



# **Interim Management Statement**

**30<sup>th</sup> September 2009**

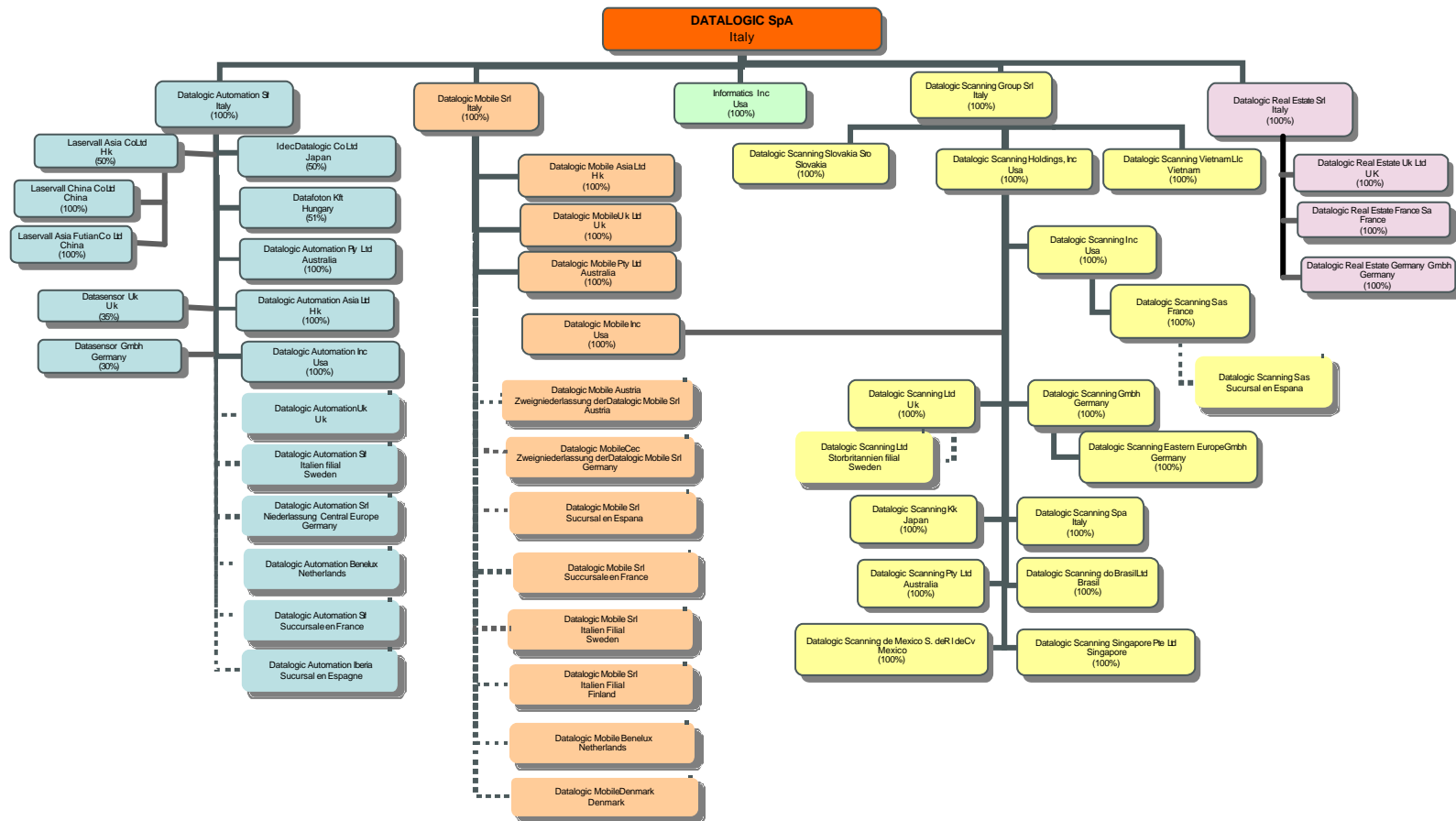
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## **DATALOGIC GROUP**

### **Interim Management Statement as of September 30, 2009**

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———— Legal entity

..... Branch

## COMPOSITION OF CORPORATE GOVERNANCE BODIES

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### **Board of Directors** (1)

**Volta Romano**  
Chairman (2)

**Sacchetto Mauro**  
CEO (3)

**Caruso Pier Paolo**  
Director

**Cristofori Gianluca**  
Director

**Di Stefano Luigi**  
Director

**Floriani Lodovico**  
Director

**Manaresi Angelo**  
Director

**O'Brien John**  
Director

**Piol Elserino**  
Director

**Tamburi Giovanni**  
Director

**Volta Gabriele**  
Director

**Volta Valentina**  
Director

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### **Board of Statutory Auditors** (4)

**Romani Stefano**  
President

**Ravaccia Mario Stefano Luigi**  
Standing auditor

**Saracino Massimo**  
Standing auditor

**Biordi Stefano**  
Alternate auditor

**Passerini Patrizia**  
Alternate auditor

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### **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 2011

(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 2009

## INTERIM MANAGEMENT REPORT

### REPORT ON OPERATIONS

To our Shareholders,

The report for the period ending on 30 September 2009, which we submit to you for review, has been prepared in compliance with the instructions in the Borsa Italiana S.p.A. Regulations.

Specifically, consolidated financial statements apply the approach set forth by international accounting standards (IASs/IFRSs) adopted by the European Union.

### OPERATING AND FINANCIAL RESULTS

The following table summarises the Datalogic Group's key operating and financial highlights at 30 September 2009 and in comparison with the same period a year earlier:

<b>Datalogic Group</b>	<b>30/09/2009</b>	<b>30/09/2008</b>	<b>change</b>	<b>% change</b>
(€'000)				
<b>Total revenue</b>	<b>225,126</b>	<b>284,342</b>	<b>(59,216)</b>	<b>-20.8%</b>
<b>EBITDA</b>	<b>10,880</b>	<b>37,445</b>	<b>(26,565)</b>	<b>-70.9%</b>
% of total revenue	4.8%	13.2%		
<b>Group net profit/loss</b>	<b>(13,947)</b>	<b>16,570</b>	<b>(30,517)</b>	<b>n.a.</b>
% of total revenue	-6.2%	5.8%		
<b>Net financial position (NFP) (**)</b>	<b>(113,171)</b>	<b>(73,864)</b>	<b>(39,307)</b>	<b>53.2%</b>

(\*) **EBITDA** is a performance indicator not defined under IFRS. However, Datalogic management uses it to monitor and assess the company's operating performance as it is not influenced by the 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 8.

As at 30 September 2009, the **Datalogic Group reported revenue of €225,126 thousand (vs. €284,342 thousand in the first nine months of 2008)**, detailed as follows:

€214,101 thousand in revenue from the sale of products;

€11,025 thousand in revenue from services.

In the first nine months of the year, revenues was down by 21% versus the same period a year earlier. The decrease was 26% net of Datasensor, the company acquired in October 2008 and not included in the area of consolidation in the first nine months of 2008. At constant euro/dollar exchange rates, the decrease would have been 24.3%.

**Group EBITDA was €10,880 thousand, with a margin on total revenue of 4.8%. The year-on-year (YOY) decrease was €26,565 thousand (versus €37,445 thousand at 30 September 2008).**

**Group net loss at 30 September 2009 was €13,947 thousand**, worse compared with net profit of €16,570 thousand reported in the first nine months of 2008.

This result is negative largely because of the decrease in sales reported in the first nine months and as a result of the serious global recession.

Against the decrease in sales, the Company has set in place an energetic cost reduction plan that will make it possible to increase Group profits even if sales will be similar to the amount reported in the first nine months of the year.

The positive effects of this plan on Group profitability are already visible; despite that sales in the third quarter were essentially in line with the second quarter, the operating profit increased significantly compared to the previous quarter (EBITDA increased from €4,319 thousand to a positive value of €7,076 thousand, up by 64% approximately).

Below is a detail of the figures in the third quarter, compared with the second quarter of the year:

	Q3 2009		Q2 2009		change	% change
<b>TOTAL REVENUE</b>	76,014	100.0%	76,018	100.0%	(4)	0.0%
<b>EBITDA</b>	7,076	9.3%	4,319	5.7%	2,757	63.8%
<b>EBITANR</b>	4,039	5.3%	629	0.8%	3,410	542.1%
<b>OPERATING RESULT (EBIT)</b>	3,116	4.1%	(8,346)	-11.0%	11,462	n.a

To cover the costs of the restructuring plan, the Group reported €7,882 thousand to the income statement at 30 September 2009, of which €5,364 thousand refers to the restructuring fund and the remainder to early retirement incentives already paid/agreed.

**ANALYSIS OF RECLASSIFIED INCOME STATEMENT DATA**

The following table shows the main income statement items for the Datalogic Group compared with the same period in the previous year:

<b>(€'000)</b>	<b>30/09/2009</b>		<b>30/09/2008</b>		<b>change</b>	<b>% change</b>
<b>Total revenue</b>	<b>225,126</b>	<b>100.0%</b>	<b>284,342</b>	<b>100.0%</b>	<b>(59,216)</b>	<b>-20.8%</b>
Cost of sales	(131,509)	-58.4%	(156,862)	-55.2%	25,353	-16.2%
<b>Gross profit</b>	<b>93,617</b>	<b>41.6%</b>	<b>127,480</b>	<b>44.8%</b>	<b>(33,863)</b>	<b>-26.6%</b>
Other revenue	1,442	0.6%	3,735	1.3%	(2,293)	-61.4%
Research and development expenses	(19,119)	-8.5%	(18,214)	-6.4%	(905)	5.0%
Distribution expenses	(50,481)	-22.4%	(57,360)	-20.2%	6,879	-12.0%
General & administrative expenses	(21,291)	-9.5%	(25,685)	-9.0%	4,394	-17.1%
Other operating costs	(3,586)	-1.6%	(1,119)	-0.4%	(2,467)	220.5%
<b>Total operating cost and other costs</b>	<b>(94,477)</b>	<b>-42.0%</b>	<b>(102,378)</b>	<b>-36.0%</b>	<b>7,901</b>	<b>-7.7%</b>
<b>Ordinary operating result before non-recurring costs and revenue and administrative costs arising from acquisitions (EBITANR)</b>	<b>582</b>	<b>0.3%</b>	<b>28,837</b>	<b>10.1%</b>	<b>(28,255)</b>	<b>-98.0%</b>
Non-recurring costs and revenue	(7,882)	-3.5%	0	0.0%	(7,882)	n.a.
Depreciation & amortisation due to acquisitions (*)	(3,074)	-1.4%	(2,859)	-1.0%	(215)	7.5%
<b>Operating result (EBIT)</b>	<b>(10,374)</b>	<b>-4.6%</b>	<b>25,978</b>	<b>9.1%</b>	<b>(36,352)</b>	<b>n.a.</b>
Net financial income (expenses)	(4,652)	-2.1%	(3,815)	-1.3%	(837)	21.9%
Subsidiaries' earnings/(losses)	(127)	-0.1%	(29)	0.0%	(98)	337.9%
Foreign exchange earnings/(losses)	(548)	-0.2%	626	0.2%	(1,174)	n.a.
<b>Pre-tax profit/(loss)</b>	<b>(15,701)</b>	<b>-7.0%</b>	<b>22,760</b>	<b>8.0%</b>	<b>(38,461)</b>	<b>n.a.</b>
Taxes	1,754	0.8%	(6,190)	-2.2%	7,944	n.a.
<b>GROUP NET PROFIT/LOSS</b>	<b>(13,947)</b>	<b>-6.2%</b>	<b>16,570</b>	<b>5.8%</b>	<b>(30,517)</b>	<b>n.a.</b>
Depreciation and write-downs of property, plant and equipment	(7,074)	-3.1%	(5,558)	-2.0%	(1,516)	27.3%
Amortisation and write-downs of intangible assets	(3,224)	-1.4%	(3,050)	-1.1%	(174)	5.7%
<b>EBITDA</b>	<b>10,880</b>	<b>4.8%</b>	<b>37,445</b>	<b>13.2%</b>	<b>(26,565)</b>	<b>-70.9%</b>

(\*) This item includes costs for amortisation arising from acquisitions of the companies Laservall, Informatics, Datalogic Scanning Inc., and Datalogic Mobile Inc. In order to assure better representation of the Group's ordinary profitability, we have preferred – 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, taxes, acquisition and not recurring) **also denoted as "Ordinary Operating result"**. To permit comparability with detailed official accounting statements, we have in any case included a further intermediate profit margin (called "Operating result") that includes non-recurring costs/income and depreciation and amortisation due to acquisitions and matches figures reported in year-end financial statements.

