



Consolidated Financial

Report at

June 30th, 2002

Official documents are in Italian



DATALOGIC GROUP

Consolidated First-Half Interim Report as at June 30th 2002

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COMPOSITION OF CORPORATE GOVERNANCE BODIES

Board of Directors (1)

Romano Volta

Chairman (2)

Roberto Tunioi

Vice Chairman and C.E.O. (3)

PierPaolo Caruso

Director

Alberto Forchielli

Director

Giancarlo Micheletti

Director

Umberto Paolucci

Director

Elserino Piol

Director

Gabriele Volta

Director

Valentina Volta

Director

Board of Statutory Auditors (4)

Stefano Romani

President

Giovanni Ronzani

Standing auditor

Massimo Saracino

Standing auditor

Stefano Biordi

Alternate auditor

Giorgio Delli

Alternate auditor

Independent auditing firm

PricewaterhouseCoopers SpA

(1) The Board of Directors will remain in office until the shareholders' meeting that approves financial statements for the year ending on December 31st 2003

(2) Powers of legal representation of the company vis-à-vis third parties

(3) Powers of legal representation of the company vis-à-vis third parties

(4) The Board of Statutory Auditors will remain in office until the shareholders' meeting that approves financial statements for the year ending on December 31st 2003

DATALOGIC GROUP- NOTES ON CONSOLIDATED FIRST-HALF INTERIM REPORT AS AT JUNE 30th 2002

To Our Shareholders

A) INFORMATION ON PERFORMANCE

The interim report as at June 30th 2002, that we herewith submit to you for review, has been prepared in compliance with the requirements indicated in the instructions of the Nuovo Mercato (New Market) Regulation.

In the first half of 2002 the Datalogic Group achieved revenues of € 59,919 thousand (of which € 59,236 thousand from sales and services and € 683 thousand from other revenues and income) – substantially in line with the same period in the previous year (in the first half of 2001 we reported revenues of € 59,636 thousand).

The following table summarises the Datalogic Group's key operating and financial highlights in the first half of 2002, comparing them with the same period in the previous year:

Datalogic Group	June 30th 2002	June 30th 2001	Change
	€ '000	€ '000	€ '000
Total revenues	59,919	59,636	283
EBITDA	8,311	9,330	(1,019)
<i>% on total revenues</i>	<i>13.9%</i>	<i>15.6%</i>	
Net Financial Position (NFP)	32,442	26,419	6,023
NFP as at 31/12 of previous fiscal year	24,911	(24,315)	49,226
Change in NFP	7,531	50,734	(43,203)

EBITDA as at June 30th 2002 totalled € 8,311 thousand with a margin of 13.9% on revenues. Despite the reduction in EBITDA over the same period in 2001, the results reported – in terms of both revenues and profitability – should be considered to be significant, since they were achieved in a period when the market scenario continued to feature major criticalities.

A key point note is that in the second quarter of 2002 we achieved revenues of € 30,781 thousand and EBITDA of € 4,333 thousand, with grow versus the first quarter of the year of +5.6% and +9% respectively.

In terms of EBITDA, the second quarter of 2002 was better than in the same period of the previous year, both in outright terms (€ 4,333 thousand vs. € 4,110 thousand) and as a percent on revenues (14.1% vs. 13.1%).

This is remarkable result since the first six months of 2001 featured a market scenario that was still very positive, albeit with some signs of slippage. The improvement in profitability (as expressed by EBITDA) reported in the second quarter is consisted with a corporate plan that envisages, for the second half of the year, tangibly higher revenues and margins than in the previous year.

Pre-tax profit amounted to € 3,746 thousand. There was a very substantial improvement over the same period in the previous year. The first half of 2001 in fact ended with a pre-tax profit of some € 316 thousand, largely attributable to booking in operating costs of some € 5.8 mn of listing expenses.

REVENUE TRENDS AND KEY FACTORS AFFECTING OPERATIONS IN THE FIRST HALF

2002 first-half sales revenues for optical scanners and readers amounted to € 50,170 thousand (+1.6% vs. € 49,385 thousand reported in the same period in the previous year). RFID (radio-frequency identification) readers contributed some € 5,746 thousand to Group revenues (unchanged vs. € 5,744 thousand reported in the first six months of 2001).

During the first half we also billed the first significant applications of our self-scanning product. The latter's revenues in the period were modest in outright terms (just over € 300 thousand). This is mainly because the product range is a novelty in the Datalogic offering (it was put on sale only as from the end of 2001). As regards the future, negotiations underway and potential customers' good reception of the application solutions offered by the company lead us to hope in more substantial sales results already in the next 6-12 months.

Within the HHR (handheld reader) product range, the biggest contributors to first-half sales results were readers featuring CCD (charge-coupled device) technology (+24% vs. the first half of 2001) and the presentation scanner (+584%).

More generally, an item worthy of note is the good overall performance of PDC (portable data collection) devices, sales of which increased by +12% over the first half of 2001. The key driver was the introduction of new products in the high-end family of terminals (sales of which increased by +51% of the first six months of the previous year).

Sales results for unattended scanning systems (USS) were mixed. Notwithstanding an 18% increase in second-quarter sales over the previous three months, ahead of budget for the period, sales in the first half of the year were down on the first half of 2001. The good trend in orders and the good 2nd-quarter results already mentioned are such as to support the company's positive expectations for USS, i.e. achievement of full-year sales results in 2002 such as at least to confirm the level of sales reported in 2001.

As regards to geographic areas, first-half sales were higher than the same period in 2001 in Italy and Europe, whereas they were down (mainly because of lower USS sales) in the USA.

Sales generated in the Latin American and Far Eastern markets also showed significant progress over the previous year.

As at June 30th 2002, the net financial position showed net cash of € 32,442 thousand and featured the following breakdown:

	30/06/01	31/12/01	30/06/02
Financial assets (other securities)	2,468	2,468	2,467
M-/L-term bank borrowing	-20,059	-16,978	-4,311
M-/L-term amounts payable to other financial institutions	-4,981	-4,404	-4,434
Financial payables (leasing)	-2	0	0
Own shares	<u>0</u>	<u>1,091</u>	<u>3,672</u>
Medium-/long-term net financial position	<u>-22,574</u>	<u>-17,823</u>	<u>-2,606</u>
Short-term bank borrowing and amounts payable to other financial institutions	-8,157	-7,928	-3,395
Financial payables (leasing)	-138	-69	-16
Financial receivables (other securities)	0	1,167	4,000
Commercial paper		0	4,188
Bank receivables	0	0	201
Cash and cash equivalents	<u>57,288</u>	<u>49,564</u>	<u>30,070</u>
Short-term net financial position	<u>48,993</u>	<u>42,734</u>	<u>35,048</u>
Net financial position	<u>26,419</u>	<u>24,911</u>	<u>32,442</u>

The net financial position improved significantly versus both December 31st 2001 (+ € 7,531 thousand) and the first quarter of the year (+ € 4,506 thousand). This result was largely ascribable to cash flows generated by current business (positive by € 11,089 thousand in the first six months of the year). A key point to note is the positive contribution made by working capital, which decreased in the first half by some € 3,806 thousand.

Investments in the six-month period, net of tangible and intangible fixed-asset disposals, amounted to € 2,278 thousand.

PERFORMANCE OF GROUP COMPANIES

The business performance of group companies as up to June 30th 2002 – inclusive of intercompany transactions – is summarised below (the result for the period, shown before tax, is the one resulting after making the necessary adjustments to assure alignment with group accounting policies).

REVENUES FROM SALES AND SERVICES (€ '000):

COMPANY NAME	% OWNERSHIP	30/06/02	30/06/01	CHANGES
Datalogic SpA (parent company)		43,399	42,185	1,214
Datasud Srl	100%	13,694	16,184	(2,490)
Datalogic AB	100%	3,784	3,997	(213)
EMS, Inc.	91.93%	6,318	6,380	(62)
Datalogic France SA	100%	3,778	5,634	(1,856)
Datalogic Optik Elektronik GmbH	100%	15,010	15,269	(259)
Datalogic Optic Electronics B.V. (1)	100%	0	0	0
Datalogic Handelsgesellschaft mbH (1)	100%	0	0	0
Datalogic PTY Ltd.	100%	1,915	1,493	422
Datalogic UK Ltd.	100%	4,261	3,482	779
Datalogic Inc.	100%	7,245	8,738	(1,493)
DL Iberia (1)	100%	0	0	0

(1) The figure for "revenues from sales and services" is zero because these companies operate on the basis of an agency contract.

