
Purchase of treasury shares	1,728	3,792
Changes in reserves	(2,765)	34
Dividend payment	(8,526)	(8,518)
Cash flow generated (absorbed) by financial assets (C)	**35,869**	**(94,430)**
Net increase (decrease) in available cash (A+B+C)	**44,213**	**(90,109)**
Net cash and cash equivalents at beginning of period	**49,674**	**139,783**
Net cash and cash equivalents at end of period	**93,887**	**49,674**

(*) Figures disclosed for comparison purposes have been restated due to the application of IAS 19R, as specified in Note 11.

Changes in Shareholders' Equity

Description (Euros/000)	Total share capital	Other reserves			
		Cash-flow hedge reserve	Valuation reserve for financial assets held for sale	Severance indemnity discounting reserves	Total other reserves
01.01.2012	**131,480**	**(264)**	**(156)**	**(32)**	**(452)**
Allocation of earnings	-				-
Dividends	-				-
Increase in share capital	-				-
Translation reserve	-		156		**156**
Change in IAS reserve	-				**-**
Sale/purchase of treasury shares	**3,792**				**-**
Cash flow hedge adjustment	-	(325)			**(325)**
Capital contribution reserve	-				**-**
Cancellation of treasury shares	-				**-**
Other movements	-			(43)	**(43)**
Profit/(Loss) as at 31.12.2012	-				-
31.12.2012 - Restated*	**135,272**	**(589)**	**-**	**(75)**	**(664)**

Description (Euros/000)	Total share capital	Other reserves			
		Cash-flow hedge reserve	Valuation reserve for financial assets held for sale	Severance indemnity discounting reserves	Total other reserves
01.01.2013 - Restated*	**135,272**	**(589)**	**-**	**(75)**	**(664)**
Allocation of earnings	-				-
Dividends	-				-
Increase in share capital	-				-
Translation reserve	-				-
Change in IAS reserve	-				-
Sale/purchase of treasury shares	**1,728**				**-**
Cash flow hedge adjustment	-	328			**328**
Severance indemnity provision adjustment	-			155	**155**
Capital contribution reserve	-				**-**
Cancellation of treasury shares	-				-
Other movements	-				-
Profit/(Loss) as at 31.12.2013	-				-
31.12.2013	**137,000**	**(261)**	**-**	**80**	**(181)**

(*) Figures disclosed for comparison purposes have been restated due to the application of IAS 19R, as specified in Note 11.

Profits of previous years							Profit for the year	Total Shareholders' Equity	Total non-controlling interest in Shareholders' Equity
Earnings carried forward	Merger surplus	Capital contribution reserve	Legal reserve	Reserve for exchange rate adjustment	IAS reserve	Total			
37,732	-	958	3,658	-	8,423	50,771	8,488	190,289	-
8,064			424			8,488	(8,488)	-	
(8,518)						(8,518)		(8,518)	
						-		-	
						-		156	
						-		-	
-				-		-		3,792	
						-		(325)	
	204					204		204	
-				-		-		-	
-						-		(43)	
						-	6,171	6,171	
37,278	204	958	4,082	-	8,423	50,945	6,171	191,724	-

Profits of previous years							Profit for the year	Total Shareholders' Equity	Total non-controlling interest in Shareholders' Equity
Earnings carried forward	Merger surplus	Capital contribution reserve	Legal reserve	Reserve for exchange rate adjustment	IAS reserve	Total			
37,278	204	958	4,082	-	8,423	50,945	6,171	191,724	-
5,864			307			6,171	(6,171)	-	
(8,526)						(8,526)		(8,526)	
						-		-	
						-		-	
						-		-	
-				-		-		1,728	
						-		328	
						-		155	
						-		-	
-				-		-		-	
2				(3,248)		(3,246)		(3,246)	
						-	6,921	6,921	
34,618	204	958	4,389	(3,248)	8,423	45,344	6,921	189,084	-

Explanatory Notes to the financial statements

Introduction

Datalogic S.p.A. (hereinafter "Datalogic" or the "Company") is a joint-stock company listed on the STAR segment of Borsa Italiana, with its registered office at via Candini, 2 Lippo di Calderara di Reno (Bo).

The Company is a subsidiary of Hydra S.p.A., also based in Bologna and controlled by the Volta family.
These financial statements were prepared by the Board of Directors on 6 March 2014.

Presentation and content of the financial statements

The Company's financial statements have been prepared in compliance with the international accounting standards (IAS/IFRS) issued by the IASB (International Accounting Standards Board) and endorsed by the European Union, pursuant to European Regulation 1725/2003 and subsequent amendments, with all the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), formerly the Standing Interpretations Committee ("SIC"), endorsed by the European Commission at the date of approval of the draft financial statements by the Board of Directors and contained in the relative EU Regulations published at this date, and in compliance with the provisions of Consob Regulation 11971 of 14 May 1999 and subsequent amendments.

The financial statements for the year ended 31 December 2013 consist of the Statement of Financial Position, Income Statement, Statement of Comprehensive Income, Statement of Changes in Shareholders' Equity, Cash Flow Statement and Explanatory Notes.
We specify that, in the Statement of Financial Position, assets and liabilities are classified according to the "current/non-current" criterion, with specific separation of assets and liabilities held for sale.
Current assets, which include cash and cash equivalents, are those set to be realised, sold or used during the company's normal operational cycle or in the 12 months following the reporting date; current liabilities are those whose extinction is envisaged during the company's normal operating cycle or in the 12 months after the reporting date.
The Income Statement reflects analysis of costs grouped by function as this classification was deemed more meaningful for comprehension of the Company's business result.
The Statement of Comprehensive Income presents the components that determine gain/(loss) for the period and the costs and revenues reported directly under Shareholders' Equity for transactions other than those set up with shareholders.
The Cash Flow Statement is presented using the indirect method.
The statement of changes in Shareholders' Equity analytically details the changes occurring in the financial year and in the previous financial year.
In preparing the financial statements, the historic cost principle has been adopted for all assets and liabilities except for some tangible assets in the "Land and buildings" category, which were revalued on transition to IFRS, as described later in this document, and some financial assets available for sale (AFS) for which the fair value principle is applied.
Preparation of IFRS-compliant financial statements requires the use of some estimates. Reference should be made to the section describing the main estimates made in these financial statements.

These financial statements are drawn up in thousands of Euro, which is the Group's "functional" and "presentation" currency as envisaged by IAS 21, unless otherwise indicated.

Accounting policies and standards applied

Below we indicate the policies adopted for preparation of the Company's financial statements as at 31 December 2013.

PROPERTY, PLANT AND EQUIPMENT (IAS 16)

Owned tangible assets are initially recognised at the cost of contribution, purchase, or in-house construction. The cost comprises all directly attributable costs necessary to make the asset available for use (including, when significant and in the presence of effective obligations, the present value of the estimated costs for decommissioning and removal of the asset and for reinstatement of the location), net of trade discounts and allowances.

Some tangible assets belonging to the Land and Buildings categories, in line with IAS 16 provisions, were measured at fair value as at 31 January 2004 (IFRS transition date) and this value was used as the deemed cost. As allowed by IFRS 1, fair value has been calculated on the basis of valuation appraisals performed by independent outside advisors. The cost of buildings is depreciated net of the residual value estimated as the realisation value obtainable via disposal at the end of the building's useful life.

Costs incurred after purchase (maintenance and repair costs and replacement costs) are recognised in the asset's carrying value, or are recognised as a separate asset, only if it is thought likely that the future economic benefits associated with the asset will be enjoyed and the asset's cost can be reliably measured. Maintenance and repair costs or replacement costs that do not have the above characteristics are recognised in the Income Statement in the year in which they are borne.

Tangible assets are depreciated on a straight-line basis each year - starting from the time when the asset is available for use, or when it is potentially able to provide the economic benefits associated with it - according to economic/technical rates determined according to assets' residual possibility of use and taking into account the month when they became available for use in the first year of utilisation.
Land is considered to be an asset with an indefinite life and therefore not subject to depreciation.

The depreciation rates applied are as follows:

Asset category	Annual depreciation rates
Property:	
Buildings	2% - 3.3%
Land	0%
Plant and equipment:	
Automatic operating machines	20% - 14.29%
Furnaces and appurtenances	14%
Generic/specific production plant	20% - 10%
Other assets:	
Plant pertaining to buildings	8.33% - 10% - 6.67%
Lightweight constructions	10% - 6.67% - 4%
Production equipment & electronic instruments	20% - 10%
Moulds	20%
Electronic office machinery	33% - 20% - 10%
Office furniture and fittings	10% - 6.67% - 5%
Cars	25%
Freight vehicles	14%
Trade show & exhibition equipment	11% - 20%
Improvements to third-party assets	Contract duration

If, regardless of the depreciation already posted, enduring impairment of value emerges, the asset is written down; if the reasons for devaluation disappear in later years, the original value is reinstated. The residual value and useful life of assets are renewed at least at each year-end in order to assess any significant changes in value.

Gains and losses on disposals are calculated by comparing the selling price with net carrying value. The amount thus determined is recognised in the Income Statement.

ASSETS HELD UNDER FINANCE LEASE CONTRACTS (IAS 17)

Assets held under finance lease contracts are those non-current assets for which the Company has assumed all the risks and benefits connected with ownership of the asset. Such assets are measured at the lower of fair value and present value of lease instalments at the time of contract signature, net of cumulative depreciation and write-downs. Financial lease instalments are recorded as described in IAS 17; specifically, each instalment is divided into principal and interest. The sum of the portions of principal payable at the reporting date is recorded as a financial liability; the portions of interest are recorded in the Income Statement each year until full repayment of the liability.

INTANGIBLE ASSETS (IAS 38)

Intangible assets are recognised under assets in the Statement of Financial Position when it is likely that use of the asset will generate future economic benefits and when the asset's costs can be reliably calculated. They are initially recognised at the value of contribution or at acquisition or production cost, inclusive of any ancillary costs.
Gains and losses on disposals are calculated by comparing the selling price with net carrying value. The amount thus determined is recognised in the Income Statement.

RESEARCH AND DEVELOPMENT EXPENSES

As required by IAS 38, research costs are entered in the Income Statement at the time when the costs are incurred.
Development costs for projects concerning significantly innovative products or processes are capitalised only if it is possible to demonstrate:

- the technical possibility of completing the intangible asset in such a way as to make it available for use or sale;
- the intention of completing the intangible assets for use or sale;
- the ability to use or sell the intangible asset;
- the ability to reliably measure the cost attributable to the intangible asset during its development;
- the availability of adequate technical, financial or other resources to complete the intangible asset's development and for its use or sale;
- how the intangible asset will generate probable future economic benefits.

In the absence even of just one of the above requirements the costs in question are fully recognised in the Income Statement when they are borne.
Development costs have a finite useful life and are capitalised and amortised on a straight-line basis from the start of the product's commercial production for a period equal to the useful life of the products to which they relate, estimated to be five years.

OTHER INTANGIBLE ASSETS

Other intangible assets mainly consist of software used under licence, valued at purchase cost;
These assets are considered to be intangible assets of finite duration and are amortised over their presumable useful life (see the next table).

AMORTISATION AND DEPRECIATION

Intangible assets of finite duration are systematically amortised according to their projected future usefulness, so that the net value at the reporting date corresponds to their residual usefulness or to the amount recoverable according to corporate business plans. Amortisation starts when the asset is available for use.

The useful life for each category is detailed below:

Description	Useful Life - years
Goodwill	Indefinite useful life
Development costs	5
Other intangible assets:	
- Software licences (other than SAP licences)	3/5
- Trademarks	3
- Know-how	7
- SAP licences	10
- User licences	Contract duration

Intangible assets with an indefinite useful life are not amortised but tested to identify any impairment of value annually, or more frequently when there is evidence that the asset may have suffered impairment.

IMPAIRMENT (IAS 36)

Tangible and intangible assets are tested for impairment in the presence of specific indicators of loss of value, and at least annually for intangible assets with an indefinite life and goodwill.
The aim of this impairment test is to ensure that tangible and intangible assets are not carried at a value exceeding their recoverable value, consisting of the higher between their fair value and selling costs and their value in use.
Value in use is calculated based on the future cash flows that are expected to originate from the asset or CGU (Cash Generating Unit) to which the asset belongs. Cash flows are discounted to present value using a discount rate reflecting the market's current estimate of the time value of money and of the risks specific to the asset or CGU to which presumable realisation value refers.
Given their autonomous ability to generate cash flows, the Group's CGUs are defined as being the individual consolidated companies.

If the recoverable value of the asset or CGU to which it belongs is less than the net carrying value, the asset in question is written down to reflect its impairment, with recognition of the latter in the Income Statement for the period.
Impairment costs relating to CGUs are allocated firstly to goodwill and, for the remainder, to the other assets on a proportional basis.

If the reasons causing it cease to exist, impairment is reversed within the limits of the amount of what would have been the book value, net of amortisation of the historical cost, if no impairment had been recognised.
Any reinstatements of value are recognised in the Income Statement. In the case of goodwill, impairment value is never reversed.

CALCULATION OF PRESUMED RECOVERABLE VALUE

The presumed recoverable value of non-financial assets is equal to the higher between the net sales price and value in use. Value in use is determined based on expected cash flows related to assets, discounted at a rate that takes into account the market value of interest rates and specific risks of assets to which the estimated realisation value refers.

REVERSAL OF IMPAIRMENT LOSSES

If the reasons causing it cease to exist, impairment is reversed within the limits of the amount of what would have been the book value, net of amortisation of the historical cost, if no impairment had been recognised.
Any reinstatements of value are recognised in the Income Statement. In the case of goodwill, impairment value is never reversed.

EQUITY INVESTMENTS IN AFFILIATES

Equity investments in subsidiaries, included in the consolidated financial statements, are disclosed based on IAS 27, by using the cost method, net of impairments.

EQUITY INVESTMENTS IN ASSOCIATES

Equity investments are classified under non-current assets and are valued at equity, pursuant to IAS 28. The portion of profits or losses resulting from the application of this method is indicated in a specific item of the Income Statement.

OTHER EQUITY INVESTMENTS

Equity investments in other companies are classified as available-for-sale financial instruments, according to the definition established in IAS 39, although the Company has not expressed an intention to sell these investments, and they are valued at fair value on the reporting date.

FINANCIAL ASSETS (IAS 39)

In accordance with IAS 39, the Company classifies its financial assets in the following categories:

Financial assets at fair value with contra entry in the Income Statement: these are financial assets acquired primarily with the intention of making a profit from short-term price fluctuations and designated as such from the outset. They are recognised at fair value and any changes during the period are recognised in the Income Statement. Within the Group this category includes securities classified among current assets.

Loans and receivables: loans and receivables are financial assets other than derivatives with a fixed or calculable payment flow and which are not listed in an active market. They are recognised according to the amortised cost criterion using the effective interest rate method. They are classified as "Current assets", apart from those due after 12 months, which are classified as non-current assets. Within the Group this category includes trade receivables, other receivables and available cash.

Available for sale financial assets: these are financial assets other than derivatives, which are not classified in other categories; they are valued at fair value and related changes are entered in an Equity reserve. They are classified under non-current assets, unless they are intended to be sold within 12 months. Within the Group this category includes equity investments in other companies and securities.

The fair value of listed securities is based on current market prices. If a financial asset's market is not active, the Company establishes fair value by using recent transactions taking place close to the reporting date or by referring to other instruments of substantially the same kind or using Discounted Cash Flow (DCF) models.
In some circumstances, the Company does not have sufficient information to calculate the fair value of these financial assets. In this case, they are maintained at cost.
A financial asset (or, where applicable, the portion of a financial asset or part of a group of similar financial assets) is removed from the financial statements when:

- the rights to receive the cash flows from the asset have been extinguished;
- the Company has transferred the right to receive cash flows from the asset or has assumed the contractual obligation to pay them to a third party in their entirety and without delay and:
  (a) has transferred essentially all the risks and benefits of ownership of the financial asset or
  (b) has not transferred or essentially held all the risks and benefits of the asset, but has transferred control of the asset.

Financial hedging instruments: the Company holds derivative financial instruments to hedge exposure to foreign exchange or interest rate risk. In accordance with the rules of the Risk Policy approved by the Board of Directors, the Company does not have any speculative financial instruments. Consistently with the approach established by IAS 39, hedging instruments are accounted for using the hedge-accounting approach if all the following conditions are met:

- at the inception of a hedge, there is formal documentation of the hedging relationship, of the entity's risk management objectives, and of the strategy for undertaking the hedge;
- the hedge is expected to be highly effective in offsetting changes in fair value (fair value hedge) or in cash flows (cash flow hedge) attributable to the risk hedged;
- for cash flow hedges, a forecast transaction that is hedged must be highly probable and feature exposure to changes in cash flows that could ultimately affect profit or loss;
- the hedge's effectiveness can be reliably assessed, i.e. the fair value or cash values of the item hedged and the hedging instrument's fair value can be reliably measured;
- the hedge has been assessed on the basis of a recurrent criterion and is considered highly effective throughout the derivative's life.