Following the introduction of IASs, non-recurring or extraordinary costs are no longer shown separately in the financial statements below the operating line, but are included in ordinary operating figures.

At 30 September 2009, non-recurring costs/income (€7,882 thousand) were made up as follows:

ITEM	AMOUNT	DESCRIPTION
	(€'000)	
2) Cost of goods sold	(922)	early retirement incentives
<b>Total</b>	<b>(922)</b>	
4) R&D expenses	(114)	early retirement incentives
<b>Total</b>	<b>(114)</b>	
5) Distribution expenses	(756)	early retirement incentives
5) Distribution expenses	(22)	wages and salaries
5) Distribution expenses	(9)	grants
<b>Total</b>	<b>(787)</b>	
6) General & administrative expenses	(467)	early retirement incentives
6) General & administrative expenses	(137)	wages and salaries
6) General & administrative expenses	(42)	grants
6) General & administrative expenses	(39)	consulting services
6) General & administrative expenses	(10)	Staff severance indemnity
<b>Total</b>	<b>(695)</b>	
7) Other operating expenses	(5,364)	restructuring provision allocation
<b>Total</b>	<b>(5,364)</b>	
<b>TOTAL NON-RECURRING COSTS</b>	<b>(7,882)</b>	

Depreciation and amortisation arising from acquisitions (equal to €3,074 thousand) are made up of:

€971 thousand pertaining to Laservall;

€440 thousand pertaining to Informatics;

€1,373 thousand pertaining to Datalogic Scanning Inc.;

€290 thousand pertaining to Mobile Inc.

The “Ordinary operating result” (EBITANR) was a negative €582 thousand, corresponding to 0.3% of revenues, and lower (by €28,255 thousand in absolute terms) versus the YOY figure (positive €28,837 thousand).



The table below shows the comparison between the main economic results earned in the third quarter 2009 and in the same period in 2008:

	<b>Q3 2009</b>		<b>Q3 2009</b>		<b>change</b>	<b>% change</b>
<b>TOTAL REVENUE</b>	76,014	100.0%	90,784	100.0%	(14,770)	-16.3%
<b>EBITDA</b>	7,076	9.3%	12,084	13.3%	(5,008)	-41.4%
<b>EBITANR</b>	4,039	5.3%	9,180	10.1%	(5,141)	-56.0%
<b>OPERATING RESULT (EBIT)</b>	3,116	4.1%	8,219	9.1%	(5,103)	-62.1%

**ANALYSIS OF FINANCIAL AND CAPITAL DATA**

At 30 September 2009, the net financial position was a negative €113,171 thousand and breaks down as follows:

<b>Datalogic Group</b>	<b>30/09/2009</b>	<b>31/12/2008</b>
<b>(Euro/000)</b>		
A. Cash and bank deposits	59,589	51,729
B. Other liquidities	431	379
b1. restricted cash deposit	431	379
C. Securities held for trading	361	367
c1. Short-term	2	6
c2. Long-term	359	361
<b>D. Cash equivalents (A) + (B) + (C)</b>	<b>60,381</b>	<b>52,475</b>
E. Current financial receivables	30	0
F. Other current financial receivables	0	0
f1. hedging transactions	0	0
G. Bank current accounts payable	847	162
H. Current portion of non-current debt	31,684	61,451
I. Other current financial liabilities	170	3,437
I1. Financial liabilities vs BoD member	0	3,401
I2. Hedging transactions	170	36
<b>J. Current financial debt (G) + (H) + (I)</b>	<b>32,701</b>	<b>65,050</b>
<b>K. Current financial debt, net (J) - (D) - (E) - (F)</b>	<b>(27,710)</b>	<b>12,575</b>
L. Non-current bank borrowing	137,728	92,458
M. Other non-current financial receivables	176	204
m1. Hedging instruments		
N. Other non-current liabilities	3,329	2,115
n1. Financial liabilities vs BoD member		0
n2. Hedging instruments	3,329	2,115
<b>O. Non-current financial debt (L) + (M) + (N)</b>	<b>140,881</b>	<b>94,369</b>
<b>P. Net financial debt (K) + (O)</b>	<b>113,171</b>	<b>106,944</b>

Net financial debt at 30 September 2009 was negative for €113,171 thousand, showing a deterioration of €6,227 thousand compared with 31 December 2008 (when it was negative for €106,944 thousand), but significantly better than 30 June 2009 (when net financial debt was negative for €120,292 thousand).

Readers should note that a number of non-recurring transactions were executed in the period, including:

- disbursement of the long-term (2004 to 2008 period) and annual managerial incentive plan benefits and severance bonus for the outgoing Chief Executive Officer for a total of €9,400 thousand;
- purchase of treasury stock for €1,433 thousand;
- early retirement incentives of €1,877 thousand;
- settlement of a legal dispute for €826 thousand.

A dividend of €1,933 thousand was paid in May.

Net of these non-recurring transactions, the net financial position at 30 September would have been negative for €97,702 thousand.

Furthermore, investments of €5,438 thousand were made, comprised principally of refurbishment work on the building in Bologna.

Net working capital at 30 September 2009 was €53,914 thousand and decreased by €5,757 thousand from 31 December 2008 (€59,671 thousand).

The reconciliation between the direct parent company's equity and net profit and the corresponding consolidated amounts is as shown below:

	<b>30 September 2009</b>		<b>31 December 2008</b>	
	<b>Total equity</b>	<b>Period results</b>	<b>Total equity</b>	<b>Period results</b>
<b><i>Datalogic SpA net equity and profit</i></b>	<b>158,429</b>	<b>15,188</b>	<b>147,392</b>	<b>3,355</b>
Differences between consolidated companies' net equity and their carrying value in the parent company's statement and effect of the equity-based valuation	(8,781)	(6,254)	24,027	39,782
Reversal of dividends	0	(22,155)	0	(26,659)
Amortisation of intangible assets "business combination"	(6,798)	(971)	(5,827)	(1,295)
Effect of acquisition under common control	(31,733)	0	(31,733)	0
Elimination of capital gain on sale of business branch	(3,302)	0	(3,302)	(1,119)
Effect of eliminating intercompany transactions	(1,218)	950	(2,168)	237
Reversal of write-downs and capital gains on equity investments	4,179	(896)	5,075	2,326
Transfer of know How	(250)	1,071	(1,321)	1,428
Impairment goodwill	(725)	(224)	(501)	(298)
Other	(755)	(519)	(236)	93
Taxes	4,275	(137)	4,412	(6)
<b>Group portion of shareholders' equity</b>	<b>113,321</b>	<b>(13,947)</b>	<b>135,818</b>	<b>17,844</b>

### **FINANCE INCOME AND EXPENSES**

Financial management was negative for €5,200 thousand and the result is detailed as follows:

<b>(€'000)</b>	<b>30/09/2009</b>	<b>30/09/2008</b>	<b>Change</b>
Financial income/expenses	(4,037)	(3,470)	(567)
Forex losses	(548)	626	(1,174)
Bank expenses	(386)	(329)	(57)
Other	(229)	(16)	(213)
<b>Total net financial expenses</b>	<b>(5,200)</b>	<b>(3,189)</b>	<b>(2,011)</b>

The item "Other" included chiefly the write-down of the shareholding in Alien Technology Corp. for €200 thousand.

Losses by the companies carried at equity were recognised in the amount of €127 thousand (net loss of €29 thousand at 30 September 2008).

## ***OUTLOOK FOR CURRENT YEAR AND SUBSEQUENT EVENTS***

The year 2009 is showing signs of becoming one of the most difficult years in the history of the Company, which has had to cope with an unprecedented crisis of global proportions. The Group's efforts to cut and limit costs will allow for (compared to the first part of the year) a significant recovery in profitability as early as this year, even while sales forecasts have remained essentially stable or in slight recovery.

## ***SECONDARY LOCATIONS***

The parent company has no secondary locations.

**DATALOGIC SPA**  
**CONSOLIDATED BALANCE SHEET AND FINANCIAL POSITION**

	Note	30-09-09 Euro/000	31-12-08 Euro/000
<b>ASSETS</b>			
<b>A) NON-CURRENT ASSETS (1+2+3+4+5+6+7)</b>		<b>202.452</b>	<b>217.029</b>
<b>1) Property, plant and equipment</b>		<b>50.878</b>	<b>52.594</b>
land	1	4.944	4.929
buildings	1	22.012	20.325
other tangible assets	1	22.710	26.401
assets in progress and payments on account	1	1.212	939
<b>2) Intangible non-current assets</b>		<b>127.054</b>	<b>138.690</b>
goodwill	2	85.995	89.679
development costs	2	526	1.164
other	2	40.309	46.796
assets in progress and payments on account	2	224	1.051
<b>3) Equity investments in subsidiaries and associates</b>	3	<b>1.739</b>	<b>1.947</b>
<b>4) Available-for-sale financial assets (non-current)</b>		<b>1.462</b>	<b>1.736</b>
equity investments	5	1.103	1.375
loans to subsidiaries	5	0	0
securities	5	359	361
<b>5) Loans</b>		<b>176</b>	<b>204</b>
of which, to subsidiaries		176	204
<b>6) Trade and other receivables</b>	7	<b>1.564</b>	<b>2.438</b>
<b>7) Deferred tax credits</b>	13	<b>19.579</b>	<b>19.420</b>
<b>B) CURRENT ASSETS (8+9+10+11+12+13+14)</b>		<b>181.973</b>	<b>204.472</b>
<b>8) Inventories</b>	8	<b>39.799</b>	<b>52.138</b>
<b>9) Trade and other receivables</b>	7	<b>73.423</b>	<b>91.851</b>
<b>trade receivables</b>	7	<b>61.012</b>	<b>78.046</b>
within 12 months	7	58.996	76.231
after 12 months	7		
of which, to associates	7	2.003	1.798
of which, to the parent company	7	13	3
of which, to related parties	7		
<b>other receivables - accrued income and prepayments</b>	7	<b>12.411</b>	<b>13.805</b>
of which, to associates			11
receivables from the parent company			
<b>10) Tax receivables</b>	9	<b>8.699</b>	<b>8.369</b>
of which, to the parent company		3.059	581
<b>11) Available-for-sale financial assets (current)</b>	5	<b>2</b>	<b>6</b>
Securities		2	6
<b>12) Loans</b>		<b>30</b>	
of which, to subsidiaries		30	
<b>13) Financial assets - derivative instruments</b>	6		
<b>14) Cash &amp; cash equivalents</b>	10	<b>60.020</b>	<b>52.108</b>
<b>TOTAL ASSETS (A+B)</b>		<b>384.425</b>	<b>421.501</b>