PROFIT BEFORE TAX (Euro/000):

COMPANY NAME	% OWNERSHIP	30/06/02	30/06/01	CHANGES
Datalogic SpA (parent company)		4,445	(2,378)	6,823
Datasud Srl	100%	354	926	(572)
Datalogic AB	100%	19	38	(19)
EMS, Inc.	91.93%	(181)	(130)	(51)
Datalogic France SA	100%	35	412	(377)
Datalogic Optik Elektronik GmbH	100%	(395)	940	(1,335)
Datalogic Optic Electronics B.V.	100%	59	73	(14)
Datalogic Handelsgesellschaft mbH	100%	439	344	95
Datalogic PTY Ltd.	100%	(88)	(75)	(13)
Datalogic UK Ltd.	100%	54	68	(14)
Datalogic Inc.	100%	(231)	746	(977)
DL Iberia	100%	(50)	0	(50)

STOCK OPTION PLAN

At the extraordinary meeting held on February 28th 2001 shareholders gave the Board of Directors full powers for the purpose of preparing an equity incentive scheme for directors holding particular offices and

Foster alignment of the interests of key people and shareholders

- Enable key people to participate in the creation and in the sharing of value with shareholders.

The Board of Directors has identified the beneficiaries of the stock option plan. They total 66 including directors with particular offices and employees of the company and its subsidiaries with the exception of Escort Memory System.

The period of exercise of options will start on January 1st 2004 and end on December 31st 2007.

On February 27th 2002 the Board of Directors decided to redefine – as an extraordinary measure – the allocation price of shares relating to the stock option plan approved on May 17th 2001, as being €11.5.

The following table summarises plan status as at June 30th 2002:

	Number of shares	Average exercise price (Euro)	Market price (Euro)	% of company capital
Rights existing as at 1/1/2002	552,000	11.5	12.10	4.64%
New rights assigned in period	10,000	11.5	11.17	0.08%
(Rights exercised in period)	-	-	-	-
(Rights expiring in period) (1)	16,500	-	-	0.14%
Total rights existing as at 30/6/2002	545,500	11.5	9.25	4.58%
Of which: exercisable as at 30/6/2002	-	-	-	-

(1) The rights expiring in the period concern rights assigned to staff no longer employed by the company.

At the ordinary meeting held on April 22nd 2002, the parent company's shareholders authorised the Board of Directors to use 54,500 shares to service a new stock-option plan. As at that data, of the 600,000 share of increase decided upon on 28/02/2001, 545,500 option rights had been assigned.

MAJOR EVENTS OCCURRING AFTER END OF FIRST HALF AND FORESEEABLE BUSINESS PROGRESS

On July 15th the company Datalogic AB acquired Minec AB, the most important Scandinavian producer of portable devices. This company, based in Stockholm, develops, produces and markets a wide range of portable terminals and in 2001 achieved sales of some € 3.5 million (mn). This acquisition is of great strategic importance to Datalogic, since it enables the group to reach the rich North European markets more easily, with the assurance that medium-sales in the Swedish market will be doubled. The acquisition price was set at € 2.846 mn, which decreases to some € 2.1 mn since Minec has a positive net financial position of some € 750 thousand.

On July 23rd the group's interest in Datalex SA was sold, making a capital gain of € 133,510.96.

As from July 29th the group's Italian companies (Datalogic SpA and Datasud Srl) have started using a new information system, consisting of a modern ERP system.

This major investment will enable the group (for 2003 it is envisaged that the new software will be introduced in all foreign subsidiaries) to benefit from a powerful instrument to support future optimisation and development strategies.

Lastly, as regards expected full-year 2002 results, the activities planned by the company - in terms of both sales growth and cost control – should permit achievement of revenues and margins in line with budget and higher than the previous year's reported results.

TRANSACTIONS WITH SUBSIDIARIES NOT CONSOLIDATED LINE-BY-LINE, WITH ASSOCIATED COMPANIES, AND WITH RELATED PARTIES

Transactions with Datalogic Group companies

Izumi Datalogic Co. Ltd, a Japanese company in which the parent company owns a 50% stake, purchases products and components from Datalogic for resale in the Far Eastern area. During the first half of 2002 the parent company sold Izumi products and components totalling about € 801,000. As at June 30th 2002, trade amounts receivable from Izumi totalled € 358 thousand. These transactions were executed at conditions comparable to those of other affiliates.

The parent company has issued a letter of patronage in favour of Izumi Datalogic Co. Ltd. against lines of credit totalling JPY 100,000,000 of which the Japanese affiliate is the beneficiary.

Datalex S.A., a Greek company in which the parent company owns a 50% stake, purchases products and components from Datalogic. During the first half of 2002 the parent company sold Datalex S.A. products and components totalling some € 574 thousand. As at June 30th 2002, trade amounts receivable from Datalex S.A. totalled € 470 thousand. These transactions were executed at conditions comparable to those of other affiliates.

Transactions with DI Private Ltd., an Indian company in which the parent company owns a 20% stake, were not significant.

Transactions with companies belonging to shareholders

Transactions with Datasensor SpA – a company controlled by the parent company's key shareholders – mainly concerned purchase of components by the parent company (€ 464 thousand), financial charges (€ 146 thousand), and contributions to interest payments (€ 116 thousand) concerning the IMI mortgage (which, following the demerger on 02/01/1998, is now jointly held by the parent company and Datasensor SpA), and to distribution, by some group companies, of modest quantities of Datasensor products.

Transactions with the parent company (Hydra SpA) during the semester were marginal, being limited to reciprocal debiting of rents.

B) ACCOUNTING STANDARDS AND POLICIES

Introduction

The Datalogic Group's first-half interim report for the period ending on June 30th 2002 has been prepared in compliance with Italian Legislative Decree 127/1991 and also taking into account corporate disclosure requirements, introduced by Italian Legislative Decree 58/1998 (the so-called "Draghi Decree"), and subsequent implementation and supplementary decrees, as well as CONSOB (Italian listed corporate and stock-market surveillance commission) recommendations concerning first-half interim reports.

The financial statements presented consist of the consolidated balance sheet, profit & loss account, and cash-flow summary. The data shown in the first two statements are compared with those shown in consolidated year-end financial statements as at December 31st 2001 and in the interim first-half report as at June 30th 2001. The notes commenting on the balance sheet also include tables showing changes in net equity accounts and the reconciliation of the parent company's first-half result and net equity with the corresponding consolidated items.

All amounts presented in the interim report are shown in € '000. Amounts shown in the notes commenting on the balance sheet are compared with those as at December 31st 2001, whilst those concerning the profit & loss account are compared with data as at June 30th 2001.

The consolidated financial statements have been prepared based on the data of the parent company Datalogic SpA and of companies included in the consolidation area. These data have been appropriately adjusted, when necessary, to align them with group accounting policies.

Accounting Standards and Policies

The accounting standards and policies used to prepare the interim report for the period ending on June 30th 2002 are those envisaged in Italian Legislative Decree 127/1991 supplemented – for aspects not specifically covered by the decree – by the Italian accounting standards indicated by the Italian National Councils of Chartered and Unchartered Accountants (Consigli Nazionali e dei Dottori Commercialisti e dei Ragionieri) and, when lacking, by those of the International Accounting Standards Committee (IASC).

Standards and policies are the same as those used to draw up consolidated financial statements for the year ending on 2001. Depreciation and amortisation of tangible and intangible fixed assets have been calculated at straight-line rates, halved to reflect the length of the accounting period concerned

As regards preparation of the first-half interim report, the Datalogic Group has decided to avail itself of the faculty allowed by paragraph 5 of Article 3 of the CONSOB regulation (approved via resolution no. 8195 dated June 30th 1994) and has thus presented profit for the period before tax, as well as adjustments and provisions deriving exclusively from application of tax regulations.