The basis of measurement of hedging instruments is their fair value on the designated date.

The fair value of currency derivatives is calculated in relation to their intrinsic value and their time value.

At each annual reporting date, hedging instruments are tested for effectiveness to see whether the hedge qualifies as an effective hedge and is therefore eligible for hedge accounting.

The fair value of hedging instruments is set out in note 6, while movements in the cash flow hedge reserve are shown in note 11.

When financial instruments qualify for hedge accounting, the following accounting treatment is applied:

Fair value hedge – If a financial derivative is designated as a hedge for exposure to the changes in fair value of an asset or liability attributable to a particular risk that may affect the Income Statement, profit, or loss, deriving from subsequent valuations of the hedge's fair value is recognised in the Income Statement. The profit or loss on the hedged item, attributable to the risk covered, changes the carrying value of that item and is recognised in the Income Statement.

Cash flow hedge – If a financial derivative is designated as a hedge for exposure to the variability of future cash flows of an asset or liability, or of an expected, highly probable transaction that may affect profit and loss, the changes in the hedge's fair value are recognised in Equity for the effective portion of the hedge (intrinsic value) while the part relating to time value and any ineffective portion (over-hedging) is recognised in the Income Statement;
if a hedge or hedging relationship has ended but the hedged transaction has not yet taken place, cumulative profits and losses recognised thus far in Equity are recognised in the Income Statement when the related transaction takes place. If the hedged transaction is no longer considered probable, the still unrealised profits and losses suspended in equity are immediately recognised in the Income Statement.

If hedge accounting cannot be applied, gains and losses arising from fair-value measurement of the financial derivative are immediately recognised in the Income Statement.

INVENTORIES (IAS 2)

Inventories are measured at the lower of cost and net realisable value. Cost is calculated using the weighted average cost method. Finished products, semi-finished products and raw material costs include the cost of raw materials, direct labour, and other production costs that are directly and indirectly allocable (in this case on the basis of normal production capacity). Net realisable value is the estimated selling price in the normal course of business, less any selling costs.
Following the spin-off of divisions on 2 April 2007, from that date, the Company no longer has inventories.

TRADE AND OTHER RECEIVABLES (IAS 32 AND 39)

Receivables, with due dates consistent with normal terms of trade in the sector in which the Company is active, or that earn interest at market rates, are not discounted to present value. They are recognised at cost (identified as face value), net of provisions for doubtful accounts, which are shown as a direct deduction from such receivables in order to align them with their fair value. Receivables whose due date exceeds normal terms of trade (i.e. due dates longer than one year) are initially recognised at fair value and subsequently at amortised cost – using the effective interest rate method – net of related impairment losses.
The estimated impairment of receivables is recognised when it becomes evident that the past-due receivable cannot be recovered, due to financial difficulties of the customer that might lead to its bankruptcy or financial restructuring.

CASH AND CASH EQUIVALENTS (IAS 32 AND 39)

Cash and cash equivalents comprise cash on hand, bank and post office balances, and short-term financial investments (maturity of three months or less after purchase date) that are highly liquid, readily convertible into cash and are subject to insignificant risk of changes in value.
Current-account overdrafts and advances on invoices subject to collection are deducted from cash only for the purposes of the Cash Flow Statement.

SHAREHOLDERS' EQUITY

Share capital consists of the ordinary shares outstanding, which are posted at par value.
Costs relating to the issue of new shares or options are classified in Equity (net of associated tax benefit relating to them) as a deduction from the proceeds of the issuance of such instruments.
In the case of buyback of treasury shares, the price paid, inclusive of any directly attributable accessory costs, is deducted from the Group's Shareholders' Equity until such shares are cancelled, re-issued, or sold, as required by IAS 32. When treasury shares are resold or re-issued, the proceeds, net of any directly attributable accessory costs and related tax effect, are posted as Company Shareholders' Equity.
Consequently, no profit or loss is entered in the consolidated Income Statement at the time of purchase, sale or cancellation of treasury shares.

INTERESTING-BEARING FINANCIAL LIABILITIES (IAS 32 AND 39)

Interest-bearing financial liabilities are initially recorded at fair value, net of ancillary costs.
After initial recognition, interesting-bearing financial liabilities are measured at amortised cost using the effective interest rate method.

A financial obligation is written off when the obligation underlying the liability has been extinguished or annulled or fulfilled.
If an existing financial liability is replaced by another one from the same lender, under conditions that are essentially different, or if the terms and conditions of an existing liability are essentially amended, this change or amendment will be treated as a reversal of the original liability or the recognition of a new liability, with recognition in Income of any differences involving the carrying values.

LIABILITIES FOR EMPLOYEE BENEFITS (IAS 19)

Post-employment benefits are calculated based on programmes that, depending on their characteristics, are either "defined-contribution programmes" or "defined-benefit programmes".

Employee benefits mainly consist of severance indemnities for the Company.
Italian Law No. 296 of 27 December 2006 ("2007 National Budget Law") and subsequent decrees and regulations enacted during 2007 introduced – as part of overall reform of the Italian pension system – significant changes regarding the ultimate use of the portions of severance-indemnity provision accruing.

Until 31 December 2006, severance indemnity provision came within the scope of post-employment defined-benefit plans and was measured in accordance with IAS 19, by independent actuaries, using the projected unit credit method.
Actuarial gains and losses as at 1st January 2005 – the date of transition to IFRSs – were recognised in specific equity reserved.
Actuarial gains and losses after that date are recognised in the Income Statement on an accrual accounting basis, i.e. not using the "corridor" method envisaged by IAS 19.

Following the reform of supplemental pensions, employees can allocate the new severance indemnity provision accruing to supplemental pension systems, or opt to keep it in the company (in the case of companies with less than 50 employees) or to transfer them to the INPS – the state pension and welfare agency (in the case of companies with more than 50 employees).
Based on these rules, and also basing itself on the generally accepted interpretation, the Group decided that:

- for the portion of severance indemnities accruing up to 31 December 2006, the provision in question constituted a defined-benefit plan, to be valued according to the actuarial rules, but no longer including the component relating to future salary increases. The difference resulting from the new calculation in relation to the previous one was treated as curtailment as defined by IAS 19.109 and consequently entered in the Income Statement for the year ended on 31 December 2007;
- subsequent portions of severance indemnities accruing, both in the case of opting for supplemental pension planning and in the case of allocation to the central treasury fund c/o the INPS, come within the scope of defined-contribution plans, thus excluding – in calculating the cost for the year – components relating to actuarial estimates.

PROVISIONS FOR RISKS AND CHARGES (IAS 37)

Provisions for risks and charges are set aside to cover liabilities whose amount or due date are uncertain and that must be recognised on the Statement of Financial Position when the following conditions are satisfied at the same time:

- the entity has a present obligation (legal or constructive), i.e. under way as at the reporting date, arising from a past event;
- it is probable that economic resources will have to be used to fulfil the obligation;
- the amount needed to fulfil the obligation can be reliably estimated.

Risks, for which materialisation of a liability is only contingent, are disclosed in the notes to accounts, in the section commenting on provisions, without provision being made.

In the case of events that are only remote, i.e. events that have very little likelihood of occurrence, no provision made and no additional or supplementary disclosure is provided.

Provisions are recognised at the value representing the best estimate of the amount the entity would pay to settle the obligation, or to transfer it to third parties, at the reporting date. If the time value of money is material, provisions are calculated by discounting expected future cash flows at a pre-tax discount rate reflecting the market's current evaluation of the cost of money over time.
When discounting to present value is performed, the increase in the provision due to the passage of time is recognised as finance expense.

INCOME TAXES (IAS 12)

Income taxes include current and deferred taxes. Income taxes are generally recognised in the Income Statement, except when they relate to items entered directly in equity, in which case the tax effect is recognised directly in Equity.
Current income taxes are the taxes that are expected to be paid, calculated by applying to taxable income the tax rate in force at the reporting date and adjustments to taxes related to prior periods.

Deferred taxes are calculated using the liability method applied to temporary differences between the amount of assets and liabilities in the consolidated financial statements and the corresponding amounts recognised for tax purposes, except as follows:

- deferred tax liabilities derive from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, when the transaction itself occurs, does not affect the balance sheet profits or the profits or losses calculated for tax purposes;
- the reversal of taxable temporary differences associated with equity investments in subsidiaries, associates or joint ventures, may be controlled and will probably not occur in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences and tax credits and losses and can be brought forward, to the extent that the existence of adequate future taxable profits will exist against which the usage of the deductible temporary differences and the tax credits and losses brought forward can be used, except in cases where:

- the deferred tax assets connected to the deductible temporary differences arise from initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction itself, does not affect the balance sheet result or the profit or loss for tax purposes;

- there are taxable temporary differences associated with equity investments in subsidiaries, associates and joint ventures and deferred tax assets are recognized only to the extent that the deductible temporary differences will be reversed in the foreseeable future and that there are adequate taxable profits against which the temporary differences can be used.

Deferred taxes are calculated at the tax rate expected to be in force at the time when the asset is sold or the liability is redeemed.

Deferred tax assets are recognised only if it is probable that sufficient taxable income will be generated in subsequent years to realise them.
The Parent Company Datalogic S.p.A. and other Italian subsidiaries fall within the scope of the "domestic tax consolidation" of Hydra S.p.A.. This permits the transfer of total net income or the tax loss of individual participant companies to the Parent Company, which calculates a single taxable income for the Group or a single tax loss carried forward, as the algebraic sum of the income and/or losses, and therefore files a single tax liability or credit with the Tax Authorities.

TRADE AND OTHER PAYABLES (IAS 32 AND 39)

Trade and other payables are measured at cost, which represents their discharge value.
Short-term payables are not discounted, since the effect of discounting the cash flows is not significant.

REVENUE RECOGNITION (IAS 18)

Revenues include the fair value of the amount collected or collectable from the sale of goods or rendering of services within the scope of the Company's characteristic business activity. Revenues are shown net of VAT, returns, discounts and allowances.

Sale of goods

Revenues from the sale of goods are recognised only when all the following conditions are met:
- most of the risks and rewards of ownership of the goods have been transferred to the buyer;
- effective control over the goods sold and continuing managerial involvement to the degree usually associated with ownership have ceased;
- the amount of revenues can be reliably measured;
- it is probable that the economic benefits associated with the transaction will flow to the entity;
- the costs incurred or to be incurred in respect of the transaction can be reliably measured.

Rendering of services

Revenues arising from a transaction for the rendering of services is recognised only when the results of the transaction can be reliably estimated, based on the stage of completion of the transaction at the reporting date. The results of a transaction can be reliably measured when all the following conditions are met:
- the amount of revenues can be reliably measured;
- it is probable that the economic benefits of the transaction will flow to the entity;
- the stage of completion at the reporting date can be reliably measured;
- the costs incurred, or to be incurred, to complete the transaction can be reliably measured.

Revenues relating to dividends, interest and royalties are respectively recognised as follows:
- dividends, when the right is established to receive dividend payment (with a receivable recognised in the statement of financial position when distribution is resolved);
- interest, with application of the effective interest rate method (IAS 39);
- royalties, on an accruals basis in accordance with the underlying contractual agreement.

GOVERNMENT GRANTS (IAS 20)

Government grants are recognised - regardless of the existence of a formal grant resolution - when there is reasonable certainty that the company will comply with any conditions attached to the grant and therefore that the grant will be received.
Government grants receivable as compensation for costs already incurred or to provide immediate financial support to the recipient company with no future related costs, are recognised as income in the period in which they become receivable.

RENTAL AND OPERATING LEASE COSTS (IAS 17)

Lease contracts in which the lessor substantially preserves all the risks and rewards of ownership are classified as operating leases and related fees are charged to the Income Statement on a straight-line basis according to the contract's duration.

DIVIDENDS DISTRIBUTED (IAS 1 AND 10)

Dividends are recognised when shareholders have the right to receive payment. This normally corresponds to the date of the annual general shareholder meeting that approves dividend distribution.
The dividends distributable to Company Shareholders are recognised as an equity movement in the year when they are approved by the Shareholders' Meeting.

EARNINGS PER SHARE - EPS (IAS 33)

Basic

Basic EPS is calculated by dividing the Company's profit by the weighted average number of ordinary shares outstanding during the year, excluding treasury shares.

Diluted

Diluted EPS is calculated by dividing the Company's profit by the weighted average number of ordinary shares outstanding during the year, excluding treasury shares. For the purposes of calculating diluted EPS, the weighted average number of shares is determined assuming translation of all potential shares with a dilutive effect, and the Company's net profit is adjusted for the post-tax effects of translation.

TREATMENT OF FOREIGN CURRENCY ITEMS (IAS 21)

Transactions and balances

Foreign currency transactions are initially converted to euro at the exchange rate existing on the transaction date.
On the reporting date, foreign-currency monetary assets and liabilities are converted at the exchange rate in force on that date.
Foreign-currency non-monetary items measured at cost are converted using the exchange rate in force on the transaction date.
Non-monetary items recognised at fair value are converted using the exchange rate in force when carrying value is calculated.
Foreign exchange gains and losses arising from the collection of foreign currency receivables or payment of foreign currency payables are recognised in the Income Statement.

Amendments, new standards and interpretations

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED AS OF 1ST JANUARY 2013

The accounting standards adopted for preparation of the Company's financial statements conform to those used for the preparation of the financial statements for the period ended 31 December 2012, except for the adoption on 1st January 2013 of the new standards, amendments and interpretations.

The Company has adopted for the first time some accounting standards and amendments which involve the restatement of the prior financial statements. These standards comprise IAS 19 (2011) - Employee Benefits, IFRS 13 - Fair Value Measurement and amendments to IAS 1 - Presentation of Financial Statements. The nature and effect of these changes are described hereunder, pursuant to requirements set forth in IAS 8.

Further new principles and amendments entered in force for the first time in 2013. However, the above had no impact on the Company's financial statements. The nature and impact of any new principle/amendment are specified hereunder:

- **IAS 1 - Presentation of Financial Statements - Disclosure of items of other components of the Comprehensive Income**
  The amendment to IAS 1 includes the group of items disclosed in other components of the Comprehensive Income. Items that might be in the future reclassified (or "recycled") to the Income Statement (e.g. net profit/loss from financial assets

available for sale) should now be disclosed separately from items which will never be reclassified (e.g. revaluation of land and buildings). This amendment referred only to the modality of presentation and had no effect on the Company's performance or financial position.

- **IAS 12 - Deferred Taxes: Recovery of Underlying Assets**
  This amendment clarifies the determination of deferred taxes on investment property measured at fair value. The amendment includes the rebuttable presumption that the book value of a real estate investment, measured using the fair value model provided in IAS 40, will be recovered through sale and, consequently, the relative deferred tax asset should be measured on a sale basis. The presumption is rebuttable if the real estate investment is depreciable and held for the purpose of receiving, over time, essentially all the benefits deriving from the real estate investment itself, rather than receiving these benefits by selling. The amendment has had no effect on the Company's performance, financial position or information.

- **IFRS 7 - Disclosures - Offsetting Financial Assets and Financial Liabilities - Amendments to IFRS 7**
  These amendments require the entity to supply information on offsetting rights and related agreements (e.g. guarantees). The information will supply the reader of the financial statements with useful information to evaluate the effect of offsetting agreements on the financial position of the entity. The new information is required for all financial instruments accounted for and offset pursuant to IAS 32 - Financial Instruments: Disclosure and Presentation. The information is also required for financial instruments object of framework offsetting agreements (or similar agreements), regardless from whether they are offset according to IAS 32. These amendments had no impact on the Company's financial position or profit/(loss).

- **IAS 19 (2011) - Employee Benefits**
  IAS 19R comprises some changes in accounting for employee defined benefit plans, including actuarial gains and losses, which are now recognised under other components in the comprehensive Income Statement and permanently excluded from the Income Statement. Expected revenues from the plan assets are no longer recognised in the Income Statement. Conversely, interest on net liabilities (assets) of the plan should be recognised in the Income Statement. These interest should be calculated by using the same interest rate applied for the discounting of bonds and costs related to past worker services which are now recognised in the Income Statement. Other changes comprise new information, such as information on qualitative sensitive. The effects of the adoption of IAS 19R are described in Note 11.