**DATALOGIC SPA**  
**CONSOLIDATED BALANCE SHEET AND FINANCIAL POSITION**

<b>LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>	<b>Note</b>	<b>30-09-09 Euro/000</b>	<b>31-12-08 Euro/000</b>
<b>A) TOTAL SHAREHOLDERS' EQUITY (1+2+3+4+5)</b>	<b>11</b>	<b>113.321</b>	<b>135.818</b>
1) Share capital	11	125.134	126.567
2) Reserves	11	-18.866	-13.696
3) Retained earnings/(losses carried forward)	11	21.000	5.103
4 ) Group's interest in profit (loss) for the period/year	11	-13.947	17.844
5) Minority interests		0	0
<b>B) NON-CURRENT LIABILITIES (6+7+8+9+10+11+12)</b>		<b>170.396</b>	<b>127.946</b>
6) Financial payables	12	137.728	92.458
7) Financial liabilities - Derivative instruments (*)	6	3.329	2.115
8) Tax payables		0	71
9) Deferred tax liabilities	13	16.858	18.479
10) Employee severance indemnity and retirement provision	14	8.072	8.392
11) Provisions for risks and charges	15	3.126	5.518
12) Other non-current liabilities	16	1.283	913
<b>C) CURRENT LIABILITIES (13+14+15+16+17)</b>		<b>100.708</b>	<b>157.737</b>
13) Trade and other payables	16	55.416	74.657
trade payables	16	31.576	47.800
within 12 months	16	31.367	47.539
payables to associates	16	17	47
payables to subsidiaries	16		67
amounts payable to related parties	16	192	147
other payables – accrued liabilities and deferred income	16	23.840	26.857
14) Tax liabilities		3.730	8.243
of which, to the parent company		132	2.145
15) Provisions	15	8.861	9.787
16) Financial liabilities - Derivative instruments	6	170	36
17) Short-term financial payables	12	32.531	65.014
of which, to related parties			3.401
<b>TOTAL LIABILITIES (A+B+C)</b>		<b>384.425</b>	<b>421.501</b>

(\*) this item at 31 December 2008 was classified under point 16 in current liabilities

**DATALOGIC SPA**  
**CONSOLIDATED INCOME STATEMENT**

	Note	30-09-09 Euro/000	30-09-08 Euro/000
<b>1) TOTAL REVENUES</b>	<b>17</b>	<b>225.126</b>	<b>284.342</b>
Revenue from sale of products		214.101	273.958
Revenue for services		11.025	10.384
<b>2) Cost of goods sold</b>	<b>18</b>	<b>132.431</b>	<b>156.862</b>
of which non-recurring	<b>18</b>	<b>922</b>	<b>0</b>
<b>GROSS PROFIT (1-2)</b>		<b>92.695</b>	<b>127.480</b>
<b>3) Other operating revenues</b>	<b>19</b>	<b>1.442</b>	<b>3.735</b>
of which non-recurring	<b>19</b>	<b>0</b>	<b>0</b>
<b>4) R&amp;D expenses</b>	<b>18</b>	<b>19.233</b>	<b>18.214</b>
of which non-recurring	<b>18</b>	<b>114</b>	<b>0</b>
<b>5) Distribution expenses</b>	<b>18</b>	<b>51.268</b>	<b>57.360</b>
of which non-recurring	<b>18</b>	<b>787</b>	<b>0</b>
<b>6) General &amp; administrative expenses</b>	<b>18</b>	<b>25.060</b>	<b>28.544</b>
of which non-recurring	<b>18</b>	<b>695</b>	
of which amortization pertaining to acquisitions	<b>18</b>	<b>3.074</b>	<b>2.859</b>
<b>7) Other operating expenses</b>	<b>18</b>	<b>8.950</b>	<b>1.119</b>
of which non-recurring	<b>18</b>	<b>5.364</b>	
<b>Total operating costs (4+5+6+7)</b>		<b>104.511</b>	<b>105.237</b>
<b>OPERATING RESULT</b>		<b>-10.374</b>	<b>25.978</b>
<b>8) Finance income</b>	<b>20</b>	<b>5.546</b>	<b>9.473</b>
<b>9) Finance expense</b>	<b>20</b>	<b>10.746</b>	<b>12.662</b>
<b>Net finance income (expense) (8-9)</b>	<b>20</b>	<b>-5.200</b>	<b>-3.189</b>
<b>10) Share of associate companies' profits</b>	<b>3</b>	<b>-127</b>	<b>-29</b>
<b>PRE-TAX PROFIT/(LOSS)</b>		<b>-15.701</b>	<b>22.760</b>
<b>Taxes</b>	<b>21</b>	<b>-1.754</b>	<b>6.190</b>
<b>NET PROFIT/(LOSS) FOR PERIOD</b>		<b>-13.947</b>	<b>16.570</b>
<b>Basic earnings/loss per share (Euro)</b>	<b>22</b>	<b>-0,2525</b>	<b>0,2867</b>
<b>Diluted earnings/loss per share (Euro)</b>	<b>22</b>	<b>-0,2525</b>	<b>0,2867</b>

**DATALOGIC SPA**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Note	30-09-09 Euro/000	30-09-08 Euro/000
<b>NET PROFIT/(LOSS) OF THE PERIOD</b>		<b>-13.947</b>	<b>16.570</b>
<b>Other components of the statement of comprehensive income:</b>			
Profit (loss) on hedge instruments of financial flows (cash flow hedges)	11	-1.019	-223
Profit (loss) arising from conversion of the financial statements of the foreign companies	11	-4.039	2.674
Profit (loss) on exchange rates on available-for-sale financial assets	11	-112	
Total others profit/(losses) net of the tax effect		<b>-5.170</b>	<b>2.451</b>
<b>COMPREHENSIVE NET PROFIT/(LOSS) OF THE PERIOD</b>		<b>-19.117</b>	<b>19.021</b>
<b>Attributable to:</b>			
Shareholders of the parent company		<b>-19.117</b>	<b>6.743</b>
Minority shares		<b>0</b>	<b>0</b>



**DATALOGIC SPA**  
**CONSOLIDATED CASH FLOW STATEMENT**

	<b>30-09-09</b> <b>Euro/000</b>	<b>30-09-08</b> <b>Euro/000</b>
Profit before tax	-15.701	22.760
Depreciation / amortization of tangible and intangible assets and write-downs	13.372	11.467
Change in the employee benefits fund	-320	-221
Allowance for doubtful accounts	1.929	198
Finance expense (income) including forex differences	5.200	3.189
Adjustments to the value of financial assets	127	29
<b>Cash flow of operating activities before change in working capital</b>	<b>4.607</b>	<b>37.422</b>
Change in trade receivables (net of provisions)	15.105	4.841
Change in inventories	12.339	2.622
Change in other current assets	1.394	-1.457
Other medium-/long-term assets	874	-145
Change in trade payables	-16.224	-7.362
Change of other current liabilities	-3.017	-3.842
Other medium-/long-term liabilities	370	-56
Amortisation and changes in provisions for risks and charges	-3.318	2.943
Exchange differences on transactions	482	86
Forex effect on working capital	301	587
	<b>12.913</b>	<b>35.639</b>
Change in taxes	-4.940	-11.478
Forex effect on taxes	-152	144
Interest paid and bank charges	-4.451	-3.815
<b>Cash flow generated by operations (A)</b>	<b>3.370</b>	<b>20.490</b>
(Increase)/decrease in intangible assets without forex effects	361	-650
(Increase)/decrease in property, plant and equipment without forex effects	-5.799	-6.608
Change in non-consolidated equity investments	154	-403
Change in liabilities for exercise put option (Note 2)	-216	
<b>Changes generated by investment activities (B)</b>	<b>-5.500</b>	<b>-7.661</b>
Change LT/ST financial receivables	-50	-405
Change of Short- and medium/long term financial payables	13.450	16.738
Exchange differences on financial assets	-1.030	540
Purchase of treasury shares	-1.433	-18.913
Changes in reserves and forex effect on tangible and intangible assets	301	-1.713
Dividend payment	-1.933	-4.063
<b>Cash flow generated (absorbed) by financial assets (C)</b>	<b>9.305</b>	<b>-7.816</b>
<b>Net increase (decrease) of cash &amp; cash equivalents (a+b+c)</b>	<b>7.175</b>	<b>5.013</b>
<b>Net cash &amp; cash equivalents (Note 10)</b>	<b>51.567</b>	<b>54.669</b>
<b>Net cash &amp; cash equivalents (Note 10)</b>	<b>58.742</b>	<b>59.682</b>

**DATALOGIC S.p.A.**  
**STATEMENT OF CHANGES IN NET EQUITY**

Description	Share capital	Other reserves				Net profit for previous years						Net profit for period	Group net equity
		Cash flow hedge reserve	Translation reserve	Financial liabilities reserve	Total Other reserves	Retained earnings	Capital grant reserve	Legal reserve	Treasury share reserve	IFRS reserve	Total		
01.01.2008	140.347	-515	-18.721	-	-19.236	13.300	958	1.870	9.440	8.720	34.288	18.083	173.482
Profit allocation	-				-	17.691		392			18.083	-18.083	-
Dividends						-4.063					-4.063		-4.063
Translation reserve	-		2.674		2.674						-		2.674
Increase in IFRS reserve	-				-					-19	-19		-19
Sale/purchase of treasury shares	-18.913				-	-			-		-		-18.913
Cash flow hedge adjustment	-	-223			-223						-		-223
Capital reduction by means of treasury shares cancellation	-2.813				-						-		-2.813
Treasury shares cancellation	12.253					-			-9.440		-9.440		2.813
Other changes	-				-	-99					-99		-99
Net profit at 30.09.08	-				-						-	16.570	16.570
30.09.2008	130.874	-738	-16.047	-	-16.785	26.829	958	2.262	-	8.701	38.750	16.570	169.409

Description	Share capital	Other reserves				Net profit for previous years						Net profit for period	Group net equity
		Cash flow hedge reserve	Translation reserve	Financial liabilities reserve	Total Other reserves	Retained earnings	Capital grant reserve	Legal reserve	Treasury share reserve	IFRS reserve	Total		
31.12.2008	126.567	-1.434	-12.262	-	-13.696	-6.837	958	2.262	-	8.720	5.103	17.844	135.818
Profit allocation	-				-	17.676		168			17.844	-17.844	-
Dividends			-		-	-1.933					-1.933		-1.933
Translation reserve	-		-4.039		-4.039						-		-4.039
Increase in IFRS reserve	-				-					-14	-14		-14
Sale/purchase of treasury shares	-1.433				-	-			-		-		-1.433
Cash flow hedge adjustment	-	-1.019			-1.019						-		-1.019
Fair value adjustment				-112	-112								-112
Net profit at 30.09.09	-				-						-	-13.947	-13.947
30.09.2009	125.134	-2.453	-16.301	-112	-18.866	8.906	958	2.430	-	8.706	21.000	-13.947	113.321

## **EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

### **INTRODUCTION**

Datalogic Group S.p.A. (hereinafter “Datalogic”, the “parent company” or the “Company”) is a company formed under Italian law. This Interim Management Statement at 30 September 2009 includes the quarterly figures of the parent company and its subsidiaries (defined hereinafter as the “Group”) and its minority interests in associated companies.