Group business and structure

The companies forming the group are active in the industrial production and marketing of products relating to the automatic identification sector. The offering principally consists of four product ranges, i.e.

USS: Unattended Scanning System

HHD: Hand-Held Devices

PDC: Portable Data Collection devices

RFID: Radio-Frequency Identification Devices.

Consolidated first-half interim financial statements include the statements of the parent company and of the companies in which the latter directly or indirectly holds the majority of voting capital, or in which it exercises a dominant influence, if the companies concerned are significant.

The companies consolidated on a line-by-line basis for the period ending on June 30th 2002 were as follows:

Company name	Registered offices	Share Capital	Total Net Equity (€ '000)	1H02 Net Result (€ '000)	% Ownership
Datalogic SpA (parent co.)	Lippo di Calderara di Reno (BO) – Italy	EUR 24,759,280	96,904	4,445	
Datasud Srl	Castiglion Messer Raimondo (TE) – Italy	EUR 1,820,000	6,484	354	100%
Datalogic AB	Malmoe –Sweden	SEK 1,400,000	1,005	19	100%
EMS, Inc.	Scotts Valley (California) – USA	USD 648,000	3,399	(260)	91.93%
Datalogic France SA	Villebon Sur Yvette (Paris) - France	EUR 2,227,040	3,057	12	100%
Datalogic Optik Elektronik Gmbh	Erkenbrechtsweiler (Stuttgart) – Germany	EUR 1,022,580	4,052	(406)	100%
Datalogic Optic Electronics B.V.	Maarsse – Holland	EUR 18,150	(89)	59	100%
Datalogic Handelsgesellschaft mbH	Wiener Neudorf (Vienna) – Austria	EUR 72,670	1,159	439	100%
Datalogic PTY Ltd.	Mount Waverley (Melbourne)- Australia	AUD 2,300,000	796	(88)	100%
Datalogic UK Ltd.	Redbourn (London) – UK	GBP 3,500,000	2,481	76	100%
Datalogic Inc.	Hebron (Kentucky) – USA	USD 1	1,916	(231)	100%
DL Iberia	Madrid – Spain	EUR 60,500	44	-17	100%

Companies valued on a net equity basis were as follows:

Company name	Registered offices	Share Capital	Total Net Equity (€ '000)	1H02 Net Result (€ '000)	% Ownership
Izumi Datalogic Co. Ltd.	Kobe – Japan	JPY 300,000,000	504	(46)	50%

The companies valued at cost were as follows:

Company name	Registered offices	Share Capital	% Ownership
Datalex Sa	Athens - Greece	EUR 146,735	50%
Datalogic Private Ltd.	Shankarapuram (Bangalore) – India	INR 1,000,000	20%

It is pointed out that the value of the stake owned in Datalex SA has been reclassified from the “Long-term financial assets” heading to “current financial assets” since on July 23rd 2002 the stake owned in the company concerned was sold, with a capital gain of € 133,510.96.

Changes in consolidation area

Compared with the previous year the capital of the EMS company increased by USD 10,000. This increase was totally subscribed by employees, as envisaged in the stock option plan approved by the Board of Directors in 1997. This operation reduced our percentage of control by 0.106%.

In addition, the interest in Datalogic Iberia, 100% owned, that was incorporated on December 13th 2001 and started business on January 1st 2002, has been consolidated on a line-by-line basis whilst as up to December 31st 2001 it had been valued according to the net equity method.

C) BALANCE-SHEET INFORMATION

INTANGIBLE FIXED ASSETS

Below we show the changes occurring in intangible fixed assets:

	Start-up costs	Industrial patents and intellectual properties	Concessions, licenses, trademarks & similar items	Goodwill	Others	Intangible assets in process and payments on account	Total
<u>Initial value</u>							
Historical value	74	6,589	260	10,437	1,036	1,893	20,289
(Amortisation)	(57)	(3,180)	(127)	(4,970)	(787)		(9,121)
Write-downs		(120)					(120)
Total	17	3,289	133	5,467	249	1,893	11,048
<u>Increases</u>							
Increases	1	134	15		16	840	1,006
Amortisation reversal							
Other changes							
Total	1	134	15	-	16	840	1,006
<u>Decreases</u>							
Decreases		(5)				(7)	(12)
Amortisation	(7)	(623)	(38)	(522)	(62)		(1,252)
Other changes		(81)			(18)		(99)
Total	(7)	(709)	(38)	(522)	(80)	(7)	(1,363)
Year-end value	11	2,714	110	4,945	185	2,726	10,691

The balance of the "Start-up costs" account mainly consists of expenses and fees borne for merger by incorporation of the company IdWare Srl (which took place in 1998).

The main items under the "Industrial patents" heading – totalling €2,714 thousand – consisted of:

- € 2,099 thousand relating to the parent company, of which € 215 thousand for software licences, € 281 thousand for patent registration, and € 939 thousand for licenses on third-party patents, and € 664 thousand for the purchase of know-how
- € 607 thousand relating to the EMS company for development of know-how concerning an RFID project.

The total amount increased by € 134 thousand. Of which € 130 thousand pertaining to the parent company and mainly consisting of patent registration expenses (€ 93 thousand) and software purchases (€ 37 thousand).

The item "Goodwill", amounting to € 4,945 thousand, refers to the merger loss and share-swap loss originated by the merger by incorporation of IdWare Srl during 1998.

The breakdown of the item "Others", totalling € 185 thousand, was as follows:

- € 162 thousand for long-term costs relating to rented buildings, of which € 48 thousand relating to the parent company and € 114 thousand to EMS
- € 7 thousand for long-term (deferred) costs relating to assets held under leasing contracts, ascribable to the parent company
-

Of the balance of the item "Assets in process and payments on account" € 2,439 thousand related to the parent company and € 287 thousand to Datasud. The portion of the item relating to the parent company mainly consisted of software development expenses for the new management information system (€ 2,151 thousand) and of the cost of software used to operate the company's products created by outside resources (€ 287 thousand). The balance relating to Datasud concerns software development expenses for the new management information system.

The overall increase totalled € 840 thousand. This was ascribable to the parent company and mainly concerned development of software for the new management information system.

TANGIBLE FIXED ASSETS

Below we summarise the changes occurring in tangible fixed assets:

	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets in process and payments on account	Total
Initial value						
Historical value	19,139	4,806	9,877	11,876	3,827	49,525
(Depreciation)	(4,710)	(3,391)	(7,192)	(9,215)		(24,508)
Revaluations	675		15	8		698
(Write-downs)	(246)			(160)		(406)
Exchange-rate differences	244		27	(7)	5	269
Total	15,102	1,415	2,727	2,502	3,832	25,578
Increases:						
Investments	66	465	390	835	77	1,833
Depreciation reversal			21	75		96
Total	66	465	411	910	77	1,929
Decreases:						
Disposals			(33)	(256)	(18)	(307)
Depreciation	(291)	(257)	(742)	(612)		(1,902)
Write-downs						
Total	(291)	(257)	(775)	(868)	(18)	(2,209)
Positive reversals				31		31
(Negative reversals)			(31)			(31)
Chg. in consolidation area						
Exchange-rate differences	(174)		(29)	(35)	(1)	(239)
Closing value	14,703	1,623	2,303	2,540	3,890	25,059

The increase in “Plant and machinery” was mainly due to purchase by the Datasud subsidiary of an automatic commissioning machine (€ 237 thousand and of an automatic silk-screen printer (€ 77 thousand).

The “Industrial & commercial equipment” heading increased by € 390 thousand mainly due to purchases made by the parent company of moulds (€ 93 thousand) and electronic instruments for production and for the R&D laboratories (€ 181 thousand).