- **IFRS 13 - Measurement at fair value**
  Within the IFRS standards, IFRS 13 introduces a new converged guideline for any fair value measurement. IFRS 13 does not amend the cases which require the usage of fair value but rather provides the guideline on how to assess fair value in IFRS. The application of IFRS 13 had no relevant impact on fair value measurements carried out by the Company.

The Company has not provided for an early adoption of any standard, interpretation or improvement that has been issued but is not yet effective.

Standards issued which are not yet in force

Following are the standards which, on the date when the financial statements were prepared, had already been issued but were not yet in force.

- **IFRS 10 - Consolidated Financial Statements, IAS 27 (2011) - Separate Financial Statements**
  IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that refers to accounting of the consolidated financial statements. It also includes the problems referred to in SIC 12 Consolidation - Special Purpose Entities.
  IFRS 10 establishes a single control model that is applicable to all the companies, including special purpose entities. The changes introduced by IFRS 10, as opposed to IAS 27, will require management to make assessments to determine which companies are subsidiaries and therefore which must be consolidated by the Parent Company. Based on the preliminary analysis performed, it is not expected that IFRS 10 would have any impact on equity investments currently held by the Group. This standard will be applicable to periods beginning on 1st January 2014 or later.

- **IFRS 11 - Joint Arrangements**
  IFRS 11 replaces IAS 31 Interests in joint ventures and SIC 13 Jointly Controlled Entities - Non-Monetary Contributions by Venturers.
  IFRS 11 eliminates the option of accounting for subsidiaries jointly using the proportional consolidation method. Jointly controlled companies that can be defined as a joint venture must be accounted for using the Equity method.
  The application of this principle will have no impact on the Group's financial position. This standard will be applicable to periods beginning on 1st January 2014 or later, and shall be applied retrospectively to joint arrangements in force at the initial effective date .

- **IFRS 12 - Disclosure of Interests in Other Entities**
  IFRS 12 encompasses all the disclosure requirements for financial statements that were previously contained within IAS 27 as well as the disclosure requirements for IAS 31 and IAS 28. This disclosure refers to the interests of one company in subsidiaries, joint arrangements, associates and structured entities.
  Furthermore a new type of disclosure is provided. These amendments will have no impact on the Company's financial position or profit/(loss). This standard will be applicable to periods beginning on 1st January 2014 or later.

- **IAS 28 (2011) - Investments in Associates and Joint Ventures**
  Following the new IFRS 11 - Joint Arrangements and IFRS 12 - Disclosure of Interests in other entities, the new IAS 28 was renamed Investments in Associates and Joint Ventures and describes application of the equity method to equity investments in jointly controlled companies in addition to associates. The amendments are applicable from annual reporting periods beginning on or after 1st January 2014.

- **IFRS 32 - Disclosures - Offsetting Financial Assets and Financial Liabilities - Amendments to IFRS 32**
  The amendments clarify the meaning of "currently has a legally enforceable right to set-off". The amendments also clarify the application of the offsetting criterion set forth in IAS 32 in the event of offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. These amendments are not likely to have any impact on the Group's Financial Position or profit and loss and will be applicable to annual periods beginning on or after 1st January 2014.

Use of estimates

Preparation of IFRS-compliant consolidated financial statements and of the relevant notes requires directors to apply accounting principles and methodologies that, in some cases, are based on valuations and estimates, which in turn are based on historic experience and assumptions considered reasonable and realistic based on circumstances at any given time. The application of such estimates and assumptions affects the amounts reported in financial statements, i.e. the Statement of Financial Position, Income Statement, and Cash Flow Statement, as well as the information disclosed. The ultimate actual amounts of accounting items, for which these estimates and assumptions have been used, might be different from those reported in the financial statements due to the uncertainty characterising the assumptions and conditions on which estimates are based.

Below we list the accounting items that, more than others, require greater subjectivity on the part of directors in developing estimates and for which any change in conditions underlying assumptions made could have a significant impact on the Company's financial statements.

- impairment of non-current assets;
- deferred tax assets;
- provisions for doubtful accounts;
- employee benefits;
- provisions for risks and charges.

Estimates and assumptions are reviewed regularly and the effects of every change are immediately reflected in the Income Statement.

Financial risk management

RISK FACTORS

The Company is exposed to various types of financial risks in the course of its business, including:

- **credit risk,** deriving from trade transactions or from financing activities;
- **liquidity risk**, relating to availability of financial resources and access to the credit market;
- **market risk**, specifically:
  a) **foreign exchange risk**, relating to transactions that generate cash flows in other currencies that fluctuate in value;
  b) **interest rate risk**, relating to the Company's exposure to financial instruments that generate interest.

The Company is not exposed to any price risk, as it does not hold significant quantities of listed securities in its portfolio, nor is it otherwise exposed to the risk deriving from the trend of commodities traded on the financial markets.

The Company specifically monitors each of the aforementioned financial risks, taking prompt action in order to minimise such risk. The Company uses derivative contracts relating to underlying financial assets or liabilities or future transactions. The Central Treasury Department operates directly on the market on behalf of subsidiary and investee companies. The management of the market and liquidity risks therefore takes place within the Company and specifically the Central Treasury Department, while credit risks are managed by the Group's operating units. The sensitivity analysis is subsequently used to indicate the potential impact on the final results deriving from hypothetical fluctuations in the reference parameters. As provided for by IFRS 7, the analyses are based on simplified scenarios applied to the final figures and, owing to their nature, they cannot be considered indicative of the actual effects of future changes.

MARKET RISK

a) Foreign exchange risk

Datalogic operates internationally and is exposed to the risk associated with a variety of currencies.
Transaction risk mainly relates to trade transactions (foreign currency receivables/payables) and financial transactions (foreign currency borrowings or loans) to/from Group companies in currencies other than their functional currency.
The key currencies are the US dollar and the British pound.
To permit full understanding of the foreign exchange risk on the Company's financial statements, we have analysed the sensitivity of foreign currency accounting items to changes in exchange rates. The variability parameters applied were identified among the exchange rate changes considered reasonably possible, with all other variables remaining equal.

The following tables show the results of this sensitivity analysis:

Items exposed to interest rate risk with impact on the Income Statement before taxes:

USD	Carrying value	Portion exposed to exchange rate risk	+ 10%	+ 5%	+ 1%	-1%	-5%	-10%
Exchange rates		**1.3791**	**1.5170**	**1.4481**	**1.3929**	**1.3653**	**1.3101**	**1.2412**
Financial assets								
Cash and cash equivalents	93,887	21,687	(1,972)	(1,033)	(215)	219	1,141	2,410
Trade and other receivables	4,665	875	(80)	(42)	(9)	9	46	97
Derivative instruments								
Loans	231,477	50,613	(4,601)	(2,410)	(501)	511	2,664	5,624
Pre-tax impact on Income Statement			**(6,652)**	**(3,485)**	**(725)**	**739**	**3,851**	**8,131**
Financial liabilities								
Loans	337,372	28,898	2,627	1,376	286	(292)	(1,521)	(3,211)
Trade and other payables	9,551	183	17	9	2	(2)	(10)	(20)
Pre-tax impact on Income Statement			**2,644**	**1,385**	**288**	**(294)**	**(1,531)**	**(3,231)**
Pre-tax impact on Income Statement, net			**(4,009)**	**(2,100)**	**(437)**	**445**	**2,321**	**4,899**

GBP	Carrying value	Portion exposed to exchange rate risk	+ 10%	+ 5%	+ 1%	-1%	-5%	-10%
Exchange rates		**0.8337**	**0.9171**	**0.8754**	**0.8420**	**0.8254**	**0.7920**	**0.7503**
Financial assets								
Cash and cash equivalents	93,887	4,055	(369)	(193)	(40)	41	213	451
Trade and other receivables								
Pre-tax impact on Income Statement			**(369)**	**(193)**	**(40)**	**41**	**213**	**451**
Financial liabilities								
Loans	337,372	4,587	417	218	45	(46)	(241)	(510)
Trade and other payables								
Pre-tax impact on Income Statement			**417**	**218**	**45**	**(46)**	**(241)**	**(510)**
Pre-tax impact on Income Statement, net			**48**	**25**	**5**	**(5)**	**(28)**	**(59)**

Items exposed to exchange rate risk with impact on Equity:

As at 31 December 2013, the Company holds the following items exposed to exchange rate risk, with impact on Equity:

USD	Carrying value	Portion exposed to exchange rate risk	+ 10%	+ 5%	+ 1%	-1%	-5%	-10%
Exchange rates		**1.3791**	**1.5170**	**1.4481**	**1.3929**	**1.3653**	**1.3101**	**1.2412**
Financial liabilities								
Loans	231,477	99,036	(9,003)	(4,716)	(981)	1,000	5,212	11,004
Impact on Shareholders' Equity			**(9,003)**	**(4,716)**	**(981)**	**1,000**	**5,212**	**11,004**

b) Interest rate risk

The Company is exposed to interest rate risk associated both with the availability of cash and with borrowings. The aim of interest rate risk management is to limit and stabilise payable flows caused by interest paid mainly on medium-term debt in order to achieve a tight match between the underlying and the hedging instrument.

With regard to medium/long-term loans, as at 31 December 2013 Datalogic has interest rate swaps in place with financial counterparties of premier standing for a notional total of €23 million. These derivatives permit the hedging of about 10% of total bank borrowings against the risk of a rise in interest rates of Datalogic S.p.A., synthetically transforming variable-rate loans into fixed-rate loans.

Bank borrowings, mortgages and other short-long term loans	Amount	%
Variable rate	201,146	89%
Fixed rate	0	0%
Variable rate hedged through derivative instruments	23,438	10%
Leasing	1,056	0.5%
Total	**225,639**	**100%**

In order to fully understand the potential effects of fluctuations in interest rates to which the Company is exposed, we analysed the accounting items most at risk, assuming a change 20 basis points in the Euribor and of 10 basis points in the USD and GBP Libor. The analysis was based on reasonable assumptions. Below we show the results as at 31 December 2013:

Items exposed to interest rate risk with impact on the Income Statement before taxes:

Euribor (Euros/000)	Carrying value	of which exposed to exchange rate risk	20bp	-20bp
Financial assets				
Cash and cash equivalents	93,887	68,145	136	(136)
Loans	231,477	81,827	164	(164)
			300	**(300)**
Financial liabilities				
Loans	337,371	279,811	(560)	560
			(560)	**560**
Total increases/(decreases)			**(260)**	**260**

USD Libor	Carrying value	of which exposed to exchange rate risk	10bp	-10bp
Financial assets				
Cash and cash equivalents	93,887	21,687	22	(22)
Loans	231,477	50,614	51	(51)
			73	**(73)**
Financial liabilities				
Loans	337,371	28,898	(29)	29
			(29)	**29**
Total increases/(decreases)			**44**	**(44)**

GBP Libor	Carrying value	of which exposed to exchange rate risk	10bp	-10bp
Financial assets				
Cash and cash equivalents	93,887	4,055	4	(4)
			4	**(4)**
Financial liabilities				
Loans	337,371	4,587	(5)	5
			(5)	**5**
Total increases/(decreases)			**(1)**	**1**

Items exposed to interest rate risk with impact on the Equity before taxes:

Euribor (Euros/000)	Carrying value	of which exposed to exchange rate risk	20bp	-20bp
Derivative instruments	23,437	23,437	(47)	47

USD Libor	Carrying value	of which exposed to exchange rate risk	10bp	-10bp
Financial liabilities	231,477	99,036	99	**(99)**

Credit risk

Based on the abovementioned reorganisation of 2 April 2007, Datalogic S.p.A, having no direct relations with customers but only with associates, was not in fact exposed to this risk.

Datalogic S.p.A. has also granted sureties of €6,018 thousand and letters of patronage of €20,000 thousand against the use of a credit line by subsidiaries.

Liquidity risk

The Company's liquidity risk is minimised by careful management by the Central Treasury Department. Bank indebtedness and the management of liquidity are handled via a series of instruments used to optimise the management of financial resources. Firstly, there are automatic mechanisms such as cash pooling (subsidiaries are in the process of being integrated into existing arrangements) with consequently easier maintenance of levels of availability. The Central Treasury manages and negotiates medium/long-term financing and credit lines to meet the Group's requirements. Specifically, following the company restructuring described above, each division's subholding companies have operating lines for short-term requirements (revolving credit lines and on the receivables book) while Datalogic S.p.A., as the Parent Company, has cash credit lines for future requirements in favour of the Group. Centralised negotiation of credit lines and loans on the one hand and centralised management of the Group's cash resources on the other have made it possible to reduce the costs of short-term indebtedness and increase interest income.

The Company mainly operates with major historic banks, including some international institutions, which have provided important support on foreign investments.

The following table details the financial liabilities and derivative financial liabilities settled on a net basis by the Company, grouping them according to residual contractual maturity as at the reporting date. The amounts shown are contractual cash flows not discounted to present value.

The following table analyses financial liabilities by maturity as at 31 December 2013 and 31 December 2012:

(Euros/000)	As at 31 December 2013		
	0 - 1 year	1 - 5 years	> 5 years
Bank loans and mortgages	44,280	180,272	
Payables for lease	259	828	
Financial derivatives (IRS)	359		
Trade and other payables	9,551		
Financing by Group companies	648		
Cash Pooling	111,085		
Total	**166,182**	**181,100**	**0**

(Euros/000)	As at 31 December 2012		
	0 - 1 year	1 - 5 years	> 5 years
Bank loans and mortgages	68,119	134,355	
Payables for lease	252	1,060	
Financial derivatives (IRS)	813		
Trade and other payables	10,327		
Financing by Group companies	6,396		
Cash Pooling	36,025		
Total	**121,932**	**135,415**	**0**

Information on Statement of Financial Position Assets

NOTE 1. TANGIBLE ASSETS

Details of movements as at 31 December 2013 and 31 December 2012 are as follows:

(Euros/000)	31.12.2013	31.12.2012	Change
Land	2,466	2,466	0
Buildings	15,651	15,056	595
Other assets	3,707	3,032	675
Assets in progress and payments on account	0	209	(209)
Total	**21,824**	**20,763**	**1,061**

Changes taking place in the period are as follows:

(Euros/000)	Land	Buildings	Other assets	Assets in progress and payments on account	Total
Historical cost	2,466	16,351	7,679	209	26,705
Accumulated depreciation	-	(1,295)	(4,647)	-	(5,942)
Net initial value at 01.01.2013	**2,466**	**15,056**	**3,032**	**209**	**20,763**
Increases 31.12.2013					
Investments		586	1,322	-	1,908
Reclassifications		208	5		213
Depreciation reversal			17		17
Total	**-**	**794**	**1,344**	**0**	**2,138**
Decreases 31.12.2013					
Disposals			(20)		(20)
Reclassifications			(3)	(209)	(212)
Depreciation		(199)	(646)		(845)
Total	**-**	**(199)**	**(669)**	**(209)**	**(1,077)**
Historical cost	2,466	17,145	8,986	-	28,597
Accumulated depreciation	0	(1,494)	(5,279)	-	(6,773)
Net value as at 31.12.2013	**2,466**	**15,651**	**3,707**	**0**	**21,824**

- The increase for the year of €586 thousand in the item "Buildings" refers to new investment relating to the restructuring of the buildings at Via Candini 2 and Via San Vitalino 13 located in Calderara di Reno (Bo), as well as to the building of the new canteen.
- The increase for the year of €1,322 thousand in the "Other assets" item breaks down as follows:
  a) €520 thousand primarily for the purchase of furniture necessary for the restructured offices and the new canteen;
  b) €489 thousand for new electrical and hydraulic systems for the new buildings;
  c) €280 thousand for the purchase of electronic office equipment. It should be noted that investments include new appliances purchased to complete the telepresence system installed the previous year.
- The decrease of €208 thousand in the item "Assets in progress and payment on account" refers to the completion of new investments relating to the restructuring of the buildings at Via Candini 2 and Via San Vitalino 13 located in Calderara di Reno (Bo).

NOTE 2. INTANGIBLE ASSETS

Details of movements as at 31 December 2013 and 31 December 2012 are as follows:

(Euros/000)	31.12.2013	31.12.2012	Change
Goodwill			0
Development costs			0
Others	2,679	2,799	(120)
Total	**2,679**	**2,799**	**(120)**

Changes taking place in the period are as follows:

(Euros/000)	Goodwill	Development costs	Others	Total
Historical cost	-	-	7,546	7,546
(Accumulated amortisation)	-	-	(4,747)	(4,747)
Initial value as at 01.01.2013	**0**	**0**	**2,799**	**2,799**
Increases 31.12.2013				
Investments	-	-	520	520
Reclassifications	-	-	182	182
Amortisation reversal	-	-	1	1
Total	**-**	**-**	**703**	**703**
Decreases 31.12.2013				
Disposals	-	-	(2)	(2)
Reclassifications	-	-	(196)	(196)
Depreciation	-	-	(625)	(625)
Total	**-**	**-**	**(823)**	**(823)**
Historical cost	-	-	8,050	8,050
Accumulated amortisation	-	-	(5,371)	(5,371)
Net value as at 31.12.2013	**0**	**0**	**2,679**	**2,679**

The increase for the year of €520 thousand relates to:

- €484 thousand for miscellaneous software;
- €36 thousand for intangible assets in progress.