The Group deals with the production and marketing of handheld readers, fixed scanners for the industrial market, mobile computers, fixed scanners for the retail market and sensors. The company also deals with radiofrequency readers (RFID), self-scanning solutions and products for industrial marking and for the distribution of products for automatic identification.

The parent company is a “società per azioni” (joint-stock company) listed on the Star segment of Borsa Italiana, and has its registered office in Italy. The address of the registered office is Via Candini, 2 - Lippo di Calderara (BO).

The parent company is a subsidiary of Hydra SpA, also based in Bologna and controlled by the Volta family.

This Interim Management Statement was drafted by the Board of Directors on 13 November 2009.

### **FORM AND CONTENTS**

This Interim Management Statement at 30 September 2009 was prepared pursuant to Article 154 ter of Legislative Decree 58/1998, and applicable Consob rules.

The accounts shown in this statement were measured in accordance with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations of them issued by the International Financial Reporting Interpretations Committee (IFRIC), as approved by the European Commission and in force when this Statement was approved.

The accounting standards and principles are consistent with those used to prepare the Annual Report at 31 December 2008. Reference is made to that report for more details, with the exception of the following standards and interpretations in force from 1 January 2009 and approved by the European Union. However, application of these new standards and interpretations did not have a material impact on the Group's accounts:

- IFRIC 11 – IFRS 2 – Group and Treasury Share Transactions;
- IFRIC 13 – Customer Loyalty Programmes;
- IFRIC 14 – IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction;
- IFRS 8 – Operating Segments;
- Amendments to IAS 23 – Borrowing Costs;
- Revision of IAS 1 – Presentation of Financial Statements;
- Amendments to IFRS 2 – Share-based Payments: vesting conditions and cancellations;

- Amendments to IAS 32 – "Financial Instruments: Presentation" and to IAS 1 - "Presentation of financial statements": Puttable Financial Instruments and Instruments with Obligations that Arise upon Liquidation;
- "Improvements to the IFRS";
- Amendments to IFRS 1 – First-time Adoption of International Financial Reporting Standards and IAS 27 – Consolidated and Separate Financial Statements – Cost of an Equity Interest in a Subsidiary, Associate or Joint Venture.

## GROUP STRUCTURE

The Interim Management Statement includes the financial statements of the parent company and the companies in which it directly or indirectly controls a majority of voting shares.

The companies consolidated on a line-by-line basis for the period ending 30 September 2009 were as follows:

Company name	Registered location	Nominal company capital		Total equity (€'000)	Profit/loss for the period (€'000)	% ownership
Datalogic SPA holding	Bologna - Italy	Euro	30,392,175	158,429	15,188	
Datalogic Real Estate srl	Bologna - Italy	Euro	20,000	2,547	-20	100%
Datalogic Real Estate France Sa	Paris – France	Euro	2,227,500	3,513	128	100%
Datalogic Real Estate Germany GmbH	Erkenbrechtsweiler - Germany	Euro	1,025,000	2,169	39	100%
Datalogic Real Estate UK Ltd	Redbourn - England	GBP	4,107,000	4,000	(9)	100%
Informatics	Plano Texas - U.S.A.	US\$	9,996,000	11,687	1,299	100%
Datalogic Automation Srl	Bologna - Italy	Euro	10,000,000	(6,978)	(9,395)	100%
Datalogic Automation Iberia	Madrid – Spain	Euro	61,000	497	1	100%
Datalogic Automation AB	Malmö - Sweden	KRS	200,000	224	77	100%
Datalogic Automation INC	Hebron, KY - USA	US\$	463,812	1,719	(1,242)	100%
Datalogic Automation PTY LTD	Mount Waverley (Melbourne) - Australia	\$AUD	2,300,000	(403)	(61)	100%
Datalogic Automation BV	Nieuwegein - Netherlands	Euro	18,160	3	-	100%
Datalogic Asia Limited	Hong Kong - China	HKD	10,000	(900)	(154)	100%
Datafoton kft	Fonyod - Hungary	Huf	3,000,000	(18)	(33)	100%
Datalogic Mobile Srl	Bologna - Italy	Euro	10,000,000	17,238	(959)	100%
Datalogic Mobile Asia	Hong Kong - China	HKD	100,000	(81)	(89)	100%
Datalogic Mobile UK	Redbourn - England	GBP	15,000	(8)	(104)	100%
Datalogic Mobile INC	Eugene, OR - U.S.A.	US\$	1	4,707	(98)	100%
Datalogic Mobile PTY	Mount Waverley (Melbourne) - Australia	\$AUS		(551)	(55)	100%
Datalogic Scanning Group srl	Bologna - Italy	Euro	10,000,000	101,920	7,079	100%
Datalogic Scanning Slovakia	Tvrn-Slovakia	SKK	2,000,000	2,494	2,941	100%
Datalogic Scanning Holdings Inc.	Eugene, OR - U.S.A.	US\$	100	71,782	(1,194)	100%
Datalogic Scanning Inc.	Eugene, OR - U.S.A.	US\$	10	34,587	(3,461)	100%
Datalogic Scanning do Brasil	Sao Paulo, SP - Brazil	R\$	159,525	59	10	100%
Datalogic Scanning Mexico	Colonia Cuauhtemoc - Mexico	US\$	-	(481)	(130)	100%
Datalogic Scanning UK Ltd	Watford - England	GBP	191,510	(1,133)	(347)	100%
Datalogic Scanning Sarl	Paris - France	Euro	653,015	837	316	100%
Datalogic Scanning GMBH	Darmstadt - Germany	Euro	306,775	2,191	(125)	100%
Datalogic Scanning Eastern Europe GmbH	Darmstadt - Germany	Euro	30,000	183	19	100%
Datalogic Scanning SpA	Milan - Italy	Euro	110,000	1,386	230	100%
Datalogic Scanning PTY	Sydney - Australia	\$AUD	2	972	362	100%

Datalogic Scanning Japan	Tokyo-Japan	JPY	151,437,000	(548)	(561)	100%
Datalogic Scanning Vietnam LLC	Vietnam	VND	16,977,320,880	266	(450)	100%
Datalogic Scanning Singapore	Singapore	SGD	100,000	51	20	100%

The companies booked at equity at 30 September 2009 were as follows:

<b>Company name</b>	<b>Registered location</b>	<b>Nominal company capital</b>		<b>Total equity (€'000)</b>	<b>Profit/loss for the period (€'000)</b>	<b>% ownership</b>
Idec DatalogicCo. Ltd	Osaka – Japan	Yen	300,000,000	1,606	62	50%
Laservall Asia Co. Ltd	Hong Kong – China	HKD	460,000	1,546	(316)	50%

Note that at 30 September 2009:

- liquidation of DL Automation Handels and Datasensor France has ended;
- Datalogic Scanning Vietnam LLC was formed in February 2009 and will enter operation in the third quarter of 2009;
- The following companies were submitted to liquidation procedures:
- Datasensor Iberia SA;
- Datasensor Asia;
- Datalogic Automation BV.

## BALANCE SHEET INFORMATION

### Note 1. Property, plant & equipment

	30/09/2009	31/12/2008	Change
Land	4,944	4,929	15
Buildings	22,012	20,325	1,687
Other assets	22,710	26,401	(3,691)
Assets in progress and payments on account	1,212	939	273
<b>Total</b>	<b>50,878</b>	<b>52,594</b>	<b>-1,716</b>

The item "Other assets" at 30 September 2009 includes principally the following categories: Plant and machinery (€8,721 thousand), Trade and industrial equipment (€5,917 thousand), Office furniture and machines (€4,945 thousand), General plant (€1,688 thousand), Motor vehicles (€253 thousand), and Maintenance on third-party assets (€966 thousand). Compared with 31 December 2008, the increase in this item is mainly due to the category "Plant and machinery" for €664 thousand, to the category "Industrial and commercial equipment" for €908 thousand, and to the category "Office furniture and electronic equipment" for €828 thousand.

The increase in "Buildings" is due to capitalisation of the refurbishment work on the Bologna building.

The balance of "Assets under construction and down payments" mainly refers to down payments for equipment, instruments and moulds relating to normal production activities.

### Note 2. Intangible fixed assets

	30/09/2009	31/12/2008	Change
Goodwill	85,995	89,679	(3,684)
Development costs	526	1,164	(638)
Other	40,309	46,796	(6,487)
Assets in progress and payments on account	224	1,051	(827)
<b>Total</b>	<b>127,054</b>	<b>138,690</b>	<b>(11,636)</b>

The breakdown of "Goodwill" of €85,995 thousand is as shown below:

€'000	30/09/2009	31/12/2008	Change
Former PSC Group – Acquisition executed on 30 November 2005	64,157	67,404	(3,247)
Informatics Inc. - Acquisition executed on 28 February 2005	10,988	11,201	(213)
Laservall SPA - Acquisition executed on 27 August 2004	5,119	5,119	-
Idware srl – Incorporated in 1998	3,380	3,380	-
Infra – Goodwill recognised following the acquisition of Datasensor	1,682	1,682	-
Gruppo Minec - Acquisition executed on 15 July 2007	669	893	(224)
<b>TOTAL GOODWILL</b>	<b>85,995</b>	<b>89,679</b>	<b>(3,684)</b>

The principal changes in “goodwill” from 31 December 2008 are the following:

- Negative translation difference of €3,678 thousand;
- An increase of €216 thousand generated following exercise of the put option (on 19 March 2009) on 10% of Informatics by Director John O’ Brien.

This goodwill is allocated to the cash generating units (CGU) represented by the individual companies and/or subgroups to which they refer. Specifically, for the purposes of impairment, note that goodwill relating to acquisition of the PSC Group was allocated to two different cash generating units: Datalogic Scanning Inc. for about USD 78.5 million and Datalogic Mobile Inc. for roughly USD 12.5 million.

As shown in the relevant section included in the valuation criteria of the financial statements at 31 December 2008, which should be used for reference, goodwill has not been subjected to amortisation since 1 January 2004 in accordance with IFRS3 and is subjected to an annual impairment test provided there are no indications of value impairment that call for more frequent testing. The 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 the present value using a certain discount rate, based on the DCF (discounted cash flow) method.

At 30 September 2009, there was no need to make writedowns, except for Goodwill of the Minec Group, written down for €224 thousand.

**“Development costs”**, which amount to €526 thousand, consist of specific development projects capitalised when they meet IAS 38 requirements and in compliance with Group policies, which call for capitalisation only of projects relating to development of products featuring significant innovation.

**“Other”**, which amounts to €40,309 thousand, mainly consists of intangible assets acquired as part of the business combinations completed by the Group in 2004 and 2005 and specifically identified and valued in purchase accounting of the deals. The details are shown in the following table:

€'000	30/09/2009	31/12/2008	USEFUL LIFE (YEARS)
<b>Acquisition of the PSC Group (executed on 30 November 2006)</b>	<b>25,756</b>	<b>28,730</b>	
PATENTS	22,451	24,712	20
SERVICE AGREEMENTS	41	171	4
TRADEMARKS	1,658	1,954	10
CUSTOMER PORTFOLIOS	1,606	1,893	10
<b>Acquisition of Laservall SPA (executed on 27 August 2004)</b>	<b>3,590</b>	<b>4,560</b>	
UNPATENTED TECHNOLOGIES	1,492	2,131	7
COMMERCIAL STRUCTURE	2,098	2,429	10
<b>Acquisition of Informatics Inc. (executed on 28 February 2005)</b>	<b>2,959</b>	<b>3,545</b>	
COMMERCIAL STRUCTURE	2,959	3,545	10
<b>License agreement</b>	<b>3,034</b>	<b>4,059</b>	5
<b>Others</b>	<b>4,970</b>	<b>5,902</b>	
<b>TOTAL OTHER INTANGIBLE ASSETS</b>	<b>40,309</b>	<b>46,796</b>	

The "Others" item mainly consists of software licenses. The change vs. 31 December 2008 was due to amortisation relating to the period.