The “Other assets” heading increased by € 835 thousand mainly as a result of:

- € 499 thousand for the parent company. The key factors were purchases of new furnishings (€ 243 thousand), electronic office machinery (€ 130 thousand), motor vehicles (€ 57 thousand), and of trade-fair equipment
- € 105 thousand for Datalogic Iberia. The amount mainly related to purchases of new furnishings and electronic equipment.

As at June 30th 2002 the main components of the item "Other assets" were: office furniture and furnishings (€ 660 thousand), office machinery (€ 1,245 thousand), cars (€ 284 thousand) and trade-fair equipment (€ 256 thousand).

The balance of the item "Assets in process and payments on account" (amounting to € 3,890 thousand) was almost exclusively ascribable to the parent company and mainly concerns advance part payments for extension of the building in Via Candini 2.

These extension works – that increase usable floor area by 2400 sqm and volume by 4500 cubic m – were completed in August 2002.

We also highlight the fact that in previous years the company Datasud Srl received capital grants of € 2,056 thousand (issued in three instalments: one in 1993 and two in 1997), that have been entered under Other Reserves, and interest subsidies totalling € 1,756 thousand (issued in two instalments in 1995 and 1996).

These grants led to the following restrictions and constraints on free disposability of assets:

- A specific lien pursuant to Article 46 of Italian Legislative Decree no. 385 dated 01.09.1993 of € 2,970 thousand on plant and machinery installed in the factory
- A mortgage for the same amount on real-estate assets.

Any failure to comply with the clauses envisaging these restrictions and constraints makes it possible for the issuing agency to recall the grants.

LONG-TERM FINANCIAL ASSETS**Investments**

The changes occurring in investments during the period were as follows:

	Net balance 31/12/01	Increases	Exchange- rate differences	Write- ups/(write- downs)	Changes	Net balance 30/06/02
Subsidiary companies						
- Valued on net equity basis:						
Datalogic Iberia	61				(61)	0
Datalogic Handelsgesellschaft mbH	0					0
Datalogic Optic Electronics B.V						
Total subsidiary companies	61				(61)	0
Associated companies						
- Valued on net equity basis:						
Izumi Datalogic Co. Ltd.	281		(6)	(23)		252
- Valued at cost:						
Datalogic Private Ltd.	8					8
Datalex SA	87				(87)	0
Total associated companies	376		(6)	(23)	(87)	260
Other companies:						
Nomisma SpA Italy	7					7
Conai						
CAAf Ind. Emilia Romagna Italy	4					4
Crit Srl	51					51
Total other companies	62					62

The change over the previous year in the Subsidiary companies heading is due to transition to line-by-line consolidation of the new company Datalogic Iberia, incorporated in December 2001 and operational since the beginning of 2002.

The change versus 31/12/01 in the Associated companies heading was the result of net-equity valuation of Izumi Datalogic Co. Ltd and of reclassification of Datalex SA in Current Financial Assets since the interest in question was sold on July 23rd 2002.

Financial receivables – long-term financial assets

The changes occurring in the period were as follows:

Financial amounts receivable from:	31/12/01	Increases	(Decreases)	30/06/02
Subsidiaries	0			0
Associated companies				
Others	185		(81)	104
Total	185		(81)	104

As at June 30th 2002 the item “Others” consisted mainly of the parent company’s tax credit for prepayment of withholding taxes on employee severance indemnities, inclusive both of payments made during the year and of revaluation of the existing credit.

Other securities

	31/12/01	Increases	(Decreases)	30/06/02
Securities as guarantee	2,468		(1)	2,467
(Write-down provision)				
Total	2,468		(1)	2,467

The item consists mainly of securities kept as guarantee of the mortgage loan in place with San Paolo IMI S.p.A. obtained by the parent company to finance applied research. Of the securities in our portfolio, € 1,296 thousand relates to Italian medium- and long-term treasury notes (BTP and CCT), € 457 thousand to banking bonds, and € 711 thousand to shares in bond funds.

Own shares

	31/12/01	Increases	(Decreases)	30/06/02
Datalogic S.p.A. shares	1.091	2.581		3.672
Total	1.091	2.581		3.672

Own shares, acquired on the basis of a shareholders' resolution as envisaged by the Italian Civil Code, are shown at cost. Write-downs are applied when permanent losses in value occur.

On October 25th 2001 parent company shareholders, at an ordinary meeting, approved a buy-back plan for up to a maximum of 650,000 shares, to be executed within 18 months after the resolution at a unitary price ranging from a minimum of € 5.00 to a maximum of € 20.00. There were various, detailed reasons for proposing this plan to shareholders:

- On the one hand there is the opportunity, in future, of undertaking share swaps to accelerate the company's development and the use of existing own shares is a more flexible instrument than a new share issue
- The stock's market price does not seem to represent the company's effective fundamentals and profit outlook and therefore the buy-back operation seems to be a good investment opportunity for the company itself.

As up to 30/06/2002 we have bought back 320,313 own shares for a total of € 3,672 thousand and thus the average unitary purchase price was € 11.46. The total market value of these shares as at 30/06/2002 was € 2,962 thousand. The Board of Directors has not deemed it necessary to apply any write-down since this loss in value is not considered to be permanent.

As required by law, a specific non-distributable reserve of a similar amount has been set up within the parent company's net equity account by drawing on the retained earnings reserve.

CURRENT ASSETS

Inventories

The detailed breakdown of inventories was as follows:

	30/06/02	31/12/01	Change
Raw and auxiliary materials and consumables	12,015	11,652	363
Work in process and semi-finished goods	3,588	2,832	756
Finished goods and merchandise	8,730	9,744	(1,014)
Payments on account	1	47	(46)
Total	24,334	24,275	59

The valuation applied does not differ significantly from a valuation based on current costs.

AMOUNTS RECEIVABLE

Amounts receivable from:	30/06/02	31/12/01	Change	Expiring after 5 years
Customers				
For goods and services	31,931	28,673	3,258	-
(Doubtful debt provision)	(693)	(748)	55	-
Total	31,238	27,925	3,313	-
Subsidiaries				
Datalogic Optic Electronics B.V	-	-	-	-
Datalogic Handelsgesellschaft mbH	-	-	-	-
Total	-	-	-	-
Associated companies				
Izumi Datalogic Co. Ltd.	413	342	71	-
Datalex SA	470	130	340	-
Datalogic Private	-	-	-	-
Total	883	472	411	-
Parent companies				
Hydra Spa	4	0	4	-
Total	4	0	4	-
Others				
Tax authorities for VAT	1,767	2,716	(949)	-
Other tax receivables	3,518	4,684	(1,166)	-
Commercial paper	4,188	-	4,188	-
Amounts receivable from banks for interest	201	1	200	-
Payments on account to suppliers	586	554	32	-
Tax credits on dividends	41	119	(78)	-
Sundry amounts receivable	185	198	(13)	-
Total	10,486	8,272	2,214	-
Total amounts receivable	42,611	36,669	5,942	-

The increase in customer receivables vs. 31/12/2001 was mainly due to delay in payment of some major assignments billed in the first half but then totally collected in July and August.

Amounts receivable from subsidiaries and associated companies relate to trade transactions completed at going market rates.

Other tax receivables – mainly relating to the parent company (€2,614 thousand) and Datasud Srl (€430 thousand) – concerned tax payments on account (€2,097 thousand) and also €1,271 thousand of prepaid taxes. The balance also includes €150 thousand of taxes withheld on interest income.

Amounts receivable for commercial paper (€ 4,188 thousand as at 30/6/2002) represent investments made in order to optimise use of corporate liquidity.

Current financial assets

The item "Investments in associated companies" consists of the interest in Datalex SA.

The "Other securities" item, totalling € 4 mn, related to bond investments.