"Reclassifications" refer to fixed assets in progress as at 31 December 2012 for software completed during 2013.

NOTE 3. EQUITY INVESTMENTS

Equity investments held by the Company as at 31 December 2013 were as follows:

(Euros/000)	Balance at 31.12.2012	Increases	Decreases	Change	Balance as at 31.12.2013
Subsidiaries	174,599	0	0	0	174,599
Associates	0			0	0
Total associates	**174,599**	**0**	**0**	**0**	**174,599**

No change occurred over the year.

NOTE 4. FINANCIAL INSTRUMENTS BY CATEGORY

The Statement of Financial Position items coming within the scope of "Financial instruments" as defined by IAS/IFRSs are as follows:

31.12.2013 (Euros/000)	Loans and receivables	Derivatives	Held for trading	Available for sale	Total
Non-current financial assets	**172**		**360**	**3,669**	**4,201**
Financial assets - equity investments (5)				3,669	3,669
Financial assets - Securities			360		360
Other receivables (7)	172				172
Current financial assets	**94,528**	**0**	**0**	**0**	**94,528**
Trade receivables from third parties (7)	9				9
Other receivables from third parties (7)	632				632
Cash and cash equivalents (10)	93,887				93,887
Total	**94,700**	**0**	**360**	**3,669**	**98,729**

31.12.2013 (Euros/000)	Derivatives	Other financial liabilities	Total
Non-current financial liabilities	**346**	**181,100**	**181,446**
Financial payables (12)		181,100	181,100
Financial liabilities - Derivative instruments (6)	346		346
Other payables (16)			0
Current financial liabilities	**0**	**50,066**	**50,066**
Trade payables to third parties (16)		3,902	3,902
Other payables (16)		1,625	1,625
Financial liabilities - Derivative instruments (6)	0		0
Short-term financial payables (12)		44,539	44,539
Total	**346**	**231,166**	**231,512**

FAIR VALUE – HIERARCHY

All the financial instruments measured at fair value are classified in the three categories defined below:

- **Level 1:** market prices
- **Level 2:** valuation techniques (based on observable market data),
- **Level 3:** valuation techniques (not based on observable market data).

As at 31 December 2013, the Company held the following financial instruments measured at fair value:

(Euros/000)	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets - Equity Investments (5)	3,106	0	563	3,669
Financial assets - LT securities (5)	360	0	0	360
Total assets measured at fair value	**3,466**	**0**	**563**	**4,029**
Liabilities measured at fair value				
Financial liabilities - LT Derivative instruments (6)	0	346	0	346
Total liabilities measured at fair value	**0**	**346**	**0**	**346**

There are no transferrals among the hierarchical levels of fair-value compared to 31 December 2013 and in the comparison period. There have also been no changes in the allocation of the financial instruments that resulted in a differing classification for them.

The Company holds no instruments securing loans to mitigate the credit risk. The carrying value of the financial assets therefore represents the potential credit risk.

NOTE 5. FINANCIAL ASSETS

The financial assets include the following items:

(Euros/000)	31.12.2013	31.12.2012	Change
Securities	360	9,586	(9,226)
Long-term government bonds	360	359	1
Short-term government bonds	0	9,227	(9,227)
Other equity investments	3,669	1,237	2,432
Total	4,029	10,823	(6,794)

The decrease in item "Short-term government bonds" results from the sale, with a capital gain (€112 thousand) entered in the Income Statement, of C.C.T.s purchased in 2012.

Following is the summary table:

TRADING SECURITIES – LISTED

Type of security (Euros/000)	Nominal value	Purchase price	Acquisition value	Market price as at 31.12.2013	Market value as at 31.12.2013	Balance sheet value as at 31.12.2013
Government bonds	360	0.9926	357	1.0006	360	360
Total securities	360		357		360	360

As at 31 December 2013, equity investments held in other companies were as follows:

(Euros/000)	31.12.2012	Increases	Decreases	Write-downs	31.12.2013
Unlisted shares	1,237	0	(674)		563
Listed shares	0	3,106			3,106
Total equity investments	1,237	3,106	(674)	0	3,669

The amount of the "Unlisted shares" item is mainly represented by the investment in the Mandarin Fund, a Private Equity fund that mainly invests in Italian and Chinese small and medium-sized companies, whose primary investors and sponsors are Intesa San Paolo and two leading Chinese banks. The increase for the period is due to the repayment of the aforementioned fund. The "Listed shares" item relates to the purchase of shares in the company Idec Corporation occurred upon conclusion of a strategic agreement with the same company, leader in the Industrial Automation sector in the Japanese market.

NOTE 6. FINANCIAL DERIVATIVES

(Euros/000)	31.12.2013		31.12.2012	
	Assets	Liabilities	Assets	Liabilities
Financial instruments measured at fair value and recognised in the Statement of Comprehensive Income				
Interest rate derivatives - LT cash flow hedges		346		813
Interest rate derivatives - ST cash flow hedges		13		0
Financial Instruments measured at fair value and recognised in the Income Statement				
Total	0	359	0	813

INTEREST RATE DERIVATIVES

The Company sets up interest rate derivatives to manage the risk stemming from changes in rates of interest on bank borrowings, converting part of them from variable to fixed rate via interest rate swaps having the same amortisation plan as the underlying hedged. As envisaged by IAS 39, the fair value of these contracts, totalling €359 thousand, is recognised in a specific

equity reserve net of the tax effect, because they hedge future cash flows and meet all IAS 39 requirements for the application of hedge accounting.
As at 31 December 2013, the notional principal of interest swaps totalled €23,438 thousand (€34,938 thousand as at 31 December 2012).

NOTE 7. TRADE AND OTHER RECEIVABLES

TRADE AND OTHER RECEIVABLES

(Euros/000)	31.12.2013	31.12.2012	Change
Trade receivables within 12 months	9	15	(6)
Trade receivables after 12 months			0
Receivables from associates			0
Receivables from subsidiaries	4,221	9,535	(5,314)
Receivables from Parent Companies			0
Trade receivables	**4,230**	**9,550**	**(5,320)**
Other receivables - accrued income and prepaid expenses	971	713	258
Other receivables from subsidiaries	28	1,988	(1,960)
Other receivables - accrued income and prepaid expenses	**999**	**2,701**	**(1,702)**
Trade and other receivables	**5,229**	**12,251**	**(7,022)**

"Trade receivables" of €4,221 thousand mainly refer to trade receivables relating to royalties for the use of the trademark and services provided by the Company as stipulated in contracts between the parties.

As at 31 December 2013 the breakdown of the item by due date is as follows:

(Euros/000)	2013	2012
Not yet due	3,615	5,409
Past due by 30 days	317	2,359
Past due by 30 - 60 days	7	1,339
Past due by more than 60 days	291	443
Total	**4,230**	**9,550**

The following table shows the breakdown of trade receivables by currency:

Currency	2013	2012
Euro	3,370	8,482
US Dollar (USD)	847	1,061
British Pound Sterling (GBP)	5	5
Australian Dollar (AUD)	8	-
Hong Kong Dollar (HKD)	-	2
Total	**4,230**	**9,550**

The detail of the item "Other receivables – accrued income and prepaid expenses" is as shown below:

(Euros/000)	31.12.2013	31.12.2012	Change
Advances paid to suppliers	128	187	(59)
Other social security receivables	5	6	(1)
Other	107	59	48
Guarantee deposits	17	16	1
Accrued income and prepaid expenses	166	209	(43)
VAT tax receivables	548	236	312
Sundry receivables from subsidiaries	28	1,988	(1,960)
Total	**999**	**2,701**	**(1,702)**

The change in "Receivables from subsidiaries" item primarily relates to the collection of the dividends of that the company Datalogic IP Tech S.r.l. had distributed the previous year

NOTE 8. TAX RECEIVABLES

(Euros/000)	31.12.2013	31.12.2012	Change
Receivables from Parent Company	3,239	119	3,120
Tax receivables	1,087	2,210	(1,123)
Short-term tax receivables	**4,326**	**2,329**	**1,997**

The balance in "Receivables from parent company" relates to the measurement of taxes for the year arising from participation in tax consolidation with the parent company Hydra S.p.a.

"Tax receivables", totalling €1,087 thousand, break down as follows:

- €978 thousand relate to receivables for withholding taxes abroad;
- €68 thousand relate to withholdings on bank interest income;
- €41 thousand relate to the tax receivables for advance IRAP payments made over the year.

NOTE 9. LOANS

(Euros/000)	31.12.2013	31.12.2012	Change
Loans to subsidiaries	229,477	176,972	52,505
Loans to Parent Company	2,000	-	2,000
Total	**231,477**	**176,972**	**54,505**

"Loans to subsidiaries" breaks down as follows:

	Euro	of which USD
Finanziamenti		
ADC Holding Inc. LT	22,454	30,966
ADC Holding Inc. BT	65,631	90,512
Datalogic Automation S.r.l.	14,683	20,250
Datalogic ADC S.r.l. LT	6,000	-
Datalogic ADC S.r.l. BT	2,000	
Datalogic Automation Inc.	32,630	45,000
Datalogic Hungary Kft	315	-
Cash pooling		
ADC Inc.	7,195	
Datalogic Automation S.r.l.	29,030	
Datalogic ADC S.r.l.	3,461	
ADC Ltd UK	2,620	
Adc Ltd France	2,273	
Adc Ltd Germany	10,793	
Adc Ltd Spain	897	
Datalogic Slovakia	7,271	
Datalogic IP Tech S.r.l.	8,611	
Adc Ltd Netherland	755	
Adc Ltd Sweden	2,210	
Datalogic Automation France	20	
Datalogic Automation Netherland	10	
Datalogic Automation Spain	13	
Datalogic Automation UK	19	
Adc Holding Inc.	8,900	
Datalogic Automation Inc.	1,686	
Total	**229,477**	

NOTE 10. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are broken down as follows for the purposes of the Cash Flow Statement:

(Euros/000)	31.12.2013	31.12.2012	Change
Bank and post office deposits and cash pooling	93,881	49,666	44,215
Cash and valuables on hand	6	8	(2)
Repurchase agreements	-	-	-
Cash and cash equivalents for Statement	**93,887**	**49,674**	**44,213**

According to the requirements of Consob Communication No. 15519 of 28 July 2006, the Company's financial position is reported in the following table:

(Euros/000)	31.12.2013	31.12.2012
A. Cash and bank deposits	93,887	49,674
B. Other cash and cash equivalents		
C. Securities held for trading	360	9,586
c1. Short-term	1	9,227
c2. Long-term	359	359
D. Cash and equivalents (A) + (B) + (C)	**94,247**	**59,260**
E. Current financial receivables	203,023	133,049
F. Other current financial receivables		
f1. Hedging transactions		
G. Bank overdrafts		
H. Current portion of non-current debt	156,272	110,793
I. Other current financial payables	13	0
i2. Hedging transactions	13	0
J. Current financial debt (G) + (H) + (I)	**156,285**	**110,793**
K. Current financial debt, net (J) - (D) - (E) - (F)	**(140,985)**	**(81,516)**
L. Non-current bank borrowing	181,100	135,414
M. Other non-current financial receivables	28,454	43,923
N. Other non-current liabilities	346	813
n2. Hedging transactions	346	813
O. Non-current financial debt (L) - (M) + (N)	**152,992**	**92,304**
P. Net financial debt (K) + (O)	**12,007**	**10,788**

Net financial debt as at 31 December 2013 was €12,007 thousand, a worsening by €1,219 thousand compared to 31 December 2012, (when it was negative by €10,788 thousand).

Note that the following transactions were carried out in the period:

- sale/purchase of treasury shares, which generated a positive cash flow amounting to €1,728 thousand,
- payment of dividends of €8,526 thousand,
- cash outflows for leaving incentives for managers, amounting to €929 thousand,
- cash outflows for remuneration of the outgoing Chief Executive Officer, in the amount of €3,760 thousand.

Information on Statement of Financial Position - Shareholders' Equity and Liabilities

NOTE 11. SHAREHOLDERS' EQUITY

The detail of Equity accounts is shown below, while changes in equity are reported in the specific statement.

(Euros/000)	31.12.2013	31.12.2012* Restated
Share capital	30,392	30,392
Share premium reserve	100,863	99,637
Extraordinary share-cancellation reserve	2,813	2,813
Treasury shares held in portfolio	(5,171)	(6,900)
Treasury share reserve	8,103	9,330
Share capital	**137,000**	**135,272**
Cash flow hedge reserve	(261)	(589)
Severance indemnity discounting reserve	80	(75)
Other reserves	**(181)**	**(664)**
Profits of previous years	**45,343**	**50,946**
Earnings carried forward	19,414	22,075
Temporary reserve for exchange rate adjustment	(3,249)	0
Capital contribution reserve	958	958
Reserve for surplus from cancellation, Datalogic RE S.r.l.	204	204
Legal reserve	4,389	4,082
IAS reserve	8,423	8,423
Capital contribution reserve	15,204	15,204
Profit for the year	**6,921**	**6,171**
Total Shareholders' Equity	**189,084**	**191,725**

(*) Figures disclosed for comparison purposes have been restated due to the application of IAS 19R.

The restatement of the comparative figures as at December 31, 2012 resulted in the reclassification of actuarial losses recognized in the income statement in the previous year and amounted to €43 thousand, net of tax effect of €16 thousand, in a reserve of shareholders' equity, previously included in the earning carried forward reserves.

SHARE CAPITAL

Movements in share capital as at 31 December 2012 and 31 December 2013 are reported below:

(Euros/000)	Number of shares	Share capital	Extraordinary share-cancellation reserve	Share premium reserve	Treasury shares	Treasury share reserve	Total
01.01.2013	56,838,134	30,392	2,813	99,637	(6,900)	9,330	135,272
Purchase of treasury shares	(17,600)			(127)	(126)	126	(127)
Sale of treasury shares	232,724			1,354	1,354	(1,354)	1,354
Costs for the purchase of treasury shares					(1)		(1)
Capital loss on sale of treasury shares							0
Capital gain on sale of treasury shares					504		504
Costs for the sale of treasury shares					(2)		(2)
31.12.2013	57,053,258	30,392	2,813	100,864	(5,171)	8,103	137,000

Ordinary shares

As at 31 December 2013, the total number of ordinary shares was 58,446,491, including 1,393,233 held as treasury shares, making the number of outstanding shares at that date 57,053,258. The shares have a nominal unit value of €0.52 and are fully paid up.

Treasury shares

The "Treasury shares" item, negative for €5,171 thousand, includes purchases and sales of treasury shares in the amount of €1,728 thousand, which have been recognised net of gains and charges realised following the sale of treasury shares. In 2013, the Group purchased 17,600 treasury shares and sold 232,724, with a capital gain of €502 thousand.

For these purchases, in accordance with Article 2357 of the Italian civil code, capital reserves (through the treasury share reserve) in the amount of €8,103 thousand have been made unavailable.

OTHER RESERVES

Cash flow hedge reserve

Following adoption of IAS 39, changes in the fair value of derivative contracts designated as effective hedging instruments are recognised in accounts directly with shareholders' equity, in the cash-flow hedge reserve. These contracts have been concluded to hedge exposure to the risk of interest rate fluctuations on variable-rate loans (negative by €261 thousand) and amounts are shown net of the tax effect (€99 thousand).

Capital contribution reserve

This reserve has been created after the recording under assets of the equity investments in the newly incorporated Group company Datalogic IP Tech S.r.l..

Reserve for surplus from cancellation, Datalogic Real Estate S.r.l.

This reserve has been created after the cancellation of the equity investment in the Group company Datalogic Real Estate S.r.l.

PROFITS OF PREVIOUS YEARS

IAS reserve

This reserve was created upon first-time adoption of international accounting standards at 1st January 2006 in accordance with IFRS 1.

DIVIDENDS

On 23 April 2013, the Ordinary Shareholders' Meeting resolved to distribute an ordinary dividend of €0.15 per share (€0.15 per share in 2012). Total dividends, equal to €8,526 thousand, were made available for payment on 13 May 2013 and have been entirely paid.