### Note 3. Equity investments in associates

Equity investments owned by the Group at 30 September 2009 were as follows:

	31/12/2008	Decreases	Forex differences	Share of profit /loss	30/09/09
<b>Subsidiary companies</b>					
Datasensor France	49	(49)			0
Datasensor Iberia	37				37
Datasensor Asia	2	(2)			0
<b>Total subsidiaries</b>	<b>88</b>	<b>(51)</b>	<b>0</b>	<b>0</b>	<b>37</b>
<b>Associate companies</b>					
Idec Datalogic Co.Ltd	802		(30)	31	803
Laservall Asia Co. Ltd	931			(158)	773
Datasensor UK	42				42
Special Video	29				29
Datasensor GmbH	45				45
DL PRIVATE India	10				10
<b>Total associates</b>	<b>1,859</b>	<b>0</b>	<b>(30)</b>	<b>(127)</b>	<b>1,702</b>
<b>TOTAL</b>	<b>1,947</b>	<b>(51)</b>	<b>(30)</b>	<b>(127)</b>	<b>1,739</b>



**Note 4. Financial instruments by category**

The balance sheet items at 30 September 2009 falling under the scope of “financial instruments” as defined by IFRS are as follows:

	Loans and receivables	Derivatives used for hedging transactions	Available for sale	Total
<b>Non-current financial assets</b>	<b>1,564</b>	<b>-</b>	<b>1,462</b>	<b>3,026</b>
Available-for-sale financial assets / third parties (5)	-		1,462	1,462
Other receivables - accrued income and prepayments (7)	1,564			1,564
<b>Current financial assets</b>	<b>131,427</b>	<b>-</b>	<b>2</b>	<b>131,429</b>
Trade receivables from third parties (7)	58,996			58,996
Other receivables - accrued income and prepayments (7)	12,411			12,411
Available-for-sale financial assets (5)	-		2	2
Financial assets - Derivative instruments (6)	-			-
Cash & cash equivalents (10)	60,020			60,020
<b>TOTAL</b>	<b>132,991</b>	<b>-</b>	<b>1,464</b>	<b>134,455</b>

	Derivatives used for hedging transactions	Other financial liabilities	Total
<b>Non-current financial liabilities</b>	<b>3,329</b>	<b>139,011</b>	<b>142,340</b>
Financial payables (12)		137,728	137,728
Financial liabilities - Derivative instruments (6)	3,329		3,329
Other payables (16)		1,283	1,283
<b>Current financial liabilities</b>	<b>170</b>	<b>87,738</b>	<b>87,908</b>
Trade payables to third parties (16)		31,367	31,367
Other payables (16)		23,840	23,840
Financial liabilities - Derivative instruments (6)	170		170
Short-term financial payables (12)		32,531	32,531
<b>TOTAL</b>	<b>3,499</b>	<b>226,749</b>	<b>230,248</b>

**Note 5. Available-for-sale (AFS) financial assets**

AFS financial assets include the following items:

	30/09/2009	31/12/2008	Change
<b>Securities</b>	<b>361</b>	<b>367</b>	<b>(6)</b>
Government bonds	359	361	(2)
Other securities	2	6	(4)
<b>Equity investments in other companies</b>	<b>1,103</b>	<b>1,375</b>	<b>(272)</b>
<b>Total</b>	<b>1,464</b>	<b>1,742</b>	<b>(278)</b>

At 30 September 2009 the Group owned the following equity interests in other companies:

	31/12/2008	Increases	Forex differences	Write-downs	30/09/2009
Nomisma S.p.A. - Italy	7				7
Conai	0				0
Caaf Ind. Emilia Romagna - Italy	4				4
Crit srl	51				51
Consorzio T3 Lab	8				8
Mandarin Capital Management SA	504	40			544
Alien technology	801		(112)	(200)	489
<b>Total other equity investments</b>	<b>1,375</b>	<b>40</b>	<b>(112)</b>	<b>(200)</b>	<b>1,103</b>

The total value of other equity investments consists mainly of the parent company's investment in Alien Technology Corporation, a US company involved in the RFID (radio-frequency identification devices) field. This investment is valued at cost, which today represents the best estimate of fair value.

The amount of equity investments consists mainly of the parent company's investment in Alien Technology Corporation, a US company active in RFID (radio-frequency identification devices). This shareholding was written down for €200 thousand; the write-down was reported in the income statement with financial charges, since this impairment was considered permanent and also of a significant amount compared with the value of the shareholding.

**Note 6. Financial derivatives**

	<b>30/09/2009</b>		<b>31/12/2008</b>	
<b>Interest rate derivatives - €'000</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Assets</b>	<b>Liabilities</b>
Interest rate swaps - (on loans in Euro)	-	1,911		737
Interest rate swaps - (on financings in USD)	-	1,418		1,378
<b>Total</b>	<b>-</b>	<b>3,329</b>	<b>-</b>	<b>2,115</b>
<b>Currency derivatives - €'000</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Assets</b>	<b>Liabilities</b>
Forward contracts - (hedging forex changes in Euro)		50		
Forward contracts - (hedging forex changes in USD)		120		36
<b>Total</b>	<b>-</b>	<b>170</b>	<b>-</b>	<b>36</b>
<b>TOTAL</b>	<b>-</b>	<b>3,499</b>	<b>-</b>	<b>2,151</b>

**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 €3,329 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.

At 30 September 2009, the notional capital of the interest rate swaps was €59,615 thousand (€27,091 thousand at 31 December 2008) and USD 47,012 thousand (USD 31,850 thousand at 31 December 2008).

**Currency derivatives**

The existing forward contracts hedge foreign exchange risks on the U.S. dollar for an aggregate notional amount of USD 3,700 thousand (USD 4,650 thousand at 31 December 2008) and on the Euro for a notional amount of €1,400 thousand (equal to zero at 31 December 2008), and have the same amount and maturity as the underlying hedged amount.

Hedged positions are comprised of:

- certain cash flows originating from invoices and loans; the changes in the *fair value* of both the hedging instrument and the hedged instrument are stated with income according to the fair value hedge method (costs of €35 thousand);
- highly probable cash flows arising from purchase orders and budgets; so that the requirements for application of hedge accounting are met, the change in the hedging instrument's fair value is stated with equity for the effective part of the hedge (negative €135 thousand).

**Note 7. Trade and other receivables****Trade and other receivables - Current**

	30/09/2009	31/12/2008	Change
Trade receivables from third parties	62,356	77,937	(15,581)
Less: allowance for doubtful accounts	3,360	1,706	1,654
<b>Trade receivables from third parties, net</b>	<b>58,996</b>	<b>76,231</b>	<b>(17,235)</b>
<b>Receivables from affiliates</b>	<b>2,003</b>	<b>1,798</b>	<b>205</b>
Idec Datalogic Co.Ltd	563	365	198
Laservall Asia	698	833	(135)
Datasensor UK	183	162	21
Datasensor Gmbh	480	380	100
Special Video	10	1	9
DS India	69	57	12
<b>Receivables from subsidiaries</b>	<b>13</b>	<b>14</b>	<b>(1)</b>
Hydra	13	14	(1)
<b>Receivables from subsidiaries</b>	<b>0</b>	<b>3</b>	<b>(3)</b>
Datasensor Iberia	0	3	(3)
<b>Total trade receivables</b>	<b>61,012</b>	<b>78,046</b>	<b>(17,034)</b>
<b>Total other receivables - accrued income and prepayments</b>	<b>13,975</b>	<b>16,243</b>	<b>(2,268)</b>
<b>TOTAL</b>	<b>74,987</b>	<b>94,289</b>	<b>(19,302)</b>
Less: non-current portion	1,564	2,438	(874)
<b>Trade and other receivables - current portion</b>	<b>73,423</b>	<b>91,851</b>	<b>(18,428)</b>

**Trade receivables**

“Trade receivables falling due within 12 months” at 30 September 2009 are equal to €61,012 thousand, down by 22% versus the comparable figure at 31 December 2008. This reduction is mainly due to the decreases in sales in the first nine months of 2009.

Receivables from affiliates arise from commercial transactions executed at arm’s length conditions.

**Other receivables – accrued income and prepaid expenses**

The detail of the item “Other receivables - accrued income and prepaid expenses” is as shown below:

	30/09/2009	31/12/2008	Change
Other current receivables	4,130	3,791	339
Other non-current receivables	1,564	2,438	(874)
VAT Tax Credit	5,280	7,490	(2,210)
Accruals and deferrals	3,001	2,524	477
<b>Total</b>	<b>13,975</b>	<b>16,243</b>	<b>(2,268)</b>

The item "Non-current receivables" is formed by the receivable, arising last year, for a license contract signed with an important competitor that is collected quarterly.

The decrease in the "VAT Tax Credit" is mainly due to the set-off recognised by various Group companies.

### **Note 8. Inventories**

	<b>30/09/2009</b>	<b>31/12/2008</b>	<b>Change</b>
Total	39,799	52,138	(12,339)

Inventories are shown net of an obsolescence provision that at 30 September 2009, amounted to €9,577 thousand (€8,756 thousand at 31 December 2008).

Changes in such provision are shown below:

<b>€'000</b>	<b>2009</b>	<b>2008</b>
<b>1 January</b>	<b>8,756</b>	<b>7,045</b>
Exchange-rate change	(210)	222
Allocations	2,206	2,759
Release for dumping and other uses	(1,175)	(1,506)
<b>30 September</b>	<b>9,577</b>	<b>8,520</b>

### **Note 9. Tax receivables**

This item includes the amount receivable from the ultimate parent company Hydra relating to the IRES (corporate tax) credit arising from participation in tax consolidation. Such credit is in the amount of €3,059 thousand as at 30 September 2009 (€581 thousand as at 31 December 2008).

### **Note 10. Cash and cash equivalents**

Cash and cash equivalents are broken down as follows for the purposes of the cash flow statement:

	<b>30/09/2009</b>	<b>31/12/2008</b>	<b>Change</b>
Cash & cash equivalents as per balance sheet	60,020	52,108	7,912
Time cash deposit	(431)	(379)	(52)
Current accounts	(847)	(162)	(685)
<b>Cash and cash equivalents for reporting</b>	<b>58,742</b>	<b>51,567</b>	<b>7,175</b>

According to requirements set forth in Consob Communication no. 15519 of 28 July 2006, the Group's financial position is illustrated in the table that follows:

	30/09/2009	31/12/2008
<b>(Euro/000)</b>		
A. Cash and bank deposits	59,589	51,729
B. Other liquidities	431	379
b1. restricted cash deposit	431	379
C. Securities held for trading	361	367
c1. Short-term	2	6
c2. Long-term	359	361
<b>D. Cash equivalents (A) + (B) + (C)</b>	<b>60,381</b>	<b>52,475</b>
E. Current financial receivables	30	0
F. Other current financial receivables	0	0
f1. hedging transactions	0	0
G. Bank overdrafts	847	162
H. Current portion of non-current debt	31,684	61,451
I. Other current financial liabilities	170	3,437
I1. Financial liabilities vs BoD member	0	3,401
I2. Hedging transactions	170	36
<b>J. Current financial debt (G) + (H) + (I)</b>	<b>32,701</b>	<b>65,050</b>
<b>K. Current financial debt, net (J) - (D) - (E) - (F)</b>	<b>(27,710)</b>	<b>12,575</b>
L. Non-current bank borrowing	137,728	92,458
M. Other non-current financial receivables	176	204
N. Other non-current liabilities	3,329	2,115
n1. Financial liabilities vs BoD member		0
n2. Hedging instruments	3,329	2,115
<b>O. Non-current financial debt (L) + (M) + (N)</b>	<b>140,881</b>	<b>94,369</b>
<b>P. Net financial debt (K) + (O)</b>	<b>113,171</b>	<b>106,944</b>

Net financial debt at 30 September 2009 was negative for €113,171 thousand, showing a deterioration of €6,227 thousand compared with 31 December 2008 (when it was negative for €106,944 thousand), but significantly better versus 30 June 2009 (net financial debt was negative for €120,292 thousand).