Cash and cash equivalents

	30/06/02	31/12/01	Change
Bank and post-office deposits	30,049	49,325	(19,276)
Cheques		-	
Cash and similar items in hand	21	239	(218)
Total cash and cash equivalents	30,070	49,564	(19,494)

The major decrease in this item was mainly due to investments in bonds and commercial paper and to early discharge of 3 unsecured long-term loans by the parent company for principal amounting to:

Accrued income and prepayments

	30/06/02	31/12/01	Change
a) Accrued income			
Sundry interest receivable	21	18	3
Others	127	68	59
Total accrued income	148	86	62
b) Prepayments			
Insurance	155	95	60
Association membership fees	7	58	(51)
Rents and maintenance fees	217	72	145
Leasing contracts	2	11	(9)
Surety costs	94	114	(20)
Trade fairs and sponsorships	215	165	50
Substitute tax	625	625	0
Others	225	270	(45)
Total prepayments	1,540	1,410	130

The largest item consists of substitute tax on goodwill of € 625 thousand entered in the parent company's accounts and referring to the period 1998-2007 (included), since it is commensurate with the length of goodwill amortisation.

The item "Trade fairs and sponsorships" also includes staggered payment of expenses borne for the convention held in the early part of the year.

NET EQUITY

Changes occurring in net equity during the period were as follows:

	Opening balance 31.12.01	Profit allocation	Capital increases	Other changes	Profit/(loss) in first half*	Interim balance 30.06.02
Share capital	24,759					24,759
Share premium reserve	54,424					54,424
Revaluation reserves	258					258
Legal reserve	284	180				464
Own-shares reserve	1,091			2,581		3,672
Demerger capital reserve	4,439					4,439
Consolidation reserve	1,878					1,878
Translation reserve	1,154			(832)		322
Retained earnings/losses carried forward	9,246	18		(2,597)		6,667
Profit/(loss) for first half*	779	(779)			3,746	3,746
Balance	98,312	(581)	0	(848)	3,746	100,629
Minorities' results	45	(45)			(15)	(15)
Minorities' net equity	236	45	11			292
Balance	98,593	(581)	11	(848)	3,731	100,906

* - NB: it should be noted that interim profit is shown before tax as envisaged by paragraph 7 of Article 81 of the CONSOB issuer regulation no. 11971 dated May 14th 1999.

Revaluation reserves comprise asset revaluations (totalling € 258 thousand) performed pursuant to the following Italian laws:

- Law 413/91
- Law 72/83 (the so-called "Visentini" law).

The demerger capital reserve follows the split of the parent company on January 2nd 1998 into IES SpA (demerged company, now Datasensor) and Datalogic SpA (the beneficiary company).

The own-shares reserve has been set up by the parent company following buy-back operations, as required under the Italian Civil Code. As required by law, as at June 30th 2002 this reserve was increased by an amount equivalent to the "Own share" item by making use of the retained earnings reserve.

As at 30/06/2002 the composition of company share capital was as follows:

Shares/quotas	Number	Nominal value per share (€)	Total (€)
Ordinary	11,903,500	2.08	24,759,280

The item "Retained earnings/losses carried forward" includes balance-sheet changes in consolidated companies occurring after the date of acquisition as well as the effect of consolidation procedures.

It is also pointed out that the parent company – as per the shareholders' resolution passed on 22/04/2002 – paid out dividends for a total of € 581 thousand.

Reconciliation between the parent company's net equity and profit* and the corresponding consolidated figures is as shown below:

	Share capital and reserves	Net profit 30/06/02	Total equity 30/06/02
Datalogic SpA net equity and profit*	92,459	4,445	96,904
Differences between consolidated companies' net equity and their carrying value in the parent co.'s statement and effect of the equity-based	5,934	(14)	5,920
Elimination of intercompany profits	(2,668)	(41)	(2,709)
Effect of elimination of intercompany transactions	18		18
Effect of entry of leasing	146	(7)	139
Deferred taxes	185		185
Reversal of BV's doubtful debt write-down	373	(201)	172
Reversal of Datasud dividend	436	(436)	0
Group net equity	96,883	3,746	100,629
Minorities' net equity	292	(15)	277
Total net equity	97,175	3,731	100,906

* - NB: it should once again be noted that interim profit is shown before tax as envisaged by paragraph 7 of Article 18 of the CONSOB issuer regulation no. 11971 dated May 14th 1999.

Provisions for risks and charges

	31/12/01	Increases	(Utilisation)	Exchange-rate differences	30/06/02
Retirement benefits and similar obligations	6	3			9
Taxes	495	114	(7)		602
Other provisions	701	6	(65)	(19)	623
Total provisions for risks and charges	1,202	123	(72)	(19)	1,234

Tax provision mainly consists of: € 80 thousand for deferred taxes relating to consolidation entries, € 21 thousand for deferred taxes calculated by the company Datasud, € 170 thousand for deferred taxes calculated by the parent company, and € 41 thousand for deferred taxes provisioned by the subsidiary Datalogic GmbH against the different depreciation rates used for the purposes of consolidation.

The increase in such provision is ascribable to the subsidiary Datalogic GmbH and reflects the estimated charge relating to tax audits for the years 1994, 1995 and 2000.

The breakdown of "Other provisions" is as follows:

	30/06/02	31/12/01	Change
Product warranty provision	495	548	(53)
Risk provision for legal claims underway and provision for restructuring charges	3	33	(30)
Others	125	120	5
Total	623	701	(78)

Product warranty provision represents estimated costs to be borne for service work on products sold under a periodical warranty. It totals € 495 thousand and is deemed sufficient to meet the specific risk concerned.

ACCRUED EMPLOYEE SEVERANCE INDEMNITY PROVISION

Below we show changes occurring in the period.

	31/12/01	New provisions	(Utilisation)	30/06/02
Employee severance indemnities	3,498	510	(182)	3,826

Breakdown of employee headcount by contractual category

	30/06/02	31/12/01
Managers	28	28
Supervisors	67	59
White-collars	480	466
Blue-collars	143	145
TOTAL	718	698

The classification shown above – typical of Italian collective labour contracts – has been applied to foreign affiliates' employee figures on a comparable basis.

PAYABLES**Bank borrowing**

The breakdown of bank borrowing was as follows:

	Within 12 months	After 12 months	After 5 years	Total
Bank borrowing				
Current account overdrafts	597			597
Bank and mortgage loans	1,683	4,055	256	5,994
Total	2,280	4,055	256	6,591

Amounts owed to other financial institutions

	Within 12 months	After 12 months	After 5 years	Total
Amounts owed to other financial institutions				
San Paolo I.M.I. SpA	1,049	2,914	389	4,352
Other financiers	66	306	825	1,197
Total	1,115	3,220	1,214	5,549

The amounts owed to other financiers mainly concern to a secured long-term loan issued by San Paolo IMI SpA to Datasud Srl and to the parent company, and to a loan issued by to Datalogic UK Ltd. And renegotiated in 2000 with Barclays Bank.

The split by type of loan and financing of amounts owed to banks and other financial institutions by group companies is as shown below (amounts in € '000):

Bank/Institution and Loan Type	Expiry date	Interest rate	Current portion	Long-term portion
IMI loan under Law 346	31/12/05	FIXED	434	1,222
IMI loan under Law 346	31/12/05	FIXED	133	386
IMI loan under Law 346	31/12/05	FIXED	236	642
IMI loan under Law 46	30/06/12	FIXED	0	467
IMI loan under Law 46	30/06/12	FIXED	0	84
IMI loan under Law 46	30/06/12	FIXED	6	118
IMI loan under Law 64/86	31/12/04	FIXED	240	384
Mortgage loan	23/05/15	VARIABLE	66	1,131
TOTAL OTHER FINANCIAL INSTITUTIONS			1,115	4,434
CFF and BNP pool mortgage loan	18/12/06	VARIABLE	91	320
BNP mortgage loan	16/07/05	VARIABLE	20	46
Rolo long-term loan	30/11/05	FIXED	373	1,026
Carisbo long-term loan	31/12/05	VARIABLE	501	1,378
Mortgage loan	01/06/03	FIXED	7	102
Secured loans	30/08/03	FIXED	-	342
Secured loans	30/11/02	FIXED	-	375
Loans secured by pledges on securities and current assets and by property mortgages	31/12/02	FIXED	113	-
Rolo cash stand-by facility	17/07/02	FIXED	493	-
Bank financing	23/09/04	FIXED	4	10
Bank financing	27/06/06	FIXED	7	33
Long-term loan secured by inventory and receivables	30/11/08	FIXED	74	679
TOTAL BANKS			1,683	4,311

We point out that the Rolo cash stand-by facility due to expire on 17/07/02 has been renegotiated and now expires on 30/10/02.