Classification of Shareholders' Equity items

Nature/description	Amount	Possible use	Amount available	For hedging against losses
Share capital	30,392	-		
Capital reserves				
Share premium reserve	100,863	A,B,C	100,863	
Extraordinary share-cancellation reserve	2,813	A,B,C	2,813	
Demerger reserve	0	A,B,C	0	
Treasury share reserve	8,103	-		
Profit reserves				
Treasury share reserve	0			
Reserve for gain on cancellation	0	A,B,C	0	
Legal reserve	4,389	B	4,389	
Capital contribution reserve	958	B	958	
Cash flow hedge reserve	(261)	-		
Actuarial gains and losses reserve	80	-		
Held-for-sale financial assets reserve	0	-		
Temporary reserve for exchange rate adjustment	(3,249)	-		
Deferred tax reserve	2,655	A,B,C	2,655	
IAS/IFRS transition reserve	8,423	A,B,C	8,423	
Earnings carried forward	16,758	A,B,C	16,758	
Total	**171,924**		**136,859**	

Key: A: for capital increase; B: to cover losses; C: for payment to Shareholders.

The "Deferred tax reserve" is a reserve temporarily non-distributable until the date on which the deferred tax assets posted on the Statement of Financial Position are realised.

The "Temporary reserve for adjustment on exchange rates" was created in application to IAS 21.15. This reserve comprises profit/losses generated by monetary elements which are an integral part of the net investment of foreign managements. In particular, €3,249 thousand are related to the effect of exchange rates measurement at year-end for receivables for loans in US dollars supplied to the subsidiaries Datalogic Automation Inc., Datalogic Automation S.r.l. and Datalogic Holdings Inc., and granted to acquire the Accu-Sort Inc. group. No regulation and/or a defined reimbursement plan is provided for these loans, nor is it deemed probable that they will be reimbursed in the foreseeable future.

The Actuarial gains and losses reserve comprises the Income Statement profit and losses pursuant to provisions set out by IAS 19R.

NOTE 12. SHORT/LONG-TERM BORROWINGS AND FINANCIAL LIABILITIES

The breakdown of this item is as detailed below:

(Euros/000)	31.12.2013	31.12.2012	Change
Bank loans	224,583	202,474	22,109
Loans by Group companies/cash pooling - netting	111,733	42,421	69,312
Bank overdrafts (ordinary current accounts)			0
Payables for lease	1,056	1,312	(256)
Total financial payables	**337,372**	**246,207**	**91,165**

Financial payables are represented as follows:

(Euros/000)	within 12 months	after 12 months	after 5 years	Total
Bank borrowings				
Current accounts/cash pooling	111,733			111,733
Bank loans, mortgages and other financial institutions	44,539	181,100		225,639
Total	**156,272**	**181,100**	**0**	**337,372**

The "Current accounts/cash pooling" item relates to payables to Group companies owing to cash pooling agreements for centralised liquidity management.

BANK LOANS

Following is the breakdown of changes in "Bank loans" as at 31 December 2013:

	2013	2012
01.01.2013	**202,474**	**191,039**
Foreign exchange differences	(772)	(471)
Increases	123,762	78,659
Repayments	(36,000)	(37,000)
Decreases for loan repayments	(64,881)	(29,754)
31.12.2013	**224,583**	**202,474**

The **increases** are mainly related to the use by the Parent Company of the following sources:

- hot money credit lines in the amount of €15,000 thousand;
- a medium to long term loan of €110,000 thousand, concluded on 28 June 2013.

The **decrease** of the repayment refers to the stand by lines and hot money credit lines and instalments being due within this year.
Moreover, the medium/long-term loan, amounting to €25,000, to be due in 2014, was redeemed on 24 July 2013.
Guarantees given by banks in the Company's favour total €1,004 thousand. The Company has also issued guarantees for the amount of €6,018 thousand, patronage letters totalling €20,000 thousand for loans by subsidiaries and a pledge of securities amounting to €360 thousand.

Covenants

The companies have been asked to respect certain financial covenants for the following loans, on a semi-annual or annual basis, as summarised in the table below:

Bank		Company	Currency	Outstanding debt		Covenant		Frequency
Carisbo	1	Datalogic S.p.A.	Euro	1,000,000	DFL	PN	DFL/PN	annual
Pop Vr Gespro	2	Datalogic S.p.A.	Euro	2,500,000	PFN/PN	PFN/Ebitda		annual
Mediobanca	3	Datalogic S.p.A.	Euro	24,000,000	Ebitda/OFN	PFN/Ebitda		semi-annual
BNL	4	Datalogic S.p.A.	USD	26,817,143	PFN/PN	PFN/Ebitda		semi-annual
BNL	5	Datalogic S.p.A.	Euro	41,250,000	Ebitda/OFN	PFN/Ebitda		semi-annual
Unicredit	6	Datalogic S.p.A.	Euro	9,375,000	PFN/PN	PFN/Ebitda		semi-annual
Unicredit	7	Datalogic S.p.A.	Euro	18,750,000	Ebitda/OFN	PFN/Ebitda		semi-annual
Club Deal	8	Datalogic S.p.A.	Euro	110,000,000	Ebitda/OFN	PFN/Ebitda		semi-annual

Key: PN = Shareholders' Equity; OFN = Net financial expenses; DFL = Financial gross payables

As at 31 December 2013 all covenants were respected.

Financial leases

The Company entered a financial lease agreement for the telepresence system this year. The following table shows the amount of future instalments deriving from financial leases and the current value of the instalments:

(Euros/000)	31.12.2013		31.12.2012	
	Minimum payments	Current value of payments	Minimum payments	Current value of payments
Within the year	272	220	303	251
After one year but within 5 years	885	836	1,188	1,060
> 5 years				
Total minimum payments	1,157	1,056	1,491	1,311
Less interest expenses	(101)		(180)	
Current value of lease costs	**1,056**	**1,056**	**1,311**	**1,311**

NOTE 13. DEFERRED TAXES

Deferred tax assets and liabilities stem both from positive items already recognised in the Income Statement and subject to deferred taxation under current tax regulations and temporary differences between balance-sheet assets and liabilities and their relevant taxable value.

Below we show the main items forming deferred tax assets and deferred tax liabilities and changes occurring in them over the year:

Deferred tax liabilities (Euros/000)	Deprec. & Amort.	Provisions	Others	Total
As at 1st January 2013	1,787	0	5	1,792
Provisioned in (released from) Income Statement	(63)	0	5	(58)
Provisioned in (released from) Shareholders' Equity	-	0	58	58
As at 31 December 2013	1,724	0	68	1,792

Deferred tax assets (Euros/000)	Exchange rate adjust.	Asset write-downs	Allocations	Others	Total
As at 1st January 2013	767	8	1,049	198	2,022
Provisioned in (released from) Income Statement	(509)	0	(954)	33	(1,430)
Provisioned in (released from) Shareholders' Equity	1,232	0	0	(124)	1,108
As at 31 December 2013	1,490	8	95	107	1,700

The decrease in deferred tax assets is primarily due to amounts related to exchange-rate adjustments of accounting items in a foreign currency, recovered for taxation, which led to the creation of deferred tax assets.

NOTE 14. POST-EMPLOYMENT BENEFITS

(Euros/000)	2013	2012
01.01.2013	707	487
Merger contributions	-	177
Amount allocated in the period	160	136
Discounting of the non-financial component	(214)	59
Discounting of the financial component	29	27
Amount transferred for transfer of employment relationships	269	(15)
Uses	(28)	(97)
Social security receivables for the employee severance indemnity reserve	**(140)**	**(67)**
31.12.2013	783	707

The main economic-financial assumptions used by the actuary are as follows:

	2013	2012
Discounting technical annual rate	3.2%	3.2%
Annual inflation rate	2.0%	2.0%

NOTE 15. PROVISIONS FOR RISKS AND CHARGES

The breakdown of the "Risks and charges" item is as follows:

(Euros/000)	31.12.2013	31.12.2012	Change
Long-term provisions for risks and charges	336	38	298
Short-term provisions for risks and charges	173	-	173
Total Provisions for risks and charges	**509**	**38**	**471**

Below we show the detailed breakdown of and changes in this item:

(Euros/000)	31.12.2012	Increases	(Decreases)	31.12.2013
Provision for management incentive scheme	0	298	0	298
Provision for tax liabilities		173		173
Other	38	0	0	38
Total Provisions for risks and charges	**38**	**471**	**0**	**509**

NOTE 16. TRADE AND OTHER PAYABLES

This table shows the details of trade and other payables:

(Euros/000)	31.12.2013	31.12.2012	Change
Trade payables	**4,034**	**3,910**	**124**
Trade payables due within 12 months	3,902	3,784	118
Payables to the Group	132	126	6
Other short-term payables	**4,997**	**5,879**	**(882)**
Accrued liabilities and deferred income	**520**	**538**	**(18)**

OTHER PAYABLES - ACCRUED LIABILITIES AND DEFERRED INCOME

The detailed breakdown of "Other payables" was as follows:

(Euros/000)	31.12.2013	31.12.2012	Change
Payables to pension and social security agencies	570	393	177
Payables to employees	902	1,337	(435)
Directors' remuneration payable	85	3,860	(3,775)
Deferred income on investment grants	520	538	(18)
Other payables to the Group	3,372	-	3,372
Other payables	68	289	(221)
Total	**5,517**	**6,417**	**(900)**

Amounts payable to employees represent the amount due for salaries and vacations accrued by employees as at the reporting date. The decrease in the amounts due primarily relates to €798 thousand for leaving incentives for managers.

Amounts due for directors decreased mainly by reason of the payment of €3,760 thousand related to the CEO's remuneration who left last year.

The item "Investment grants" totalling €520 thousand relates to the reclassification of public capital grants on assets, obtained in the past by subsidiary Datasud srl (now incorporated by Datalogic S.p.A.).
These grants were reversed from Equity reserves based on the provisions of IAS 20 and reallocated among deferred income, in order to match them with the actual cost incurred, i.e. with depreciation of the assets to which they refer.

NOTE 17. TAX PAYABLES

(Euros/000)	31.12.2013	31.12.2012	Change
Short-term tax payables	300	624	(324)
Long-term tax payables	0	0	0
Total tax payables	**300**	**624**	**(324)**

Income tax payables only include liabilities for definite and calculated tax due.
Tax payables are entirely made of employees' IRPEF withholdings.

Information on the Income Statement

NOTE 18. REVENUES

(Euros/000)	31.12.2013	31.12.2012	Change
Revenues for services	15,960	16,300	(340)
Total revenues	**15,960**	**16,300**	**(340)**

Revenues from sales and services rose by €340 thousand compared to the previous year.

NOTE 19. COST OF GOODS SOLD AND OPERATING COSTS

(Euros/000)	31.12.2013	31.12.2012 Restated	Change
Ttotal cost of goods sold (1)	2	1	1
of which non-recurring	-	-	
Total operating costs (2)	17,339	18,155	(816)
R&D expenses	315	298	17
of which non-recurring	-	-	
Distribution expenses	3	-	3
of which non-recurring	-	-	
General and administrative expenses	16,679	17,367	(688)
of which non-recurring	-	-	
Other operating costs	342	490	(148)
of which non-recurring	-	-	
Total (1+2)	17,341	18,156	(815)

Pursuant to IFRS, non-recurring or extraordinary costs are no longer shown separately in financial statements but are included in ordinary operating figures.
"Operating costs" registered a decrease of 5% versus the previous year, mainly owing to the decrease in "General and administrative expenses".

TOTAL OPERATING COSTS (2)

"Research and Development" costs amounted to €315 thousand and are made up as follows:
- Other costs €208 thousand
- Payroll and employee benefits €75 thousand
- Amortisation and depreciation €32 thousand

In "Other costs" item, the most relevant items are costs due to maintenance and software assistance, in the amount of €199 thousand.

"General and administration" expenses totalled €16,679 thousand, and consisted of:
- Payroll and employee benefits €7,398 thousand
- Other costs €7,861 thousand
- Amortisation and depreciation €1,420 thousand

The most significant items in "Other costs" were:

- costs for administrative and various advisory services €3,362 thousand;
- directors' and representatives remuneration €1,007 thousand;
- software and hardware maintenance and assistance €950 thousand;
- costs for use of telephones, faxes and modems €382 thousand;
- employee travel expenses 331 thousand;
- advertising and marketing costs €325 thousand;
- rental and building maintenance expenses €311 thousand;
- vehicle leasing expenses €273 thousand;
- account certification expenses €209 thousand;
- Stock Exchange costs €122 thousand;
- Entertainment €90 thousand;
- Remuneration of Board of Statutory Auditors €87 thousand;
- Insurances €49 thousand.

The detailed breakdown of "Other operating costs" is as follows:

(Euros/000)	31.12.2013	31.12.2012	Change
Allocation to the provision for risks	-	-	-
Capital losses on assets	1	2	(1)
Contingent liabilities	21	-	21
Non-income taxes	320	458	(138)
Other	-	30	(30)
Total other operating costs	**342**	**490**	**(148)**

BREAKDOWN OF COSTS BY TYPE

The following table provides the details of total costs (cost of goods sold + total operating costs) by type, for the main items:

(Euros/000)	31.12.2013	31.12.2012 Restated	Change
Payroll & employee benefits	7,473	5,488	1,985
Technical, legal and tax advisory services	3,362	4,443	(1,081)
Amortisation and depreciation	1,452	1,244	208
Software maintenance and assistance	1,148	912	236
Directors' remunerations	1,007	2,850	(1,843)
Utilities and telephone subscriptions	382	363	19
Travel and accommodation	331	311	20
Advertising and Marketing	325	443	(118)
Non-income taxes	320	458	(138)
Rental and building maintenance	314	246	68
Vehicle leasing and maintenance	281	254	27
Stock exchange costs and membership fees	259	277	(18)
Accounts certification expenses	209	175	34
Entertainment expenses	90	239	(149)
Board of Statutory Auditors' remuneration	87	74	13
Patents	24	53	(29)
Other costs	275	326	(51)
Total (1+2)	**17,339**	**18,156**	**(817)**

The detailed breakdown of payroll and employee benefits is as follows:

(Euros/000)	31.12.2013	31.12.2012 Restated	Change
Wages and salaries	4,717	3,350	1,367
Social security charges	1,328	1,135	193
Employee severance indemnities	320	253	67
Medium- to long-term managerial incentive plan	429	327	102
Reimbursements for seconded personnel	(252)	(90)	(162)
Other costs	931	513	418
Total	**7,473**	**5,488**	**1,985**

NOTE 20. OTHER OPERATING REVENUES

The detailed breakdown of this item is as follows:

(Euros/000)	31.12.2013	31.12.2012	Change
Reimbursement of miscellaneous costs	6	6	0
Incidental income and cost cancellation	11	2	9
Rents	486	441	45
Capital gains on asset disposals	1	0	1
Other	59	49	10
Total other revenues	**563**	**498**	**65**

21. NET FINANCIAL INCOME

(Euros/000)	31.12.2013	31.12.2012	Change
Interest expenses on bank current accounts/loans	6,885	7,039	(154)
Foreign exchange losses	4,042	3,943	99
Bank expenses	1,250	521	728
Write-down of equity investments	-	5,804	(5,804)
Other	168	(138)	306
Total financial expenses	**12,344**	**17,169**	**(4,825)**
Interest income on bank current accounts/loans	4,979	5,891	(912)
Foreign exchange gains	2,028	1,404	624
Dividends	11,755	11,967	(212)
Other	179	5,554	(5,376)
Total financial income	**18,941**	**24,816**	**(5,875)**
Bet financial income (expenses)	**6,596**	**7,647**	**(1,051)**

TOTAL FINANCIAL EXPENSES

The item "Foreign exchange losses" equals €4,042 thousand and is detailed as follows:

- €162 thousand in foreign exchange losses relating to commercial transactions;
- €3,880 thousand in foreign exchange losses relating to loans and current accounts in foreign currency, of which €3,023 thousand for alignment with the end-of-period exchange rate.

The item "Bank expenses" of €1,250 thousand relates to: €1,247 thousand in ordinary banking commissions relating to the movements of current accounts and the taking out of medium-long term loans; €3 thousand for fees on sureties.
The increase of €728 thousand is mainly due to the following:

- €285 thousand relating to bank commissions for the granting of a new pool loan with Banca Nazionale del Lavoro (€110,000 thousand);
- €315 thousand relating to the release of prepaid expenses for fees paid for the Natixis loan, redeemed in advance last year.

TOTAL FINANCIAL INCOME

The item "Foreign exchange gains" of €2,028 thousand relates to:

- €115 thousand in foreign exchange gains relating to commercial transactions;
- €1,913 thousand in foreign exchange gains relating to loans and current accounts in foreign currency, of which €1,422 thousand for alignment with the end-of-period exchange rate.