Readers should note that a number of non-recurring transactions were executed in the period, including:

- disbursement of the long-term (2004 to 2008 period) and annual managerial incentive plan benefits and severance bonus for the outgoing Chief Executive Officer for a total of €9,400 thousand;
- purchase of treasury stock for €1,433 thousand;
- early retirement incentives of €1,877 thousand;
- payment of a legal dispute for €826 thousand.

A dividend of €1,933 thousand was paid in May.

Net of these non-recurring transactions, the net financial position at 30 September would have been negative for €97,702 thousand.

Furthermore, investments of €5,438 thousand were made, comprised principally of refurbishment work on the building in Bologna.

## BALANCE SHEET INFORMATION – 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:

	30/09/2009	31/12/2008
Nominal company capital	30,392	30,392
Share premium reserve	89,573	90,958
Extraordinary share-cancellation reserve	2,813	2,813
Treasury shares held	(17,038)	(15,605)
Treasury share reserve	19,394	18,009
<b>Nominal company capital</b>	<b>125,134</b>	<b>126,567</b>
Cash-flow hedge reserve	(2,453)	(1,434)
Conversion reserve	(16,301)	(12,262)
Held-for-sale financial assets reserve	(112)	0
<b>Other reserves</b>	<b>(18,866)</b>	<b>(13,696)</b>
<b>Retained earnings</b>	<b>21,000</b>	<b>5,103</b>
Earnings carried forward	8,906	(6,837)
Capital grant reserve	958	958
Legal reserve	2,430	2,262
IFRS transition reserve	8,706	8,720
<b>Net profit (loss) for the period</b>	<b>(13,947)</b>	<b>17,844</b>
<b>Total Group shareholders' equity</b>	<b>113,321</b>	<b>135,818</b>

### Nominal company capital

Movements in share capital at 30 September 2009 are reported below (in €'000):

	Number of shares	Nominal company capital	Extraordinary share-cancellation reserve	Share premium reserve	Treasury shares	Treasury share reserve	Total
<b>01/01/2009</b>	<b>55,382,114</b>	<b>30,392</b>	<b>2,813</b>	<b>90,958</b>	<b>(15,605)</b>	<b>18,009</b>	<b>126,567</b>
Purchase of treasury shares	(386,452)			(1,569)	(1,569)	1,569	(1,569)
Sale of treasury shares	32,546			184	139	(184)	139
Costs for the purchase of treasury shares					(3)		(3)
<b>30/09/2009</b>	<b>55,028,208</b>	<b>30,392</b>	<b>2,813</b>	<b>89,573</b>	<b>(17,038)</b>	<b>19,394</b>	<b>125,134</b>

### Ordinary shares

The total number of ordinary shares at 30 September 2009 was 58,446,491, of which 3,418,283 are held as treasury shares; total outstanding shares therefore total 55,028,208. The shares have a par value of €0.52 and have been fully subscribed.

### *Treasury shares*

The “treasury shares” account, negative by €17,038 thousand, includes purchases of treasury shares in the amount of €19,394 thousand, which have been recognised net of gains and charges realised following the sale of treasury shares and related tax effects (+ €2,356 thousand ). As at 30 September 2009 the Group purchased 386,452 treasury shares and sold 32,546 realising a loss of €45 thousand.

For these purchases, in accordance with the requirements of Article 2453 of the Italian Civil Code, equity reserves (via the treasury share reserve) amounting to €19,394 thousand have been made unavailable.

### Other reserves

#### *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.

#### *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 oscillation of rates of interest on variable-rate loans (negative by €3,329 thousand) and to hedge currency exposure (positive for €135 thousand) and amounts are shown net of the tax effect (€1,011 thousand).

#### *Financial asset revaluation reserve*

This reserve includes the adjustment of the Alien Technology equity investment at the end-of-period exchange rate, which was classified under available-for-sale financial assets.

### Cumulative retained earnings

#### *IFRS transition reserve*

This reserve was created upon first-time adoption of international accounting standards at 1 January 2004 (consolidated year-end accounts at 31 December 2003) as per IFRS 1.

#### *Retained earnings*

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

The reconciliation between the direct parent company's equity and net profit and the corresponding consolidated amounts is as shown below:



	<b>30 September 2009</b>		<b>31 December 2008</b>	
	<b>Total equity</b>	<b>Period results</b>	<b>Total equity</b>	<b>Period results</b>
<b>Datalogic SpA net equity and profit</b>	<b>158,429</b>	<b>15,188</b>	<b>147,392</b>	<b>3,355</b>
Differences between consolidated companies' net equity and their carrying value in the parent company's statement and effect of the equity-based valuation	(8,781)	(6,254)	24,027	39,782
Reversal of dividends	0	(22,155)	0	(26,659)
Amortisation of intangible assets "business combination"	(6,798)	(971)	(5,827)	(1,295)
Effect of acquisition under common control	(31,733)	0	(31,733)	0
Elimination of capital gain on sale of business branch	(3,302)	0	(3,302)	(1,119)
Effect of eliminating intercompany transactions	(1,218)	950	(2,168)	237
Reversal of write-downs and capital gains on equity investments	4,179	(896)	5,075	2,326
Transfer of Know How	(250)	1,071	(1,321)	1,428
Impairment goodwill	(725)	(224)	(501)	(298)
Other	(755)	(519)	(236)	93
Taxes	4,275	(137)	4,412	(6)
<b>Group portion of shareholders' equity</b>	<b>113,321</b>	<b>(13,947)</b>	<b>135,818</b>	<b>17,844</b>

### **Note 12. Short- and long-term borrowings and financial liabilities**

The breakdown of this item is as detailed below:

	<b>30/09/2009</b>	<b>31/12/2008</b>	<b>Change</b>
Bank loans	169,412	153,909	15,503
Bank overdrafts (ordinary current accounts)	847	162	685
Miscellaneous	0	3,401	(3,401)
of which with related parties	0	3,401	(3,401)
<b>Total financial payables</b>	<b>170,259</b>	<b>157,472</b>	<b>9,386</b>

### **Bank loans**

Following is the breakdown of changes in "bank loans" at 30 September 2009:

	<b>2009</b>	<b>2008</b>
<b>1 January</b>	<b>153,909</b>	<b>113,851</b>
Forex differences	(2,425)	1,378
Increases for new mortgages	67,555	41,012
Repayment	(40,600)	(19,658)
Decreases for loan payments	(9,027)	(6,769)
<b>30 September</b>	<b>169,412</b>	<b>129,814</b>

The **increases** versus 31 December 2008 are as detailed below:

**Datalogic Automation Srl:** on 29 January 2009, incurring a medium-/long-term loan of €30,000 thousand;

**Datalogic Real Estate:** incurring a stand-by loan of €2,850 thousand;

**Datalogic Spa,** incurred:

- a medium-/long-term loan of €10,000 thousand on 26 February 2009;
- a medium-/long-term loan of €15,000 thousand on 17 April 2009;
- a medium-/long-term loan of \$ 10,000 thousand on 27 May 2009;

**Scanning Inc:** incurred a revolving credit loan for \$ 3,500 thousand.

The **decrease for repayment** is due to:

- repayment of certain short-term loans (€33,000 thousand) by Datalogic SpA that were substituted by medium-/long-term loans;
- repayment by Scanning Inc. of the revolving credit loan of \$2,000 thousand;
- early repayment of capital amounts of the medium-/long-term loan for \$ 8,000 thousand, incurred by Datalogic Scanning Holdings.
- partial repayment of the standby line of credit by Datalogic RE (€550 thousand).

Bank loans have maturities until 2020 and approximate annual average interest rates of 2.2%.

The fair value of the loans (current and non-current) coincides substantially with their book value.

Guarantees given by banks in the group's favour total €1,690 thousand. The parent company also issued suretyships for €79,288 thousand (the change from 31 December 2008 stemmed solely from the exchange rate effect) and letters of patronage for €20,683 thousand against loans by the subsidiaries.

With regard to the loan for USD 70 million (today outstanding for USD 49.4 million) incurred by Datalogic Scanning Holdings Inc, the company has been asked to comply – on a six-monthly basis – with a number of financial covenants in the form of economic and financial parameters and consisting of:

- debt cover ratio (DCR), which is calculated as the ratio of EBITDA to net debt;
- ICR – interest cover ratio, an indicator of the effect of costs on interest payable, calculated by the ratio between EBITDA and interest expense;
- debt service cover ratio (DSCR), which is calculated as the ratio of cash flow to total financial debt (total interest charges and total repaid principal amounts);
- capital expenditure (Capex), investment value.

Failure to comply with these covenants would enable the bank to revoke the loan or renegotiate conditions.

At 30 June, the first two indicators mentioned were slightly higher than the amount indicated in the contract. Negotiations are already underway with banks to redefine the contractual agreements and the Group does not feel there is any risk of revocation of the loan. In any case, the company has sufficient liquidity to repay the outstanding value of the loan (€34 million).

As regards the other seven loans, the companies have been asked to respect, on an annual basis, some financial covenants summarised in the attached table:

Company	Currency	Outstanding debt	Covenant			On the financial statements of
Datalogic Spa	€	12,000,000	DFL	PN	DFL / PN	Datalogic Spa
Datalogic Spa	€	9,500,000	DFL	PN	DFL / PN	Datalogic Spa
Datalogic Spa	€	15,000,000	PFN / PN	PFN / EBITDA		Datalogic Group
Datalogic Spa	\$	10,000,000	PFN / PN	PFN / EBITDA		Datalogic Group
Datalogic Automation Srl	€	4,500,000	DFL	PN	DFL / PN	Datalogic Spa
Datalogic Automation Srl	€	30,000,000	PFN / PN	PFN / EBITDA		Datalogic Group
Laservall Spa	€	4,500,000	DFL	PN	DFL / PN	Datalogic Spa

Key:

PN = Shareholders' Equity

PFN = Net financial position

DFL = Financial gross payables

### Financial liabilities

The account "financial liabilities," created for the put option on the minority interest owned in Informatics by a director of the parent company, was closed following exercise of that option (on 19 March 2009) on 10% of Informatics by the director John O' Brien.