Amounts payable to associated and parent companies

These mainly concerned commercial transactions and rentals, performed at normal market conditions.

The detail of such payables is as follows:

	30/06/02	31/12/01	Change
Amounts payable to associated companies			
Datalex SA	2	6	(4)
Total amounts payable to associated companies	2	6	(4)
Amounts payable to parent companies			
Hydra SpA	6	2	4
Total amounts payable to parent companies	6	2	4
Total	8	8	0

Tax payables

The item "Taxes payable" includes only liabilities for certain or definite taxes, since liabilities for taxes probable or uncertain as regards amount and materialisation, or for deferred taxes, are entered in item B2 of the liability statement (tax provision). As at June 30th 2002, taxes payable amounted to € 3,063 thousand, of which € 1,318 thousand relating to the parent company as detailed by key item below:

- € 317 thousand for personal income tax (IRPEF) withheld for employees
-
- € 208 thousand for substitute tax on goodwill to be paid in the second half of 2002
- € 208 thousand for the portion of substitute tax on goodwill to be paid during 2003
- € 9 thousand for taxes withheld for professionals and various self-employed service providers.

Other significant tax debts were reported by Datalogic Gmbh (€ 714 thousand), Datalogic UK (€ 404 thousand), and DL France (€ 226 thousand).

Other amounts payable

	30/06/02	31/12/01	Change
Employees	3,703	2,806	897
Leasing instalments payable	16	68	(52)
Directors' emoluments	162	243	(81)
Insurance	0	65	(65)
Sundry amounts payable	150	345	(195)
Total	4,031	3,527	504

Amounts payable to employees represent the amount payable for salaries and for vacations accrued by employees as at the end of the accounting period.

ACCRUED LIABILITIES AND DEFERRED INCOME

	30/06/02	31/12/01	Change
Accrued liabilities			
Interest payable	6	40	(34)
Consulting services	54	116	(62)
Bonuses and commissions	-	35	(35)
Marketing funds	193	65	128
Sundry items	187	163	24
Total accrued liabilities	440	419	21
Deferred income			
Maintenance contracts	97	26	71
Others	73	75	(2)
Total deferred income	170	101	69

MEMORANDUM ACCOUNTS

Ordinary guarantees

These consist of ordinary guarantees issued by the parent company in favour of the group's companies for the amount of € 3,369 thousand and in favour of third parties for the amount of € 130 thousand

Secured guarantees

Secured guarantees totalled € 10,854 thousand and consisted of the following items:

- Mortgages on tangible fixed assets for € 4,501 thousand
- Pledges on securities against financing received by the parent company for € 2,478 thousand
- Pledges on inventories against financing received totalling € 3,875 thousand.

Personal guarantees

This item concerns guarantees issued by the parent company of which € 493 thousand for a credit mandate for Datalogic AB and € 7,333 thousand for binding letters of patronage in favour of Datasud Srl and Datalogic UK Ltd.

Commitments

€ 80 thousand of this item consisted of commitments for leasing contracts. No other commitments exist other than those indicated at the end of the balance sheet.

€ 126 thousand for packaging and shipment
€ 50 thousand for charge-back of seconded staff
€ 114 thousand for contingent income
€ 48 thousand for other sundry income and revenues.

The percent geographical breakdown of revenues for sales and service was as follows:

	30/6/02	30/6/01
Revenues – Italy	18%	14%
Foreign revenues – Rest of EU	53%	49%
Foreign revenues – Non-EU	29%	37%

PRODUCTION COSTS

	30/06/02	30/06/01	Change
Raw materials supplies, consumables, and goods for resale	24,677	24,285	392
Services	8,811	15,907	(7,096)
Use of 3rd-party assets	941	877	64
Staff costs:			
Wages and salaries	13,658	13,332	326
Social security charges	3,015	2,791	224
Employee severance indemnities	510	504	6
Other staff costs	794	880	(86)
Total staff costs	17,977	17,507	470
Amortisation, depreciation and write-downs:			
Amortisation of intangible fixed assets	1,252	1,016	236
Depreciation of tangible fixed assets	1,902	1,763	139
Write-downs of receivables included in current assets	64	59	5
Total amortisation, depreciation and write-downs	3,218	2,838	380
Changes in inventories of raw materials supplies, consumables, and goods for resale	217	160	57
Risk provisions			
Other provisions	-	9	(9)
Sundry operating costs	449	768	(319)
Total production costs	56,290	62,351	(6,061)

The detailed breakdown of service costs was as follows:

	30/6/02	30/6/01	Change
Nuovo Mercato listing costs	-	5,883	(5,883)
Outworkers	733	969	(236)
Goods receipt and shipment	709	745	(36)
Technical, legal and tax advisory services	1,063	1,952	(889)
Travel and lodging	921	1,061	(140)
Maintenance, repairs, and technical work	658	662	(4)
Sales and marketing costs	1,703	1,971	(268)
Emoluments of corporate governance bodies	560	322	238
Overhead costs	1,674	1,671	3

Others	790	671	119
Total	8,811	15,907	(7,096)

The decrease in the amount for “Technical, legal and tax advisory services” was mainly due to the fact that in the first half of 2001 we made use of outside professional services for the development of technical studies and design projects that were completed at the end of 2001.

The item “Emoluments for corporate governance bodies” includes emoluments both for directors (€ 546 thousand) and statutory auditors (€ 14 thousand).

The detail of costs borne for use of third-party assets is as follows:

	30/6/02	30/6/01	Change
Building rents	490	468	22
Other asset rents	299	228	71
Leasing instalments	86	116	(30)
Others	66	65	1
Total	941	877	64

The increase in rental costs was mainly ascribable to the subsidiary DL Iberia.

The breakdown of “Sundry operating costs” was as follows:

Sundry operating costs	30/6/02	30/6/01	Change
Taxation other than income tax	119	152	(33)
Losses on receivables	-	5	(5)
Costs reimbursable by third parties	15	198	(183)
Association membership fees	129	120	9
Sponsorships and technical promotion	111	199	(88)
Contingent charges	32	20	12
Others	43	74	(31)
Total	449	768	(319)

Financial income and charges

Other financial income

The breakdown of this item was as follows:

	30/6/02	30/6/01	Change
Interest receivable on bank accounts	633	799	(166)
Exchange-rate gains	495	997	(502)
Others	28	54	(26)
Total other financial income exc. Other items	1,156	1,850	(694)

As regards the item "Exchange-rate gains", € 405 thousand of this concerned the parent company and featured the following breakdown:

- € 249 thousand for exchange-rate gains concerning commercial transactions, of which € 61 thousand for adjustment to exchange rates as at the end of the accounting period
- € 150 thousand for exchange-rate gains concerning financial hedging operations in the form of forward sales of currency, of which € 94 thousand for adjustment to exchange rates as at the end of the accounting period
- € 6 thousand for exchange-rate gains concerning foreign-currency borrowing and current accounts.

Interest expenses and other financial charges

	30/6/02	30/6/01	Change
Interest payable on bank current accounts and loans	400	721	(321)
Exchange-rate losses	1.080	776	304
Interest on loans from other financial institutions	198	292	(94)
Operating grants	(116)	(116)	-
Others	76	106	(30)
Total interest expenses and other financial charges	1.638	1.779	(141)

The decrease in the item "Interest on bank current accounts and loans" was mainly due to early discharge by the parent group of two Banca Agricola Mantovana unsecured long-term loans and of a Rolo Banca unsecured long-term loan.

As regards the item "Exchange-rate losses", € 1,002 thousand of the amount concerned the parent company and featured the following breakdown:

- € 671 thousand for exchange-rate losses concerning commercial transactions, of which € 337 thousand for adjustments to exchange rates as at the end of the accounting period
- € 18 thousand for exchange-rate losses concerning financial hedging operations in the form of forward sales of currency
- € 313 thousand for exchange-rate losses for foreign-currency borrowing and current accounts, of which € 310 thousand for adjustments to exchange rates as at the end of the accounting period.