The item "Dividends" of €11,755 thousand relates to earnings distributed during 2013 as follows:

- subsidiary Datalogic ADC S.r.l. for €10,000 thousand;
- subsidiary Datalogic IP Tech S.r.l., in the amount of €595 thousand;
- subsidiary Informatics Inc. €1,161 thousand (USD 1,500 thousand).

NOTE 22. TAXES

(Euros/000)	31.12.2013	31.12.2012 Restated
Income tax	(2,514)	1,138
Deferred taxes	1,371	(1,020)
Total	**(1,143)**	**118**

Deferred tax liabilities were *calculated* according to global allocation criteria, considering the cumulative amount of all interim differences, based on the average rates expected to be in force at the time these temporary differences had an effect.

Notice of Auditing Firm's Fees

Pursuant to article 149-duodecies of the Issuer Regulation, implementing Legislative Decree 58 of 24 February 1998, the following is the summary schedule of fees pertaining to the year 2013 provided by the independent auditors and divided in auditing and other services.

(Euros/000)	Fees for auditing services	Other remuneration
Datalogic S.p.A.	162	112

RELATED-PARTY TRANSACTIONS

Related Parties (Euros/000)	Hydra Immobiliare	Hydra S.p.A.	St. Ass. Caruso	Gruppo ADC	Automation Group	Informatics	Real Estate Group	Datalogic IP Tech S.r.l.	Total
Receivables									
Trade receivables	2			2,881	1,005	(32)	102	240	**4,198**
Financial receivables		2,000		176,776	44,090			8,611	**231,477**
Tax receivables		3,239							**3,239**
Payables									
Trade payables	1		62	2,496	977	4	11	0	**3,551**
Tax payables									**-**
Financial payables				80,612	23,072	1,612	5,561	876	**111,733**
Costs									
Sales costs	35	47	581	119	28	4			**814**
Financial costs				58	13	1	11	0	**84**
Revenues									
Trade receivables	1			11,854	5,632	16	84	239	**17,826**
Financial revenues				3,962	629			19	**4,609**

TRANSACTIONS WITH COMPANIES CONTROLLED BY SHAREHOLDERS

Transactions with Hydra Immobiliare, a company controlled by the reference shareholders of the Company, refer to the rental of property by the Company (€30 thousand).

Company transactions with the Parent Company (Hydra S.p.A.) mainly relate to the IRES receivable of €3,239 thousand; the Company has joined the tax consolidation scheme, as a consolidated company (Hydra is the consolidator).
Financial receivables, totalling €2,000 thousand, were subscribed on 20 December 2013, and repayment is expected by 20 July 2014.

TRANSACTIONS WITH COMPANIES CONTROLLED BY MEMBERS OF THE BOARD OF DIRECTORS

Studio Associato Caruso (headed up by the director, Pier Paolo Caruso) billed the Company €581 thousand for tax consulting services in 2013.

REMUNERATION PAID TO DIRECTORS AND STATUTORY AUDITORS

For this information, please refer to the Report on Remuneration which will be published pursuant to article 123-*ter* of the T.U.F. [Consolidated Law on Finance] and will be published on the website www.datalogic.com.

The Chairman of the Board of Directors
(Mr. Romano Volta)

Annexes

Annexes 1

LIST OF EQUITY INVESTMENTS IN SUBSIDIARIES AND AFFILIATES AT 31 DECEMBER 2013 (ART. 2427 NO. 5 OF THE CIVIL CODE)

Company	Registered office	Currency	Share capital in local currency	Shareholders' Equity (Euros/000)
				Total amount
Informatics Acquisition	Plano (Texas) - Usa	USD	18,603,000	15,664
Datalogic Automation S.r.l.	Bologna - Italy	Euro	18,000,000	8,249
Datalogic ADC S.r.l.	Bologna - Italy	Euro	10,000,000	156,048
Datalogic Real Estate France	Bologna - Italy	Euro	2,228,000	2,783
Datalogic Real Estate UK		Euro	4,198,000	4,759
Datalogic Real Estate Gmbh	Bologna - Italy	Euro	1,025,000	1,433
Datalogic IP Tech S.r.l.	Bologna - Italy	Euro	65,677	22,250
Total subsidiaries				**211,186**
Mandarin Capital Partners		Euro	4,600,000	316,700
Nomisma S.p.A.	Bologna - Italy	Euro	6,605,830	5,371
Conai				
Caaf Ind. Emilia Romagna	Bologna - Italy	Euro	377,884	
T3 LAB Consortium				
Crit S.r.l.	Bologna - Italy	Euro	413,800	
Idec Corporation	Osaka - Japan	Yen	10,056,605,173	
Total other companies				**322,071**

Shareholders' Equity (Euros/000)	Net Profit/(Loss) for the year (Euros/000)		% Ownership	Carrying value (Euros/000) inc. provisions for future charges	Differences	
Pro-rata amount (A)	Total amount	Pro-rata amount		(B)	(B)-(A)	
15,664	999	999	100%	11,011	(4,653)	
8,249	492	492	100%	33,650	25,401	
156,048	22,624	22,624	100%	105,463	(50,585)	
2,783	(20)	(20)	100%	3,919	1,136	
4,759	59	59	100%	3,668	(1,091)	
1,433	(124)	(124)	100%	1,806	373	
10,257	(5,860)	(2,701)	46%	15,082	4,825	
199,193	**18,170**	**21,329**		**174,599**	**(24,594)**	
1,900	23,800	143	0.60%	493	(1,407)	at 30.06.13
5	(394)	0	0.0840%	7	3	at 31.12.12
				0	n.a.	
			0.96%	4	n.a.	at 31.08.13
				7	n.a.	
			0.01%	52	n.a.	at 31.12.12
			1.2%	3.106	n.a.	al 31.03.13
1,905	**23,406**	**143**		**3,669**	**(1,405)**	

Annexes 2

HYDRA S.p.A.
Registered office: via L. Alberti No. 1 - 40122 Bologna (Bo)
Share capital: Euro 1,200,000 fully paid up
Tax code and Bologna Companies Register No. 00445970379
Bologna R.E.A. (Economic and Administrative Repertoire) No. 202001

FINANCIAL STATEMENTS AS AT 31.12.2012

STATEMENT OF FINANCIAL POSITION

Assets (Euros/000)	31.12.2012	31.12.2011
A) Unpaid subscribed capital (of which already called up)		
B) Non-current assets		
I. Intangible		
1) Start-up and expansion costs		
2) Research, development and advertising costs		
3) Industrial patents and intellectual property rights		
4) Concessions, licenses, trademarks and similar rights		
5) Goodwill		
6) Assets in progress and payments on account		
7) Other intangible assets	427,705	
	427,705	
II. Tangible		
1) Land and buildings		
2) Plant and machinery		
3) Industrial and commercial equipment		
4) Other tangible assets		
5) Assets in progress and payments on account		
III. Financial assets		
1) Equity investments in:		
a) Subsidiaries	59,982,859	59,982,859
b) Associates		
c) Parent Companies		
d Other companies	11,774,141	7,592,256
	71,757,000	**67,575,115**
2) Receivables		
a) due from subsidiaries		
- within 12 months		
- after 12 months		
b) due from associates		
- within 12 months		
- after 12 months		
c) due from parent companies		
- within 12 months		
- after 12 months		
d) due from others		
- within 12 months		
- after 12 months	402,457	63,887
	402,457	**63,887**
	402,457	**63,8887**
3) Other securities		
4) Treasury shares	72,159,457	67,639,002
Total non-current assets	**72,587,162**	**67,639,002**

continue (Euros/000)	31.12.2012	31.12.2011
C) Current assets		
I. Inventories		
1) Raw and ancillary materials and consumables		
2) Work in progress and semi-finished products		
3) Commissioned work in progress		
4) Finished products and goods		
5) Advance payments		
II. Receivables		
1) Due from customers		
- within 12 months	16	2,039
- after 12 months		
	16	2,039
2) Due from subsidiaries		
- within 12 months		
- after 12 months		
3) Due from associates		
- within 12 months		
- after 12 months		
4) Due from Parent Companies		
- within 12 months		
- after 12 months		
4-bis) Tax receivables		
- within 12 months	2,022,025	1,828,439
- after 12 months	410,987	410,987
	2,433,012	2,239,426
4-ter) Deferred tax assets		
- within 12 months	450,794	354,162
- after 12 months		
	450,794	354,162
5) Due from others		
- within 12 months		233
- after 12 months		
		233
	2,883,822	2,595,860
III. Current financial assets		
1) Equity investments in subsidiaries		
2) Equity investments in associates		
3) Equity investments in parent companies		
4) Other equity investments	2,572,694	690,000
5) Treasury shares		
6) Other securities		
	2,572,694	690,000
IV. Cash and cash equivalents		
1) Bank and post office balances	41,446,520	505,892
2) Cheques		
3) Cash and valuables on hand	834	267
	41,447,354	506,159
Total current assets	46,903,870	3,792,019
D) Accrued income and prepaid expenses		
- discount on loans		
- miscellaneous	7	37
	7	37
Total assets	119,491,039	71,431,058

Liabilities (Euros/000)	31.12.2012	31.12.2011
A) Shareholders' Equity		
I. Share capital	1,200,000	1,200,000
II. Share premium reserve		
III. Revaluation reserve		
IV. Legal reserve	6,240,000	6,240,000
V. Statutory reserves		
VI. Treasury share reserve		
VII. Other reserves		
Translation and rounding reserve	1	(2)
	1	**(2)**
VIII. Earnings/(losses) carried forward	16,843,286	11,472,668
IX. Profit for the year	5,315,312	5,370,619
IX. Loss for the year		
Total Shareholders' Equity	**29,598,599**	**24,283,285**
B) Provisions for risks and charges		
1) Provision for retirement and similar benefits		
2) Provision for taxes (including deferred taxes)		
3) Others		
Total provisions for risks and charges		
C) Provision for employee severance indemnities		
D) Payables		
1) Bonds		
- within 12 months		
- after 12 months	38,650,000	38,650,000
	38,650,000	**38,650,000**
2) Convertible bonds		
- within 12 months		
- after 12 months		
3) Due to shareholders for loans		
- within 12 months	5,199,544	5,005,783
- after 12 months		
	5,199,544	**5,005,783**
4) Bank borrowings		
- within 12 months	40,000,000	56
- after 12 months		
	40,000,000	**56**
5) Due to other lenders		
- within 12 months		
- after 12 months		
6) Advance payments		
- within 12 months		
- after 12 months		
7) Trade payables		
- within 12 months	263,820	34,573
- after 12 months		
	263,820	**34,573**
8) Payables consisting of paper credit		
- within 12 months		
- after 12 months		

segue (Euros/000)	31.12.2012	31.12.2011
9) Due to subsidiaries		
- within 12 months	3,042,000	570,000
- after 12 months		
	3,042,000	**570,000**
10) Due to associates		
- within 12 months		
- after 12 months		
11) Due to parent companies		
- within 12 months		
- after 12 months		
12) Tax liabilities		
- within 12 months	2,577,009	2,863,035
- after 12 months		
	2,577,009	**2,863,035**
13) Due to pension and social security		
- within 12 months	2,032	1,968
- after 12 months		
	2,032	**1,968**
14) Other payables		
- within 12 months	19,589	22,358
- after 12 months		
	19,589	**22,358**
Total payables	**89,753,994**	**47,147,773**
E) Accrued liabilities and deferred income		
- premium on loans		
- miscellaneous	138,446	
	138,446	
Total liabilities	**119,491,039**	**71,431,058**

MEMORANDUM ACCOUNTS

(Euros/000)	31.12.2012	31.12.2011
1) Risks undertaken by the company		
Guarantees		
- to subsidiaries		
- to associates		
- to parent companies		
- to subsidiaries under parent companies' control		
- to other companies		
Endorsements		
- to subsidiaries		
- to associates		
- to parent companies		
- to subsidiaries under parent companies' control		
- to other companies		
Other personal guarantees		
- to subsidiaries		
- to associates		
- to parent companies		
- to subsidiaries under parent companies' control		
- to other companies		
Collaterals		
- to subsidiaries		
- to associates		
- to parent companies		
- to subsidiaries under parent companies' control		
- to other companies		
Other risks		
Receivables assigned with recourse		
Other		
2) Commitments undertaken by the company		
3) Third-party assets at the company		
- outsourced products		
- assets deposited or on free loan at the company		
- pledged assets or assets served as security deposit at the company		
- other		
4) Other memorandum accounts		
Total memorandum accounts		

INCOME STATEMENT

(Euros/000)	31.12.2012	31.12.2011
A) Production value		
1) Revenues from sales of products and services		
2) Change in inventories of work in progress and semi-finished and finished products		
3) Change in commissioned work in progress		
4) In-house enhancement of tangible assets		
5) Other revenues and income		
- miscellaneous	951	1,590
- revenue grants		
- investment grants (year's portion)		
	951	**1,590**
Total production value	**951**	**1,590**
B) Production costs		
6) Raw and ancillary materials, consumables and goods		
7) Services	609,825	280,285
8) Rental, hire, leasing and royalties		
9) Payroll & employee benefits		
a) Wages & salaries		
b) Social security charges		
c) Employee severance indemnities		
d) Retirement and similar benefits		
e) Other costs		
10) Amortisation, depreciation and write-downs		
a) Amortisation of intangible assets	7,397	
b) Depreciation of tangible assets		
c) Other write-downs of non-current assets		
d) Write-downs of current receivables and of cash equivalents		
	7,397	
11) Changes in inventories of raw and ancillary materials, consumables and goods		
12) Risk provisioning		
13) Other provisioning		
14) Miscellaneous operating expenses	2,007	1,910
Total production costs	**619,229**	**282,195**
Difference between production value and costs (A-B)	**(618,278)**	**(280,605)**
C) Financial income (expenses)		
15) Income from equity investments:		
- from subsidiaries	6,000,048	5,990,070
- from associates		
- from others	875,227	480,186
	6,875,275	**6,470,256**

continue (Euros/000)	31.12.2012	31.12.2011
16) Other financial income:		
a) from non-current receivables		
- from subsidiaries		
- from associates		
- from parent companies		
- from others		
b) from securities held as non-current assets		
c) from securities held as current assets		
d) income other than the above:		
- from subsidiaries		
- from associates		
- from parent companies		
- from others	103,690	5,087
	103,690	**5,087**
	6,978,965	**6,475,343**
17) Interest and other financial expenses:		
- from subsidiaries		
- from associates		
- from parent companies		
- from others	1,473,207	1,283,871
	1,473,207	**1,283,871**
17-bis) Foreign exchange gains and losses		
Net financial income and expenses	**5,505,758**	**5,191,472**
D) Adjustments to value of financial assets		
18) Write-ups:		
a) of equity investments		
b) of non-current financial assets		
c) of securities held as current assets		
19) Write-downs:		
a) of equity investments		90,867
b) of non-current financial assets		
c) of securities held as current assets		259,000
		349,867
Net adjustments to value of financial assets		**(349,867)**
E) Extraordinary income (expenses)		
20) Income:		
- capital gains on asset disposals	4,580	
- miscellaneous		512,582
- translation and rounding off		1
	4,580	**512,583**
21) Expenses:		
- capital losses on asset disposals	27,418	
- previous years' taxes		
- miscellaneous	124	42,822
- translation and rounding off		
	27,542	**42,822**
Net extraordinary income (expenses)	**(22,962)**	**469,761**
Pre-tax profit (A-B±C±D±E)	**4,864,518**	**5,030,761**
22) Income tax for the year – current, deferred and advance		
a) current income taxes		14,304
b) deferred income taxes		
c) advance income taxes	(450,794)	(354,162)
d) income and charges from tax consolidation treatment		
	(450,794)	**(339,858)**
23) Profit/(loss) for the year	**5,315,312**	**5,370,619**

Annexes 3

HYDRA S.p.A.
Registered office: via L. Alberti No. 1 - 40122 Bologna (Bo)
Share capital: Euro 1,200,000 fully paid up
Tax code and Bologna Companies Register No. 00445970379
Bologna R.E.A. (Economic and Administrative Repertoire) No. 202001