### **Note 13. Deferred income tax**

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

The breakdown of deferred taxes (net balance of deferred tax assets and liabilities) is illustrated as follows:

Deferred income tax	30/09/2009	31/12/2008	Change
Datalogic Spa	(1,814)	241	(2,055)
Informatics	(941)	(1,023)	82
Datalogic Automation srl (*)	2,403	1,161	1,242
DL Automation INC	143	157	(14)
DL RE France Sa	47	19	28
DL RE UK Ltd	94	93	1
Datalogic Automation Iberia	-	63	(63)
DL RE Germany GmbH	(75)	-	(75)
DL Ab Nordic	(50)	(46)	(4)
Datalogic Mobile srl (*)	(351)	(417)	66
Datalogic Mobile Inc.	485	376	109
DL Mobile Asia	(2)	(2)	-
Datalogic Scanning Group	(73)	(99)	26
Datalogic Scanning Slovakia	255	255	-
Datalogic Scanning Holding Inc	2,089	2,199	(110)
Datalogic Scanning Inc.	(506)	(2,086)	1,580
Datalogic Scanning SPA	119	119	-

Datalogic Scanning PTY	86	70	16
Datalogic Scanning UK LTD	12	11	1
Datalogic Scanning GMBH	(227)	(124)	(103)
<b>Total long-term net income tax</b>	<b>1,720</b>	<b>967</b>	<b>753</b>
<b>Deferred income taxes recognised due to consolidation accounting</b>	<b>1,001</b>	<b>(26)</b>	<b>1,027</b>
<b>Total long-term net income tax</b>	<b>2,721</b>	<b>941</b>	<b>1,780</b>

(\*) they include the balances of the branches

#### **Note 14. Post-employment benefits**

	<b>2009</b>	<b>2008</b>
<b>1 January</b>	<b>8,392</b>	<b>6,565</b>
Amount allocated in the period	1,345	1,293
Uses	(736)	(880)
Receivable vis-à-vis state pension and welfare agency (INPS) relating to post-employment benefit provision	(929)	(634)
<b>30 September</b>	<b>8,072</b>	<b>6,344</b>

#### **Note 15. Provisions for risks and charges**

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

	<b>30/09/2009</b>	<b>31/12/2008</b>	<b>Change</b>
Short-term provisions	8,861	9,787	(926)
Long-term provisions	3,126	5,518	(2,392)
<b>Total provisions for risks and charges</b>	<b>11,987</b>	<b>15,305</b>	<b>(3,318)</b>

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

	<b>31/12/2008</b>	<b>Increases</b>	<b>(Uses) and differences (Issues)</b>	<b>Forex</b>	<b>30/09/2009</b>
Product warranty provision	4,914	210	(822)	(80)	4,222
Restructuring provision	99	5,383	(87)	(31)	5,364
Provision for management incentive plan	7,429	-	(7,373)	9	65
Other	2,863	362	(819)	(70)	2,336
<b>Total provisions for risks and charges</b>	<b>15,305</b>	<b>5,955</b>	<b>(9,101)</b>	<b>(172)</b>	<b>11,987</b>

The "Product warranty provision" is constituted against an estimate of costs to incur for services on products sold until 30 September 2009 and covered by periodic warranty; it totals €4,222 thousand (of which €2,143 thousand long term) and is deemed sufficient to meet the specific risk concerned.

The item "Restructuring provision" involves a restructuring plan initiated by the Group, which aims to realign, on a permanent basis, company operating costs to new market scenarios.

The decrease of the "**management incentive plan allocation**" is due chiefly to payment of the portion of the plan falling due at 31 December 2008.

The "**Other**" item consists mainly of:

- €1,441 thousand (of which €88 thousand long-term) for a stock rotation provision related to the Scanning Group, Mobile Group, and Informatics;
- €218 thousand attributable to the Scanning Group and provisioned for compliance with directive 2002/95/EC, i.e. the "Directive on restrictions of use of some hazardous substances in electric and electronic equipment", enacted in Italian law by Leg. Decree no. 151 of 25/7/2005.
- €350 thousand referring to a dispute in place regarding the ten-year ILOR exemption, set forth by D.P.R. 218/78 (Unified law on actions in Southern Italy), in relation to the former Datasud, for the year 2006. The decrease of this provision, equal to €752 thousand, is due to payment of the amount provisioned at 31 December 2008 against a certification relating to the former Datasud for the FY1999/2000;
- €210 thousand for agent termination indemnities;
- €117 thousand provisioned against compensation to be paid to a supplier in the eventuality of non-performance of a contractual clause.

#### **Note 16. Trade and other payables**

This table shows the details of trade and other payables:

	<b>30/09/2009</b>	<b>31/12/2008</b>	<b>Change</b>
Trade payables due within 12 months	31,367	47,539	(16,172)
<b>Trade payables third-party</b>	<b>31,367</b>	<b>47,539</b>	<b>(16,172)</b>
<b>Payables to associates</b>	<b>17</b>	<b>47</b>	<b>(30)</b>
<i>Idec Datalogic Co. Ltd</i>	17	35	(18)
<i>Special Video</i>		12	-12
<b>Payables to subsidiaries</b>	<b>-</b>	<b>67</b>	<b>(67)</b>
<i>Datasensor France</i>		44	(44)
<i>Datasensor Iberia</i>		19	(19)
<i>Datasensor Asia</i>		4	(4)
<b>Payables to affiliates</b>	<b>192</b>	<b>147</b>	<b>45</b>
<b>Total trade payables</b>	<b>31,576</b>	<b>47,800</b>	<b>(16,224)</b>
Other payables – accrued liabilities and deferred income	25,123	27,770	(2,647)
<b>TOTAL</b>	<b>56,699</b>	<b>75,570</b>	<b>(18,871)</b>
Less: non-current portion	1,283	913	370
<b>Current portion</b>	<b>55,416</b>	<b>74,657</b>	<b>(19,241)</b>

#### **Other payables – accrued liabilities and deferred income**

The detailed breakdown of this item is as follows:

	<b>30/09/2009</b>	<b>31/12/2008</b>	<b>Change</b>
Other current payables	11,597	16,373	(4,776)
Other non-current payables	1,283	913	370
VAT payables	3,199	2,535	664
Accruals and deferrals	9,044	7,949	1,095
<b>Total</b>	<b>25,123</b>	<b>27,770</b>	<b>(2,647)</b>

The detailed breakdown of “Other payables” is as follows:

	<b>30/09/2009</b>	<b>31/12/2008</b>	<b>Change</b>
Payables to pension and social security agencies	1,916	3,091	(1,175)
Payables to employees	8,770	9,271	(501)
Directors’ remuneration payable	95	2,546	(2,451)
Other payables	816	1,465	(649)
<b>Total</b>	<b>11,597</b>	<b>16,373</b>	<b>(4,776)</b>

Amounts payable to employees represent the amount due for salaries and vacations accrued by employees as at balance sheet date.

The decrease in “Directors’ remuneration payable” is mainly attributable to payment of the severance bonus to the outgoing Chief Executive Officer.

## INFORMATION ON THE INCOME STATEMENT

### Note 17. Revenue

	30/09/2009	30/09/2008	YoY Change
Revenue from sale of products	214,101	273,958	(59,857)
Revenue for services	11,025	10,384	641
<b>Total revenue</b>	<b>225,126</b>	<b>284,342</b>	<b>(59,216)</b>

Revenue earned from services decreased by 21% year-on-year (-24.3% at constant exchange rates).  
The acquisition of Datasensor contributed €14,813 thousand to sales revenue at 30 September 2009.

Below is the geographical breakdown of revenue in percentage terms:

	30/09/2009	30/09/2008	YoY Change
Revenue - Italy	12%	10%	2%
Revenue – EU	39%	43%	-5%
Revenue – Rest of World	49%	46%	3%

### Note 18. Cost of goods sold and operating costs

Pursuant to introduction of IAS principles, the following schedule reports non-recurring costs and amortisation arising from acquisitions as extraordinary items no longer listed separately but included in ordinary operations.

	30/09/2009	30/09/2008	YoY Change
<b>TOTAL COST OF GOODS SOLD (1)</b>	<b>132,431</b>	<b>156,862</b>	<b>(24,431)</b>
<i>of which non-recurring</i>	922	-	922
<b>TOTAL OPERATING COSTS (2)</b>	<b>104,511</b>	<b>105,237</b>	<b>(726)</b>
R&D expenses	19,233	18,214	1,019
<i>of which non-recurring</i>	114	-	114
Distribution expenses	51,268	57,360	(6,092)
<i>of which non-recurring</i>	787	-	787
General & administrative expenses	25,060	28,544	(3,484)
<i>of which non-recurring</i>	695	-	695
<i>of which amortisation pertaining to acquisitions</i>	3,074	2,859	215
Other operating costs	8,950	1,119	7,831
<i>of which non-recurring</i>	5,364	-	5,364
<b>TOTAL (1+2)</b>	<b>236,942</b>	<b>262,099</b>	<b>(25,157)</b>
<b>of which non-recurring</b>	<b>7,882</b>	<b>-</b>	<b>7,882</b>
<b>of which amortisation pertaining to acquisitions</b>	<b>3,074</b>	<b>2,859</b>	<b>215</b>

Below is the breakdown of non-recurring costs and revenue:

ITEM	AMOUNT	DESCRIPTION
2) Cost of goods sold	(922)	early retirement incentives
<b>Total</b>	<b>(922)</b>	
4) R&D expenses	(114)	early retirement incentives
<b>Total</b>	<b>(114)</b>	
5) Distribution expenses	(756)	early retirement incentives
5) Distribution expenses	(22)	wages and salaries
5) Distribution expenses	(9)	grants
<b>Total</b>	<b>(787)</b>	
6) General & administrative expenses	(467)	early retirement incentives
6) General & administrative expenses	(137)	wages and salaries
6) General & administrative expenses	(42)	grants
6) General & administrative expenses	(39)	consulting services
6) General & administrative expenses	(10)	Staff severance indemnity
<b>Total</b>	<b>(695)</b>	
7) Other operating expenses	(5,364)	restructuring fund allocation
<b>Total</b>	<b>(5,364)</b>	
<b>TOTAL NON-RECURRING COSTS</b>	<b>(7,882)</b>	

Non-recurring costs are related to the restructuring plan initiated in June 2009.

Costs relating to the "restructuring provision", while chiefly attributed to personnel costs, were booked to the item "Other operating expenses" since it was not possible to reliably define the detail per operating area.

Depreciation and amortisation pursuant to acquisitions (equal to €3,074 thousand), included in the item "General Administration Costs", are comprised as follows:

1. €971 thousand pertaining to Laservall;
2. €440 thousand pertaining to Informatics;
3. €1,373 thousand pertaining to Datalogic Scanning Inc.;
4. €290 thousand pertaining to Datalogic Mobile Inc.

Note that the data at September 2008 did not include Datasensor, acquired in October 2008 and merged with Datalogic Automation Srl as from July 2009 (effective retroactively to 1 January 2009); subsequent to this merger and the resulting organisational rearrangement, it was no longer possible to isolate the contribution of this company at 30 September 2009.



**Total cost of goods sold (1)**

This item decreased by 16% with respect to same period of the 2008.

**Total operating costs (2)**

Operating costs, net of non-recurring items and amortisation and depreciation of acquisitions, fell slightly from €102,378 thousand to €94,477 thousand.

More specifically,

- “R&D expenses” increased by €905 thousand from the previous year, net of non-recurring costs;
- “Distribution expenses” totalled €51,268 thousand (€50,481 thousand net non-recurring costs) and report a decrease from the previous year. At constant exchange rates and net of non-recurring items, it would have been lower for €8,763 thousand vs. 30 September 2008; this decrease is due primarily to the decrease in the variable portion of compensation (bonuses and commissions) (-€1,941 thousand), shipping costs (-€1,521 thousand), travel expenses (-€1,050 thousand), and marketing expenses (-€1,241 thousand);
- “General & administrative expenses” amount to €25,060 thousand (€21,291 thousand, net of non-recurring costs). This item, net of extraordinary items and at constant exchange rates, decreased by about €5,007 thousand year-on-year due to the reduction in payroll and employee benefits (chiefly long-term incentives, bonuses and early retirement incentives which were not classified as non-recurring costs in 2008), directors’ remuneration and the expenses for legal, tax and administrative advisory services.