Adjustments to the value of financial assets

The write-down concerned the net-equity valuation of Izumi Datalogic Co. Ltd.

Extraordinary income and charges

	30/6/02	30/6/01	Change
Income			
Capital gains on disposals		8	(8)
Other extraordinary income			
Contingent income	80	457	(377)
Sundry income	14	38	(24)
Total extraordinary income	94	503	(409)
Charges			
Capital losses on disposals			
Miscellaneous charges	4	-	4
Other extraordinary charges			
Contingent charges	85	162	(77)
Sundry charges	160	28	132
Total extraordinary charges	249	190	59

The item "Other extraordinary charges" mainly consisted of € 114 thousand concerning the Datalogic Gmbh subsidiary. This figure represents the estimated charge relating to the tax audit for the years 1994, 1995 and 2000.

Romano Volta

President of the Board of Directors

DATALOGIC S.p.A.

CONSOLIDATED BALANCE SHEET

ASSETS	30-giu-02 in Euro/000	31-dic-01 in Euro/000	30-giu-2001 in Euro/000
A) SUBSCRIBED CAPITAL UNPAID			
1) Part called up			
2) Part not called up			
Total subscribed capital unpaid (A)			
B) FIXED ASSETS			
I - Intangible fixed assets:			
1) Start up and expansion costs	11	17	25
2) Research & Development and advertising costs		-	
3) Industrial patent rights and rights for use of intellectual properties	2.714	3.289	2.180
4) Concessions, licenses, trademarks and similar rights	110	133	31
5) Goodwill	4.945	5.467	5.989
6) Consolidation difference		-	
7) Intangible Assets in progress and advances	2.726	1.893	67
8) Other intangible assets	185	249	396
Total intangible fixed assets (I)	10.691	11.048	8.688
II - Tangible fixed assets:			
1) Land and buildings	14.703	15.102	15.306
2) Plant and machinery	1.623	1.415	1.679
3) Industrial and commercial equipment	2.303	2.727	2.460
4) Other tangible fixed assets	2.540	2.502	2.665
5) Assets in progress and advances	3.890	3.832	2.141
Total tangible fixed assets (II)	25.059	25.578	24.251
III - Long term financial assets:			
1) Investments in:			
a) Subsidiaries valued on the net equity basis		61	-
b) Associated companies valued on the net equity basis	260	376	307
c) Parent companies		-	
d) Other companies	62	62	37
2) Accounts receivable from:			
a) Subsidiaries			
within 12 months		-	-
after 12 months		-	-
Total accounts receivable from subsidiaries (a)	-	-	-
b) Associated companies			
within 12 months		-	-
after 12 months		-	-
Total accounts receivable from associated companies (b)	-	-	-
c) Parent companies			
within 12 months		-	-
after 12 months		-	-
Total accounts receivable from parent companies (c)	-	-	-
d) Other companies			
within 12 months		55	15
after 12 months	104	130	160
Total accounts receivable from other companies (d)	104	185	175
3) Other securities:	2.467	2.468	2.468
4) Own shares	3.672	1.091	
Total long term financial assets (III)	6.565	4.242	2.987
Total fixed assets (B= I + II + III)	42.315	40.868	35.926

DATALOGIC S.p.A.

CONSOLIDATED BALANCE SHEET

ASSETS	30-giu-02 in Euro/000	31-dic-01 in Euro/000	30-giu-2001 in Euro/000
C) CURRENT ASSETS			
I - Inventories:			
1) Raw and auxiliary materials, and consumables	12.015	11.652	14.168
2) Work in progress and semifinished goods	3.588	2.832	3.905
3) Work to order in progress		-	
4) Finished goods and goods for resale	8.730	9.744	13.797
5) Payments on account	1	47	17
Total inventories (I)	24.334	24.275	31.887
II - Accounts receivable:			
1) From customers within 12 months	31.238	27.925	29.650
after 12 months		-	
Total accounts receivable from customers (1)	31.238	27.925	29.650
2) From subsidiaries within 12 months	-	-	-
after 12 months		-	
Total accounts receivable from subsidiaries (2)	-	-	-
3) From associated companies within 12 months	883	472	733
after 12 months		-	
Total accounts receivable from associated companies (3)	883	472	733
4) From parent companies within 12 months	4	-	3
after 12 months		-	
Total accounts receivable from parent companies (4)	4	-	3
5) From others within 12 months	10.379	8.175	9.675
after 12 months	107	97	34
Total accounts receivable from others (5)	10.486	8.272	9.709
Totale accounts receivable (II)	42.611	36.669	40.095
III - Current Financial assets			
1) Investments in subsidiaries		-	
2) Investments in associated companies	87	-	
3) Investments in parent companies		-	
4) Other investments		-	
5) Own shares		-	
6) Other securities	4.000	1.167	-
Total current financial assets (III)	4.087	1.167	-
IV - Bank deposit and cash on hand			
1) Bank and postal deposits	30.049	49.325	57.148
2) Cheques		-	115
3) Cash and cash equivalent	21	239	25
Total bank deposit and cash on hand (IV)	30.070	49.564	57.288
Total current assets (C = I + II + III + IV)	101.102	111.675	129.270
D) ACCRUED INCOME AND PREPAYMENTS			
a) Accrued income	148	86	503
b) Prepayments	1.540	1.410	1.865
c) Discounts on loans			
Total accrued income and prepayments (D)	1.688	1.496	2.368
TOTAL ASSETS (A + B+ C+ D)	145.105	154.039	167.564

DATALOGIC S.p.A.

CONSOLIDATED BALANCE SHEET

LIABILITIES AND EQUITY	30-giu-02 in Euro/000	31-dic-01 in Euro/000	30-giu-2001 in Euro/000
A) NET EQUITY			
<i>I Share Capital</i>	24.759	24.759	24.759
<i>II Share premium reserve</i>	54.424	54.424	54.424
<i>III Revaluation reserves</i>	258	258	258
<i>IV Legal reserve</i>	464	284	283
<i>V Own-share reserve</i>	3.672	1.091	
<i>VI Statutory reserves</i>		0	
<i>VII Demerger capital reserve</i>	4.439	4.439	4.439
<i>VIII Other reserves</i>			
<i>IX Consolidation reserve</i>	1.878	1.878	1.878
<i>X Translation reserve/(loss)</i>	322	1.154	1.482
<i>XI Retained earnings/(losses) carried forward - parent co.</i>	4.443	4.173	5.264
<i>XII Retained earnings/(losses) carried forward - other group companies</i>	2.224	5.073	5.203
<i>XIII Net profit/(loss) for the year</i>	3.746	779	326
	<u>100.629</u>	<u>98.312</u>	<u>98.316</u>
Net equity pertaining to minorities	277	281	227
Total net equity (A)	100.906	98.593	98.543
B) PROVISIONS FOR RISKS AND CHARGES:			
1) Provision for retirement benefits and similar obligations	9	6	
2) Provision for taxation	602	495	473
3) Others	623	701	788
Total provisions for risks and charges (B = 1 + 2+ 3)	1.234	1.202	1.261
C) Employees' severance indemnity provision	3.826	3.498	3.332
D) PAYABLES			
1) Debentures			
within 12 months		-	-
after 12 months		-	-
Total debentures (1)	-	-	-
2) Convertible bonds			
within 12 months		-	-
after 12 months		-	-
Total convertible bonds (2)	-	-	-
3) Bank borrowing			
within 12 months	2.280	6.844	7.117
after 12 months	4.311	16.978	20.059
Total bank borrowing (3)	6.591	23.822	27.176
4) Accounts payable to other financial institutions			
within 12 months	1.115	1.084	1.040
after 12 months	4.434	4.404	4.981
Total accounts payable to other financial institutions (4)	5.549	5.488	6.021
5) Advances received			
within 12 months	1	1	
after 12 months		-	
Total advances received (5)	1	1	-
6) Trade payables			
within 12 months	18.421	12.071	18.984
after 12 months		0	376
Total trade payables (6)	18.421	12.071	19.360
7) Bill payable			
within 12 months		-	
after 12 months		-	
Total bill payable (7)	-	-	-

DATALOGIC S.p.A.