FINANCIAL STATEMENTS AS AT 31.12.2012

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS (Euros/000)	Notes	31.12.2012	31.12.2011
A) Non-current assets (1+2+3+4+5+6+7+9)		**342,047**	**267,703**
1) Tangible assets		51,621	49,991
land	1	5,112	5,100
buildings	1	24,379	24,792
other assets	1	18,659	18,138
assets in progress and payments on account	1	3,471	1,961
2) Intangible assets		226,903	169,459
goodwill	2	166,213	127,231
development costs	2	1,674	24
other	2	54,007	39,503
assets in progress and payments on account	2	5,009	2,701
3) Equity investments in associates	3	2,698	2,641
4) Financial assets		13,370	13,259
equity investments	5	13,012	12,902
securities	5	358	357
5) Loans			
6) Trade and other receivables	7	2,351	1,480
7) Receivables for deferred tax assets	13	45,104	30,519
9) Medium/long-term tax receivables	13		354
B) Current assets (8+9+10+11+12+13+14)		**304,640**	**323,462**
8) Inventories		49,153	59,630
raw and ancillary materials and consumables	8	20,761	28,049
work in progress and semi-finished products	8	8,140	12,309
finished products and goods	8	20,252	19,272
9) Trade and other receivables	7	100,232	85,099
Trade receivables	7	82,552	74,202
due within 12 months	7	81,215	72,816
of which to associates	7	1,337	1,386
of which to the parent company	7		
of which to related parties	7		
Other receivables - accrued income and prepaid expenses	7	17,680	10,897
of which to related parties		75	
13) Financial receivables	7		
of which to associates			
10) Tax receivables	9	7,256	5,444
of which to the Parent Company		3,058	
11) Financial assets	5	11,800	8,525
securities		11,800	
12) Loans			
of which to associates			
13) Financial assets - derivatives	6		1,836
14) Cash and cash equivalents	10	136,199	162,928
Total assets (A+B)		**646,687**	**591,165**

LIABILITIES (Euros/000)	Notes	31.12.2012	31.12.2011
A) Total Shareholders' Equity (1+2+3+4+5)	**11**	**158,097**	**149,630**
1) Share capital	**11**	**1,200**	**1,200**
Share capital		1,200	1,200
Treasury shares		(111,780)	
Share premium reserve		102,450	
Treasury share reserve		9,330	
2) Reserves	**11**	**(5,445)**	**(4,140)**
Revaluation reserves			
Consolidation reserve			
Translation (loss) reserve		(1)	
Cash flow hedge reserve			(548)
Cash flow hedge reserve		(588)	(3,390)
Valuation reserve for financial assets held for sale	11	(4,856)	(202)
Financial liabilities reserve		(1)	
3) Profits/(losses) of previous years	**11**	**104,662**	**85,639**
Profits/(losses) of previous years		92,320	73,218
Capital contribution reserve, not subject to taxation			6,239
Legal reserve		6,241	
IAS transition reserve		6,102	6,182
4) Group profit/(loss) for the period/year	**11**	**6,309**	**17,928**
5) Minority interests	**11**	**51,369**	**49,003**
Minority interest reserve		48,425	41,545
Minority interests		2,944	7,458
B) Non current liabilities (6+7+8+9+10+11+12)		**216,772**	**244,720**
6) Financial payables	**12**	**182,163**	**155,605**
7) Financial liabilities - Derivatives	**6**	**961**	**1,045**
			38,650
8) Tax payables		**2,417**	**2,663**
9) Deferred tax liabilities	**13**	**17,462**	**16,940**
10) Post-employment benefits	**14**	**7,367**	**6,666**
11) Provisions for risks and charges	**15**	**3,768**	**15,366**
12) Other liabilities	**16**	**2,634**	**7,785**
C) Current liabilities (13+14+15+16+17)		**271,818**	**196,815**
13) Trade and other payables	**16**	**125,877**	**108,239**
Trade payables	**16**	**71,366**	**67,192**
of which within 12 months	16	71,053	65,991
after 12 months	16		
of which to the Parent Company	16		1,201
of which to associates	16	32	
of which to related parties	16	281	
Other payables - accrued liabilities and deferred income	**16**	**54,511**	**41,047**
14) Tax payables		**11,789**	**8,968**
of which to the Parent Company		3,058	
15) Provisions for risks and charges	**15**	**7,971**	**4,371**
16) Financial liabilities - Derivatives	**6**	**183**	**15**
17) Financial payables	**12**	**125,998**	**75,222**
Total liabilities (A+B+C)		**646,687**	**591,165**

INCOME STATEMENT

(Euros/000)	Notes	31.12.2012	31.12.2011
1) Total revenues	17	462,250	425,533
Revenues from sale of products		435,769	407,002
Revenues for services		26,481	18,531
of which to related parties			
2) Cost of goods sold	18	250,171	233,733
of which non-recurring	18	847	
of which to related parties		157	
Gross profit (1-2)		212,079	191,800
3) Other operating revenues	19	6,894	2,949
of which non-recurring	19		
4) R&D expenses	18	32,302	26,534
of which non-recurring	18	275	
5) Distribution expenses	18	88,938	82,678
of which non-recurring	18	2,906	
6) General and administrative expenses	18	79,961	46,829
of which non-recurring	18	293	
of which amortisation pertaining to acquisitions	18	32,764	
of which to related parties		1,054	
7) Other operating expenses	18	2,489	2,078
of which non-recurring	18		
Total operating costs		203,690	158,119
Operating result		15,283	36,630
8) Financial income	20	15,054	
9) Financial expenses	20	22,560	
Net financial income (expenses) (8-9)		(7,506)	(5,143)
10) Profits from associates	3	187	853
Profit/(loss) before taxes from the operating assets		7,964	32,340
Income tax	21	(1,290)	6,954
Profit/(loss) for the period		9,254	25,386

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Euros/000)	Notes	31.12.2012	31.12.2011
Net profit/(loss) for the period		9,254	25,386
Other components of the Statement of Comprehensive Income:			
Profit/(loss) on cash flow hedges	11	(66)	248
Profit/(loss) due to translation of the accounts of foreign companies	11	(2,141)	2,555
Profit/(loss) on exchange rate adjustments for financial assets available for sale	11	158	(229)
Total other profit/(loss) net of the tax effect		(2,049)	2,574
Total net profit/(loss) for the period		7,205	27,960
Attributable to:			
Parent company shareholders		5,071	19,912
Minority interests		2,134	8,048

CONSOLIDATED CASH FLOW STATEMENT

(Euros/000)	31.12.2012	31.12.2011
Pre-tax profit	**9,099**	**32,340**
Depreciation and amortisation of tangible and intangible assets and write-downs	42,510	14,455
Change in employee benefits reserve	701	(455)
Allocation to provision for doubtful receivables	370	192
Net financial expenses/(income) including exchange rate differences	6,989	5,143
Adjustments to value of financial assets	(187)	(853)
Cash flow from operations before changes in working capital	**59,482**	**50,822**
Change in trade receivables (net of provisions)	2,265	(4,355)
Change in final inventories	14,652	(13,855)
Change in current assets	(6,654)	303
Other medium-/long-term assets	(319)	(79)
Change in trade payables	1,168	10,071
Change in other current liabilities	10,284	5,903
Other medium/long-term assets	(161)	6,341
Change in provisions for risks and charges	(8,858)	6,299
Commercial foreign exchange gains/(losses)	(812)	(321)
Foreign exchange effect of working capital	(162)	808
Cash flow from operations after changes in working capital	**70,885**	**61,937**
Change in tax	(13,403)	(11,857)
Foreign exchange effect of tax	(235)	103
Interest paid and banking expenses	(3,682)	(8,480)
Cash flow generated from operations (A)	**53,565**	**41,703**
(Increase)/Decrease in intangible assets excluding exchange rate effect	(5,720)	(6,966)
(Increase)/Decrease in tangible assets excluding exchange rate effect	(9,107)	(6,624)
Change in unconsolidated equity interests	21	(10,151)
Acquisition of an equity investment	(100,264)	(4,141)
Changes generated by investment activity (B)	**(115,070)**	**(27,882)**
Change in LT/ST financial receivables	(1,436)	(9,130)
Change in short-term and medium-/long-term financial payables	34,963	68,783
Financial foreign exchange gains/(losses)	(2,495)	3,658
Purchase/sale of treasury shares	3,792	4,850
Change in reserves and exchange rate effect of financial assets/liabilities, equity and tangible and intangible assets	3,140	(1,506)
Dividend payment	(1,643)	(2,139)
Cash flow generated (absorbed) by financial assets (C)	**36,321**	**64,516**
Net increase/(decrease) in available cash (A+B+C)	**(25,184)**	**78,337**
Net cash and cash equivalents at beginning of period (Note 10)	**161,143**	**82,806**
Net cash and cash equivalents at beginning of period (Note 10)	**135,959**	**161,143**

Annexes 4

RECONCILIATION BETWEEN THEORETICAL TAX BURDEN AND TAX BURDEN SHOWN IN THE FINANCIAL STATEMENTS (IRES)

(Euros/000)			
Pre-tax profit		5,778,037	
Theoretical tax burden (rate 27.5%)			1,588,960
Temporary differences taxable in future financial periods:			
Foreign exchange gains from valuation	(1,393,128)		
Total		**(1,393,128)**	
Temporary differences deductible in future financial periods:			
Depreciation > fiscally deductible portion	43,596		
Foreign exchange losses from valuation	2,329,927		
Cash deductible costs	47,536		
Financial expenses per discounting employee severance indemnity	29,256		
Provisions for risks and charges	298,000		
Total		**2,748,315**	
Recharge of the temporary differences from previous financial years:			
Foreign exchange losses from valuation as at 31.12.2012 charged to Income Statement in 2013	(3,602,138)		
Amortization/depreciation not deducted in previous years	(35,633)		
Others	(23,826)		
Capital assets related to charges not deducted in previous years	(132,377)		
Foreign exchange losses from valuation as at 31.12.2012 charged to Income Statement in 2013	813,615		
Dividends recognised in previous years and cashed in the year	92,200		
Board of Directors remuneration pertaining to previous years, paid in the year	(3,814,867)		
Total		**(6,703,026)**	
Differences that will not be repaid in the following financial years:			
Non-deductible taxes	243,844		
Non-deductible amortisation and depreciation	184,822		
Motor vehicle use expense	126,033		
Motor vehicle use expense	36,348		
Non-deductible capital losses	144,878		
Non-deductible sundry expenses	141,787		
Others	(11,447)		
Deduction of IRAP tax	(187,607)		
Earnings distributed to IRES subjects	(11,167,639)		
Total		(10,488,981)	
Total taxable amount		(10,058,783)	
Deduction of notional yield of invested own capital		0	
IRES taxable amount		(10,058,783)	
Current income tax	tax rate 27.5%		(2,766,165)

DETERMINATION OF THE IRAP TAXABLE INCOME

(Euros/000)			
Difference between production value and costs		(2,067,973)	
Costs not significant to IRAP		7,518,554	
Revenue not significant to IRAP			
Extraordinary revenue relevant to IRAP			
Extraordinary expenses relevant to IRAP			
Deductions for the purposes of IRAP (INAIL premiums, costs for CFL, apprentices and handicapped employees, R&D)		(2,030,014)	
Deduction of value of production abroad			
Total		**3,420,567**	
Theoretical tax burden (rate 3.9%)			133,402
Temporary differences taxable in future financial periods:			
Total		**0**	
Temporary differences deductible in future financial periods:			
Goodwill amortisation	2,386		
Total		**2,386**	
Rigiro delle differenze temporanee da esercizi precedenti:			
Ammortamenti avviamento	(5,556)		
Total		**(5,556)**	
Differences that will not be repaid in the following financial years:			
Compensation for temporary and interim employees	1,083,317		
Non-deductible amortisation and depreciation	184,822		
Non-deductible taxes	283,863		
Payroll & employee benefits	(5,367)		
Non-deductible extraordinary charges	134,468		
Amounts payable for employee secondment	(246,940)		
Revenue not significant to IRAP	(136,176)		
Non-deductible costs	95,056		
Total		1,393,043	
IRAP taxable income		4,810,440	
Current IRAP	tax rate 3.90%		187,607

Annexes 5a

ATTESTAZIONE DEL BILANCIO CONSOLIDATO AI SENSI DELL'ART. 81-*TER* DEL REGOLAMENTO CONSOB N. 11971 DEL 14 MAGGIO 1999 E SUCCESSIVE MODIFICHE E INTEGRAZIONI

1. I sottoscritti Romano Volta, in qualità di Amministratore Delegato e Marco Rondelli, in qualità di Dirigente Preposto alla redazione dei documenti contabili societari della Datalogic S.p.A. attestano, tenuto anche conto di quanto previsto dall'art. 154-*bis*, commi 3 e 4, del Decreto Legislativo 24 febbraio 1998, n. 58:

- l'adeguatezza in relazione alle caratteristiche dell'impresa e
- l'effettiva applicazione

delle procedure amministrative e contabili per la formazione del bilancio consolidato nel corso dell'esercizio 2013.

2. La valutazione dell'adeguatezza delle procedure amministrative e contabili per la formazione del bilancio consolidato al 31 dicembre 2013 è basata su di un procedimento definito da Datalogic S.p.A. in coerenza con il modello *Internal Control – Integrated Framework* emesso dal *Committee of Sponsoring Organizations of the Treadway Commission* che rappresenta un framework di riferimento generalmente accettato a livello internazionale.

3. Si attesta, inoltre, che:

3.1 il bilancio consolidato:

a) è redatto in conformità ai principi contabili internazionali applicabili riconosciuti nella Comunità Europea ai sensi del regolamento (CE) n. 1606/2002 del Parlamento Europeo e del Consiglio, del 19 luglio 2002;

b) corrisponde alle risultanze dei libri e delle scritture contabili;

c) è idoneo a fornire una rappresentazione veritiera e corretta della Situazione Patrimoniale, economica e finanziaria dell'emittente e dell'insieme delle imprese incluse nel consolidamento.

3.2 La relazione sulla gestione comprende un'analisi attendibile dell'andamento e del risultato della gestione, nonché della situazione dell'emittente e dell'insieme delle imprese incluse nel consolidamento, unitamente alla descrizione dei principali rischi e incertezze cui sono esposti.

Lippo di Calderara di Reno (Bo), 6 marzo 2014

L'Amministratore Delegato
Romano Volta

Il Dirigente Preposto alla redazione dei documenti contabili
Marco Rondelli

Annexes 5b

ATTESTAZIONE DEL BILANCIO D'ESERCIZIO AI SENSI DELL'ART. 81-*TER* DEL REGOLAMENTO CONSOB N. 11971 DEL 14 MAGGIO 1999 E SUCCESSIVE MODIFICHE E INTEGRAZIONI

1. I sottoscritti Romano Volta, in qualità di Amministratore Delegato e Marco Rondelli, in qualità di Dirigente Preposto alla redazione dei documenti contabili societari della Datalogic S.p.A. attestano, tenuto anche conto di quanto previsto dall'art. 154-*bis*, commi 3 e 4, del decreto legislativo 24 febbraio 1998, n. 58:

- l'adeguatezza in relazione alle caratteristiche dell'impresa e
- l'effettiva applicazione

delle procedure amministrative e contabili per la formazione del bilancio civilistico nel corso dell'esercizio 2013.

2. La valutazione dell'adeguatezza delle procedure amministrative e contabili per la formazione del bilancio civilistico al 31 dicembre 2013 è basata su di un procedimento definito da Datalogic S.p.A. in coerenza con il modello *Internal Control – Integrated Framework* emesso dal *Committee of Sponsoring Organizations of the Treadway Commission* che rappresenta un framework di riferimento generalmente accettato a livello internazionale.

3. Si attesta, inoltre, che:

3.1 il bilancio d'esercizio:

a) è redatto in conformità ai principi contabili internazionali applicabili riconosciuti nella Comunità Europea ai sensi del regolamento (CE) n. 1606/2002 del Parlamento Europeo e del Consiglio, del 19 luglio 2002;

b) corrisponde alle risultanze dei libri e delle scritture contabili;

c) è idoneo a fornire una rappresentazione veritiera e corretta della situazione patrimoniale, economica e finanziaria dell'emittente e dell'insieme delle imprese incluse nel consolidamento.

3.2 La relazione sulla gestione comprende un'analisi attendibile dell'andamento e del risultato della gestione, nonché della situazione dell'emittente e dell'insieme delle imprese incluse nel consolidamento, unitamente alla descrizione dei principali rischi e incertezze cui sono esposti.

Lippo di Calderara di Reno (Bo), 6 marzo 2014

L'Amministratore Delegato
Romano Volta

Il Dirigente Preposto alla redazione dei documenti contabili
Marco Rondelli

Annexes 6a

RELAZIONI DELLA SOCIETÀ DI REVISIONE

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Reconta Ernst & Young S.p.A.
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Independent auditors' report
pursuant to art. 14 and 16 of Legislative Decree n. 39 dated January 27, 2010
(Translation from the original Italian text)

To the Shareholders
of Datalogic S.p.A.