The detailed breakdown of “Other operating costs” is as follows:

	30/09/2009	30/09/2008	YoY Change
Capital losses on assets	143	97	46
Contingent liabilities	497	232	265
Allowance for doubtful accounts	1,929	198	1,731
Restructuring provision allocation	5,364	-	5,364
Non-income taxes	703	519	184
Costs charge backs	165	69	96
Other	149	4	145
<b>TOTAL OTHER OPERATING COSTS</b>	<b>8,950</b>	<b>1,119</b>	<b>7,831</b>

The item “Contingent liabilities” has increased versus the same month a year earlier due to issue of the Research and Development tax credit in 2007 by some Italian Group companies.

The provision to the allowance for doubtful accounts, equal to €1,929 thousand, is higher compared with the same period of 2008 and refers chiefly to past-due amounts of a number of customers.

The item "Restructuring provision allocation" of €5,364 thousand involves the restructuring plan started up by the Group, which aims to permanently realign company operating costs to new sales revenue.

### Breakdown of costs by type

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

	30/09/2009	30/09/2008	YoY Change
Purchases	80,319	110,316	(29,997)
Payroll & employee benefits	75,652	76,918	(1,266)
Amortisation, depreciation and write-downs	13,372	11,467	1,905
Inventory change	11,320	3,344	7,976
Goods receipt & shipment	6,786	9,427	(2,641)
Technical, legal, and tax advisory services	4,049	5,211	(1,162)
Building expenses	3,940	3,351	589
Marketing expenses	3,692	4,696	(1,004)
Subcontracted work	3,190	5,612	(2,422)
Travel & accommodation	2,832	4,075	(1,243)
Repairs	2,684	2,745	(61)
Vehicle expenses	2,601	2,520	81
Material collected from the warehouse	1,688	1,319	369
Telephone expenses	1,637	1,698	(61)
Utilities	1,268	1,083	185
Directors' remuneration	1,123	2,713	(1,590)
Audit costs	990	998	(8)
Other operating costs	8,950	1,119	7,831
Other	10,849	13,487	(2,638)
<b>Total (1 + 2)</b>	<b>236,942</b>	<b>262,099</b>	<b>(25,157)</b>

Goods receiving and shipment costs totalled €6,786 thousand and were down from the same period of 2008.

The costs for technical, legal and tax advisory services decreased since this account included €755 thousand at 30 September 2008 for a patent lawsuit that was settled in 2008.

Marketing expenses totalled €3,692 thousand. The main items are as follows: €2,016 thousand for advertising and sponsorship expenses, €789 thousand for the company's share of the marketing expenses incurred by commercial partners, and €547 thousand for trade show and exhibition costs. The year-on-year decrease reflects the shared costs of marketing expenses incurred by commercial partners and costs for trade fairs and exhibitions.

The costs for subcontracted work, €3,190 thousand, decreased since they were included in certain production activities that had previously been outsourced.

Expenses for directors' remuneration decreased since this account included €1,306 thousand at 30 September 2008 for the long-term incentive plan that had not been set forth in the first nine months of 2009.

The detail of the item "Other operating costs" is provided under the note number 18, point 2.

The item "Other" is made up of a plurality of expenses, all of an amount less than €900 thousand.

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

	<b>30/09/2009</b>	<b>30/09/2008</b>	<b>YoY Change</b>
Wages and salaries	56,832	57,961	(1,129)
Social security charges	12,429	11,797	632
Staff leaving indemnities	1,345	1,293	52
Retirement and similar benefits	493	541	(48)
Medium to long-term managerial incentive plan	(336)	1,400	(1,736)
Other costs	4,889	3,926	963
<i>Of which early retirement incentives</i>	2,317	955	1,362
<b>Total</b>	<b>75,652</b>	<b>76,918</b>	<b>(1,266)</b>

The item "Wages and salaries" equal to €56,832 thousand includes *Sales commissions and incentive payments* for €3,335 thousand (€6,449 thousand at 30 September 2008). At constant exchange rates, the decrease at September 2008 would have been €3,675 thousand.

The decrease in "Other costs" is attributable to early retirement incentives.

#### **Note 19. Other operating revenue**

The detailed breakdown of this item is as follows:

	<b>30/09/2009</b>	<b>30/09/2008</b>	<b>YoY Change</b>
Miscellaneous income and revenue	775	771	4
Rental income	156	212	(56)
Capital gains on asset disposals	40	25	15
Incidental income and cost cancellation	119	308	(189)
Grants to Research and development expenses	273	2,312	(2,039)
Other	79	107	(28)
<b>TOTAL OTHER REVENUE</b>	<b>1,442</b>	<b>3,735</b>	<b>(2,293)</b>

The item "Grants to Research and development expenses," totalling €273 thousand, includes grants received by the Automation Group.

#### **Note 20. Net financial income**

	<b>30/09/2009</b>	<b>30/09/2008</b>	<b>YoY Change</b>
Interest expenses on bank current accounts/loans	4,703	4,505	198
Foreign exchange losses	5,365	7,801	(2,436)
Bank expenses	386	329	57
Write-down of equity investments	226		226
Other	66	27	39
<b>TOTAL FINANCIAL EXPENSES</b>	<b>10,746</b>	<b>12,662</b>	<b>(1,916)</b>
Interest income on bank current accounts/loans	666	1,035	(369)
Foreign exchange gains	4,817	8,427	(3,610)
Income from investment disposal	25	-	25
Other	38	11	27
<b>TOTAL FINANCIAL INCOME</b>	<b>5,546</b>	<b>9,473</b>	<b>(3,927)</b>
<b>NET FINANCIAL INCOME (EXPENSES)</b>	<b>(5,200)</b>	<b>(3,189)</b>	<b>(2,011)</b>

### Total financial expenses

The item "Foreign exchange losses" amounted to €5,365 thousand and refers mainly to the Scanning Group (€2,400 thousand), the parent company (€1,274 thousand), the Automation Group (€800 thousand) and the Mobile Group (€828 thousand).

This item includes €380 thousand arising from exchange rate risk hedge transactions.

### Total financial income

The item "Foreign exchange gains" amounted to €4,817 thousand and refers mainly to the Scanning Group (€2,096 thousand), the parent company (€524 thousand), the Automation Group (€909 thousand) and the Mobile Group (€1,270 thousand).

This item includes €228 thousand arising from exchange rate risk hedge transactions.

### Note 21. Taxes

	30/09/2009	30/09/2008
Income tax	1,147	8,639
Deferred income tax	(2,901)	(2,449)
	<b>(1,754)</b>	<b>6,190</b>

The effective tax rate comes to 11.17% (- 27.20% at 30 September 2008)

The decrease in the average tax rate is due chiefly to issue of a credit for withholdings by the Scanning Group (€718 thousand) and not reporting prepaid taxes on tax losses relating to several Group companies (losses of €1,753 thousand) which were prudently not considered at 30 September 2009.

### Note 22. Earnings/loss per share

#### Basic Earnings/loss per share

Basic earnings per share at 30 September 2009 is calculated by dividing the Group net profit of €13,947 thousand (€16,570 thousand at 30 September 2008) by the weighted average number of ordinary shares outstanding at 30 September 2009 equal to 55,227,096 shares ( 57,793,999 at 30 September 2008).

	30/09/2009	30/09/2008
Group profit/(loss) for period	(13,947,000)	16,570,000
Average number of shares	55,227,096	57,793,999
<b>Basic earnings/loss per share</b>	<b>(0.2525)</b>	<b>0.2867</b>

## **TRANSACTIONS WITH SUBSIDIARIES NOT CONSOLIDATED LINE-BY-LINE, WITH ASSOCIATES, AND WITH RELATED PARTIES**

For the definition of "Related Parties", see both IAS 24, approved by European Commission Regulation No. 1725/2003, and the internal policy approved by the board of directors on 11 November 2005.

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 people that exercise coordination and management of Datalogic S.p.A.

Related-party transactions refer chiefly to commercial and securities transactions (instrumental spaces 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, revenue and cost to the related parties are not a significant proportion of the total amount of the financial statements.

Below is the detail of the main income statement and balance sheet relationships with related parties (Euro/000):

<b>RELATED PARTIES</b>	<b>Idec DI Co. Ltd.</b>	<b>Hydra (parent company)</b>	<b>Non consolidated Automation Group companies</b>	<b>MSP Imm</b>	<b>Nebulaxis Inc.</b>	<b>Studio Associato Caruso</b>	<b>Tamburi Investment Partners SpA</b>	<b>Laservall Asia</b>	<b>TOTAL 30/09/09</b>
	<b>Assoc.</b>	<b>parent company</b>	<b>associates, associated companies</b>	<b>subsidiary of the Hydra S.p.A. Group</b>	<b>controlled by a company director.</b>	<b>controlled by a company director.</b>	<b>controlled by a company director.</b>	<b>associate</b>	
<b>Trade receivables</b>	<b>563</b>	<b>13</b>	<b>742</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>698</b>	<b>2,016</b>
DI Spa		2							2
DI Automation Srl	563		742					698	2,003
Real Estate		11							11
<b>Receivables pursuant to tax consolidation</b>	<b>-</b>	<b>3,059</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,059</b>
DI Spa		1,392							1,392
DI Automation Srl		1,640							1,640
DI Mobile Srl		27							27
<b>Financial receivables</b>	<b>-</b>	<b>-</b>	<b>30</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>176</b>	<b>206</b>
DI Automation Srl			30					176	206
<b>Liabilities pursuant to tax consolidation</b>	<b>-</b>	<b>132</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>132</b>
DI Scanning Group Srl		132							132
<b>Trade payables</b>	<b>17</b>	<b>-</b>	<b>-</b>	<b>36</b>	<b>27</b>	<b>129</b>	<b>-</b>	<b>-</b>	<b>209</b>
DI Spa				1	27	89			117
DI Automation Srl	17			35		29			81
DI Scanning Group Srl						5			5
DI Mobile Srl						6			6
<b>Distribution/service expenses</b>	<b>60</b>	<b>12</b>	<b>43</b>	<b>330</b>	<b>48</b>	<b>256</b>	<b>10</b>	<b>108</b>	<b>867</b>
DI Spa		12		14	48	132	10		216
Real Estate						3			3
DI Automation Srl	60		43	316		82		108	609
DI Scanning Group Srl						14			14
DI Mobile Srl						25			25
<b>Commercial revenue</b>	<b>1,664</b>	<b>43</b>	<b>1,509</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,706</b>	<b>4,922</b>
DI Spa		6							6
DI Automation Srl	1,664		1,509					1,706	4,879
Real Estate		37							37

The Chairman of the Board of Directors  
*Romano Volta*

**DICHIARAZIONE AI SENSI DELL'ART. 154 BIS, COMMA 2, D.LGS. N. 58/1998**

**Oggetto: Resoconto Intermedio di gestione al 30 settembre 2009**

Il sottoscritto Dott. Marco Rondelli, quale Dirigente Preposto alla redazione dei documenti contabili societari di Datalogic S.p.A.

**attesta**

in conformità a quanto previsto dal secondo comma dell'art. 154 bis, comma secondo, del decreto legislativo 24 febbraio 1998, n. 58 che, sulla base della propria conoscenza, il resoconto intermedio di gestione al 30 settembre 2009 corrisponde alle risultanze documentali, ai libri e alle scritture contabili.

Datalogic S.p.A.



(Marco Rondelli)

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