CONSOLIDATED BALANCE SHEET

LIABILITIES AND EQUITY	30-giu-02 in Euro/000	31-dic-01 in Euro/000	30-giu-2001 in Euro/000
8) Accounts payable to subsidiaries			
within 12 months		-	
after 12 months		-	
Total accounts payable to subsidiaries (8)	-	-	-
9) Accounts payable to associated companies			
within 12 months	2	6	1
after 12 months		-	
Total accounts payable to associated companies (9)	2	6	1
10) Accounts payable to parent companies			
within 12 months	6	2	0
after 12 months		-	
Total accounts payable to parent companies (10)	6	2	-
11) Tax authorities payable			
within 12 months	3.063	4.053	5.679
after 12 months		208	417
Total tax authorities payable (11)	3.063	4.261	6.096
12) Social security institutions payable			
within 12 months	865	1.047	852
after 12 months		-	
Total social security institutions payable (12)	865	1.047	852
13) Other payables			
within 12 months	3.998	3.494	4.134
after 12 months	33	33	22
Total other payables (13)	4.031	3.527	4.156
Total accounts payable (D)	38.529	50.227	63.662
E) ACCRUED EXPENSES AND DEFERRED INCOME			
a) Accrued expenses	440	419	457
b) Deferred income	170	101	309
c) Premium on loans		-	
Total accrued expenses and deferred income (E)	610	520	766
TOTAL LIABILITIES AND EQUITY (A+B+C+D+E)	145.105	154.039	167.564
MEMORANDUM ACCOUNTS			
Ordinary guarantees	3.499	3.464	3.479
Secured guarantees	10.854	10.964	11.083
Personal guarantees	7.826	7.909	8.950
Commitments	80	110	124
TOTAL MEMORANDUM ACCOUNTS	22.259	22.447	23.636

DATALOGIC S.p.A.**CONSOLIDATED PROFIT & LOSS ACCOUNTS****30-giu-02 in Euro/000**

A) PRODUCTION VALUE:	
1) Revenues from sales and services	59.236
2) Changes in inventories of work in progress, semifinished and finished goods	747
3) Changes in contract work in progress	
4) Increases in fixed assets from internal work	15
5) Other revenue and income	
a) Sundry revenues	504
b) Income from grants	179
Total other revenue and income(5)	683
Total production value(A)	60.681
B) PRODUCTION COSTS:	
6) Raw and auxiliary materials, consumables and goods for resale	24.677
7) Services	8.811
8) Use of third parties asset	941
9) Personnel costs:	
a) Salaries and wages	13.658
b) Social contributions	3.015
c) Employees' severance indemnity	510
d) Provision for retirement benefits and similar costs	-
e) Other personnel costs	794
Total personnel costs (9)	17.977
10) Amortisation, depreciation and write-downs	
a) Amortisation of intangible fixed assets	1.252
b) Depreciation of tangible fixed assets	1.902
c) Other write-downs of fixed assets	-
d) Write-downs of receivables entered in current assets and in cash at bank and on hand	64
Total amortisation, depreciation and write-downs (10)	3.218
11) Changes in inventories of raw materials, supplies, consumables and goods for resale	217
12) Risk provisions	-
13) Other provisions	-
14) Sundry operating costs	449
Total production costs (B)	56.290
DIFFERENCE BETWEEN PRODUCTION VALUE AND COST (A - B)	4.391

CONSOLIDATED PROFIT & LOSS ACCOUNTS

30-giu-02 in Euro/000

C) FINANCIAL INCOME AND CHARGES:		
15) Income from investments in:		
a) Subsidiaries		
b) Associated companies		
c) Other companies		
	Total income from investments (15)	-
16) Other financial income from:		
a) Receivables entered in long term financial assets from:		
- Subsidiaries		
- Associated companies		
- Parent companies		
- Others		
	Total (a)	-
b) Securities entered in long term financial assets that are not investments		47
c) Securities entered in current assets that are not investments		
d) Income other than the above from:		
- Subsidiaries		
- Associated companies		
- Parent companies		
- Other companies		1.109
	Total (d)	1.109
	Total other financial income (16)	1.156
17) Interest and other financial costs from:		
- Subsidiaries		
- Associated companies		
- Parent companies		
- Others		1.638
	Total interest and other financial costs (17)	1.638
Total financial income and charges (15+16-17)		(482)
D) ADJUSTMENT TO THE VALUE OF FINANCIAL ASSETS:		
18) Revaluation of:		
a) investments		
b) long term financial assets that are not investments		
c) Securities entered in current assets that are not investments		
	Total revaluations (18)	-
19) Write-downs of:		
a) investments		23
b) long term financial assets that are not investments		
c) Securities entered in current assets that are not equity investments		
	Total write-downs (19)	23
Net adjustment to the value of financial assets (D =18-19)		(23)
E) EXTRAORDINARY INCOME AND CHARGES:		
20) Extraordinary income		
a) Capital gains on disposals of fixed assets		
b) Other extraordinary income		94
	Total extraordinary income (20)	94
21) Extraordinary charges		
a) Capital losses on disposals of fixed assets		4
b) Other extraordinary charges		245
	Total extraordinary charges (21)	249
Total extraordinary income/(charges) (20-21)		(155)

DATALOGIC S.p.A.

CONSOLIDATED PROFIT & LOSS ACCOUNTS

30-giu-02 in Euro/000

PROFIT/(LOSS) BEFORE TAXES (A - B +/- C +/- D +/- E)	3.731
22) Current income taxes	
Deferred taxes	
PROFIT/(LOSS) FOR THE YEAR	3.731
Profit/(Loss) pertaining to minorities	15
NET PROFIT/(LOSS) FOR THE YEAR	3.746

The President of the Board of Directors
(Romano Volta)

DATALOGIC S.p.A.

CONSOLIDATED CASH FLOW

	30-giu-02 in Euro/000	31-dic-01 in Euro/000
NET SHORT TERM FINANCIAL POSITION AT THE BEGINNING OF THE YEAR	42.734	1.543
NET PROFIT/(LOSS) FOR THE YEAR	3.746	779
Amortisation and depreciation	3.154	6.165
Increase of the provision for employees' severance indemnity	510	977
Revaluations/write-downs of financial assets	23	4
CASH FLOW FROM CURRENT OPERATIONS	7.433	7.925
Effect of changes in operating assets and liabilities		
Trade receivables	-3.728	-1.931
Inventories	-59	4.867
Other current assets	1.960	1.119
Other long term assets	16	29
Trade payables	6.350	-9.616
Tax payables	-1.198	-2.919
Other current liabilities	465	130
Other long term liabilities	0	-80
Provisions for risks and charges	32	-473
Decrease of the provision for employees' severance indemnity	-182	-1.196
Changes in operating assets and liabilities	3.656	-10.070
CASH FLOW FROM OPERATING ACTIVITIES	11.089	-2.145
Effect of changes in investment activities		
(Increase)/decrease in intangible fixed assets	-895	-4.356
(Increase)/decrease in tangible fixed assets	-1.383	-5.966
(Increase)/decrease in long term financial assets	-2.581	-836
CASH FLOW FROM INVESTMENT ACTIVITIES	-4.859	-11.158
Effect of changes in financial activities		
Change in long term financial position	-12.637	-7.141
Change in net equity pertaining to minorities	-4	52
Impact of exchange-rate changes on foreign companies' consolidation	-832	229
Other net equity changes	-597	60.630
Change in unconsolidated investments (*)	154	724
CASH FLOW FROM FINANCIAL ACTIVITIES	-13.916	54.494
CHANGE IN NET FINANCIAL POSITION	-7.686	41.191
NET SHORT TERM FINANCIAL POSITION AT YEAR-END	35.048	42.734