1. We have audited the consolidated financial statements of Datalogic S.p.A. and its subsidiaries, (the "Datalogic Group") as of and for the year ended December 31, 2013, comprising the consolidated statement of financial position, the consolidated statement of income, the consolidated statement of comprehensive income, the statement of changes in consolidated shareholders' equity, the consolidated statement of cash flow and the related explanatory notes. The preparation of these financial statements in compliance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree n. 38/2005 is the responsibility of Datalogic S.p.A.'s Management Board. Our responsibility is to express an opinion on these financial statements based on our audit.

2. Our audit was performed in accordance with auditing standards recommended by CONSOB (the Italian Stock Exchange Regulatory Agency). In accordance with such standards, we planned and performed our audit to obtain the information necessary to determine whether the consolidated financial statements are materially misstated and if such financial statements, taken as a whole, may be relied upon. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing the appropriateness and correct application of the accounting principles and the reasonableness of the estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

   For the opinion on the consolidated financial statements of the prior year, which are presented for comparative purposes, reference should be made to our report dated March 22, 2013.

3. In our opinion, the consolidated financial statements of the Datalogic Group at December 31, 2013 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree n. 38/2005; accordingly, they present clearly and give a true and fair view of the financial position, the results of operations and the cash flows of the Datalogic Group for the year then ended.

4. The management of Datalogic S.p.A. is responsible for the preparation, in accordance with the applicable laws and regulations, of the Report on Operations and the Report on Corporate Governance published in the section "Governance" of Datalogic S.p.A.'s website. Our responsibility is to express an opinion on the consistency with the financial statements of the Report on Operations and the information included therein in compliance with art. 123-bis of Legislative

Reconta Ernst & Young S.p.A.
Sede Legale: 00198 Roma - Via Po, 32
Capitale Sociale € 1.402.500,00 i.v.
Iscritta alla S.O. del Registro delle Imprese presso la C.C.I.A.A. di Roma
Codice fiscale e numero di iscrizione 00434000584
P.IVA 00891231003
Iscritta all'Albo Revisori Contabili al n. 70945 Pubblicato sulla G.U. Suppl. 13 - IV Serie Speciale del 17/2/1998
Iscritta all'Albo Speciale delle società di revisione
Consob al progressivo n. 2 delibera n.10831 del 16/7/1997

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Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) in the Report on Corporate Governance, as required by law. For this purpose, we have performed the procedures required under Auditing Standard 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the Report on Operations and the information reported therein in compliance with art. 123-bis of Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2), letter b) included in the Report on Corporate Governance, are consistent with the consolidated financial statements of the Datalogic Group as of December 31, 2013.

Bologna, March 21, 2014

Reconta Ernst & Young S.p.A.
Signed by: Alberto Rosa, Partner

This report has been translated into the English language solely for the convenience of international readers

Annexes 6b

EY
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pursuant to art. 14 and 16 of Legislative Decree n. 39 dated January 27, 2010
(Translation from the original Italian text)

To the Shareholders
of Datalogic S.p.A.

1. We have audited the financial statements of Datalogic S.p.A. as of December 31, 2013, comprising the statement of financial position, the statement of income, the statement of comprehensive income, the statement of changes in shareholders' equity, the statement of cash flow and the related explanatory notes. The preparation of these financial statements in compliance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree n. 38/2005 is the responsibility of Datalogic S.p.A.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. Our audit was performed in accordance with auditing standards recommended by CONSOB (the Italian Stock Exchange Regulatory Agency). In accordance with such standards, we planned and performed our audit to obtain the information necessary to determine whether the financial statements are materially misstated and if such financial statements, taken as a whole, may be relied upon. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing the appropriateness and correct application of the accounting principles and the reasonableness of the estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

   For the opinion on the financial statements of the prior year, which are presented for comparative purposes, reference should be made to our report dated March 22, 2013.

3. In our opinion, the financial statements of the Datalogic S.p.A. at December 31, 2013 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree n. 38/2005; accordingly, they present clearly and give a true and fair view of the financial position, the results of operations and the cash flows of Datalogic S.p.A. for the year then ended.

4. The management of Datalogic S.p.A. is responsible for the preparation, in accordance with the applicable laws and regulations, of the Report on Operations and the Report on Corporate Governance published in the section "Governance" of Datalogic S.p.A.'s website. Our responsibility is to express an opinion on the consistency with the financial statements of the Report on Operations and the information included therein in compliance with art. 123-bis of Legislative

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Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) in the Report on Corporate Governance, as required by law. For this purpose, we have performed the procedures required under Auditing Standard 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the Report on Operations and the information reported therein in compliance with art. 123-bis of Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2), letter b) included in the Report on Corporate Governance, are consistent with the financial statements of Datalogic S.p.A. as of December 31, 2013.

Bologna, March 21, 2014

Reconta Ernst & Young S.p.A.
Signed by: Alberto Rosa, Partner

This report has been translated into the English language solely for the convenience of international readers

Annexes 7

RELAZIONE DEL COLLEGIO SINDACALE

DATALOGIC

RELAZIONE DEL COLLEGIO SINDACALE ALL'ASSEMBLEA DEGLI AZIONISTI DI DATALOGIC S.P.A. AI SENSI DELL'ART. 153 D.LGS. 58/1998 E DELL'ART. 2429, COMMA 3, DEL CODICE CIVILE

Signori azionisti,
nel corso dell'esercizio chiuso al 31 dicembre 2013, il Collegio Sindacale di Datalogic S.p.a. ("Datalogic" o la "Società") ha svolto le attività di vigilanza previste dalla legge, tenendo anche conto dei principi di comportamento raccomandati dai Consigli Nazionali dei Dottori Commercialisti e dei Ragionieri e delle comunicazioni Consob in materia di controlli societari e attività del Collegio Sindacale.
Il Collegio Sindacale ha acquisito, nel corso dell'esercizio, le informazioni per lo svolgimento delle proprie funzioni attraverso audizioni delle strutture aziendali, la partecipazione alle riunioni del Consiglio di Amministrazione nonché la partecipazione alle riunioni del comitato Controllo e Rischi alle quali il Collegio ha sempre assistito.
In conformità alle raccomandazioni ed indicazioni fornite da Consob con comunicazione del 6 aprile 2001 n. 1025564, modificata e integrata con DEM/ 3021582 del 4 aprile 2003 e DEM/6031329 del 7 aprile 2006 riferiamo quanto segue:

1. Il Collegio Sindacale ha vigilato sull'osservanza della legge e dell'atto costitutivo e sul rispetto dei principi di corretta amministrazione.
2. Il Collegio Sindacale non ha riscontrato, nel corso dell'esercizio 2013 e successivamente alla chiusura dello stesso, operazioni atipiche e/o inusuali effettuate con terzi o con parti correlate (ivi comprese le società del Gruppo).
3. Il Collegio ritiene che le informazioni rese dagli Amministratori nelle Note del Bilancio in ordine alle operazioni infragruppo e con le parti correlate siano adeguate. Trattasi di operazioni avente natura professionale ed immobiliare (locazioni), nonché relative all'adesione al consolidato fiscale; in ogni caso sono state realizzate nell'ambito dell'ordinaria gestione ed a normali condizioni di mercato.
4. La società di revisione Reconta Ernst & Young S.p.A. ha rilasciato in data 21 marzo 2014 la relazione ai sensi dell'art. 14 del D.Lgs. n. 39/2010 in cui attesta che il bilancio di esercizio e il bilancio consolidato al 31 dicembre 2013 sono conformi agli International Financial Reporting Standards (IFRS) adottati dall'Unione Europea nonché ai provvedimenti emanati in attuazione dell'art. 9 del d.lgs. n. 38 del 2005, sono redatti con chiarezza e rappresentano in modo veritiero e corretto la situazione patrimoniale, finanziaria e il risultato economico d'esercizio e consolidato della Società e del Gruppo. La società di revisione ritiene altresì che la relazione sulla gestione e le informazioni di cui al comma 1, lettere c), d), f) l) e m) e al comma 2, lett. b) dell'art. 123-bis del d.lgs. n. 58 del 1998 presentate nella relazione sulla governo societario e gli assetti societari sono coerenti con il bilancio d'esercizio della Società e con il bilancio consolidato del Gruppo.
5. Nel corso del 2013, non sono state presentate al Collegio Sindacale denunce ai sensi dell'art. 2408 del codice civile.
6. Non sono stati presentati esposti.
7. Nel corso del 2013 la Società non ha conferito alla Reconta Ernst & Young S.p.A. ulteriori incarichi, diversi dalla revisione contabile del bilancio civilistico e consolidato, della revisione contabile limitata delle relazioni semestrali e dell'attività di verifica della regolare tenuta della contabilità e della corretta rilevazione dei fatti di gestione nelle scritture contabili.
8. La Società ha conferito incarichi a società appartenenti alla rete legata alla società di revisione Reconta Ernst & Young S.p.a.. Gli incarichi conferiti per complessivi Euro 160.000 si riferiscono a consulenza per la riorganizzazione del processi finanziari per Euro 112.000 e per la ridefinizione dei processi di approvvigionamento per Euro 48.000. Entrambi gli incarichi sono stati affidati a Reconta Ernst & Young Financial Business Advisory.
9. Il Collegio Sindacale nel corso dell'esercizio 2013 ha rilasciato due pareri al Consiglio di Amministrazione, ai sensi dell'art. 2389, comma 3, del codice civile, in merito alla remunerazione attribuita ad Amministratori investiti di particolari cariche.

Si rammenta che la remunerazione degli Amministratori Esecutivi (art. 2389, comma 3, codice civile) è stabilita dal Consiglio di Amministrazione sentito il parere del Collegio Sindacale e previa istruttoria del Comitato per la remunerazione. Comitato composto da amministratori non esecutivi, tutti indipendenti. Per ulteriori approfondimenti in relazione alla remunerazione degli Amministratori e ai piani di incentivazione di lungo termine nonché alle indennità di scioglimento anticipato si rinvia alla relazione sulla remunerazione predisposta dalla società ai sensi dell'art. 123-*ter* del d.lgs. n. 58/1998.

10. Nel corso del 2013, il Consiglio di Amministrazione della Società ha tenuto dodici adunanze; il Comitato Controllo e Rischi quattro e il Comitato per la Remunerazione e le Nomine due. Il Collegio Sindacale, nel corso del medesimo anno 2013, si è riunito quattro volte; inoltre ha assistito: (i) all'Assemblea di approvazione del bilancio chiuso al 31 dicembre 2012; (ii) a tutte le riunioni del Consiglio di Amministrazione; (iii) a tutte le adunanze tenutesi nell'anno 2013 dal Comitato Controllo e Rischi e Comitato per la Remunerazione e Nomine.
11. Il Collegio Sindacale ha preso conoscenza e vigilato, per quanto di propria competenza, sul rispetto dei principi di corretta amministrazione, tramite osservazioni dirette, raccolte di informazioni dai responsabili delle funzioni aziendali (tra cui il Preposto al Controllo Interno), incontri con il Comitato Controllo e Rischi e con i responsabili della Società di Revisione ai fini del reciproco scambio di dati e informazioni rilevanti. In particolare, per quanto attiene ai processi deliberativi del Consiglio di Amministrazione, il Collegio Sindacale ha accertato, anche mediante la partecipazione diretta alle adunanze consiliari, la conformità alla legge e allo Statuto Sociale delle scelte gestionali operate dagli Amministratori e ha verificato che le relative delibere fossero assistite da analisi e pareri – prodotti all'interno o, quando necessario, da professionisti esterni – riguardanti soprattutto la congruità economico-finanziaria delle operazioni e la loro conseguente rispondenza all'interesse della Società.
12. Il Collegio Sindacale ha acquisito conoscenza e vigilato sull'adeguatezza della struttura organizzativa della Società e sul relativo funzionamento, mediante raccolta di informazioni dalle strutture preposte, audizioni dei responsabili delle competenti funzioni aziendali, incontri con i responsabili della revisione interna ed esterna e a tale riguardo non ha osservazioni particolari da riferire.
13. Il Collegio Sindacale ha valutato e vigilato sull'adeguatezza del sistema di controllo interno della Società, anche attraverso: (i) riunioni con il Comitato Controllo e Rischi e (ii) acquisizione di documentazione, rilevando che il sistema non ha evidenziato criticità significative (iii) riunioni con il responsabile Internal Audit (iv) riunioni con l'Organismo di Vigilanza.
14. Il Collegio ha valutato e vigilato sull'adeguatezza del sistema amministrativo-contabile e sulla relativa affidabilità a rappresentare correttamente i fatti di gestione, mediante l'ottenimento di informazioni dai responsabili delle funzioni aziendali competenti (tra cui il Preposto al Controllo Interno), l'esame di documenti aziendali e l'analisi dei risultati del lavoro svolto dalla società di revisione Reconta Ernst & Young S.p.A.. Il Collegio ha altresì preso atto delle attestazioni rilasciate dall'Amministratore Delegato e dal Dirigente Preposto alla redazione dei documenti contabili societari del Gruppo in merito all'adeguatezza e all'effettiva applicazione nel corso del 2013 delle procedure amministrative e contabili per la formazione del bilancio d'esercizio e consolidato.
15. Il Collegio Sindacale ha vigilato sull'adeguatezza delle disposizioni impartite dalla Società alle proprie controllate, ai sensi dell'art. 114, comma 2, del d.lgs. 58/98 e le ritiene idonee al fine di adempiere agli obblighi di comunicazione previsti dalla legge.
16. Il Collegio Sindacale ha accertato tramite verifiche dirette ed informazioni assunte dalla società di Revisione Reconta Ernst & Young S.p.A., l'osservanza dei principi IAS/IFRS nonché di norme e di leggi inerenti la formazione e l'impostazione del bilancio di esercizio, del bilancio consolidato e della relazione sulla gestione.
17. La Società aderisce, attraverso l'adozione di un proprio Codice di Autodisciplina, ai principi e alle raccomandazioni compendiate nel Codice di Autodisciplina elaborato su iniziativa di Borsa Italiana, dal Comitato per la Corporate Governance delle Società Quotate. Nell'ambito del Consiglio di Amministrazione della Società nell'esercizio 2013 (composto da 7 membri) si riscontra la presenza di 6 amministratori non esecutivi, 2 dei quali sono stati qualificati dal Consiglio di Amministrazione come indipendenti; il Consiglio di Amministrazione ha costituito al proprio interno sia il Comitato per la Remunerazione e Nomine, composto integralmente da Amministratori indipendenti, sia il Comitato del Controllo e Rischi, composto integralmente da Amministratori indipendenti. Sempre in tema di Amministratori indipendenti, si segnala che la Società ha istituito, nel corso dell'anno 2007, la figura del "Lead Independent Director", punto di riferimento e coordinamento delle istanze e dei contributi degli Amministratori indipendenti, a garanzia della più ampia autonomia di giudizio di questi ultimi rispetto all'operato del management. Al Lead Independent Director è attribuita, tra l'altro, la facoltà di convocare apposite riunioni di soli Amministratori indipendenti per la disamina di temi inerenti all'attività gestionale ovvero al funzionamento del Consiglio di Amministrazione. Per ulteriori approfondimenti sulla Corporate Governance della Società si fa rinvio alla Relazione predisposta e approvata dagli Amministratori.
    Al riguardo si evidenzia che la Società ha fatto propri i criteri stabili dal Codice di Autodisciplina di Borsa Italiana per la qualificazione dell'"indipendenza" degli Amministratori. Il Consiglio di Amministrazione, sulla base delle informazioni a disposizione della Società e fornite dagli Amministratori stessi, ha valutato la sussistenza dei requisiti di indipendenza, nel corso della riunione consiliare del 27 gennaio 2014. Tali attività di accertamento sono state seguite anche dal Collegio Sindacale, che ha svolto le valutazioni di propria competenza, constatando il rispetto dei requisiti di composizione dell'organo amministrativo nella sua collegialità.
    Lo stesso Collegio Sindacale ha effettuata la verifica della propria indipendenza, ai sensi dell'art. 148, terzo comma, del d.lgs. n. 58 del 1998.
    In conclusione il Collegio Sindacale esprime una valutazione positiva sul sistema di Corporate Governance della Società.
18. Dall'attività di vigilanza e controllo non sono emersi fatti significativi suscettibili di segnalazione agli Organi di vigilanza e controllo o di menzione nella presente Relazione.

19. Il Collegio Sindacale, preso atto delle risultanze del bilancio di esercizio chiuso al 31 dicembre 2013, non ha obiezioni da formulare in merito alla proposta di deliberazione presentata dal Consiglio di Amministrazione sulla destinazione del risultato di esercizio.

Lippo di Calderara, 21 marzo 2014

Il Collegio Sindacale

Enrico Cervellera

Francesca Muserra

Mario Stefano Luigi Ravaccia

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