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DATALOGIC GROUP

Consolidated financial statements and report for the first quarter of 2003

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COMPOSITION OF CORPORATE GOVERNANCE BODIES

Board of Directors ⁽¹⁾

Romano Volta

Chairman ⁽²⁾

Roberto Tunioli

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 quarterly results**A) INFORMATION ON PERFORMANCE**

To our Shareholders,

The quarterly report as at March 31st 2003, that we are submitting for your review, has been prepared in compliance with the Italian Civil Code, Italian Legislative Decree 127/99 and the requirements indicated in the instructions accompanying the Nuovo Mercato (New Market) Regulations.

This is the result of the admission of the ordinary shares of Datalogic SpA to listing on the Nuovo Mercato run by Borsa Italiana SpA; the stock market debut took place on March 28th 2001 and the global offering involved 3,046,000 shares (of which 400,000 related to the Greenshoe option, which was fully subscribed on May 4th 2001).

The following table summarizes the Datalogic Group's operating and financial highlights as at March 31st 2003, comparing them with the same period in the previous year:

Datalogic Group	31/03/03	31/03/02	Change
	€ '000	€ '000	€ '000
Total revenues	31,158	29,138	2,020
EBITDA	4,910	3,977	933
% on total revenues	15.8%	13.6%	
Profit before tax	3,026	2,064	962
% on total revenues	9.7%	7.1%	
Net Financial Position (NFP)	37,206	27,936	9,270
NFP as at 31/12/02	33,423	24,911	8,512
Change in NFP	3,783	3,025	758

In the first quarter of 2003 the Datalogic Group posted revenues of € 31,158 thousand (of which € 30,906 from sales and services), corresponding to an increase of 7% on the same period of last year.

Minec AB (purchased in July 2002 but consolidated line-by-line only from January 1st 2003) was responsible for € 799 thousand of the overall increase (accounting for 2.7% of the increase for the period). Assuming the same consolidation area, the increase in revenues during the first quarter of 2003 compared with the same period last year would have been around 4%. This increase is a very positive sign since it once again reflects the company's ability to grow even in a difficult market; in fact, the economic situation showed no clear signs of improving during the first quarter, while the euro continued to appreciate against all the major currencies. More specifically, the average exchange rate against the US dollar went from 0.8765 in the first three months of 2002 to 1.073 (+22%) in the first quarter of this year. These circumstances have certainly not helped a company that earns over 85% of its revenues outside of Italy, of which 22 % (corresponding to € 6,924 thousand) on the North American market; despite this trend, revenues from North America continued to grow, rising by 12% in the period under review.

EBITDA (calculated before amortisation and depreciation, and provisions for employee severance indemnities and risks) came to € 4,910 thousand, corresponding to 15.8% of revenues (compared with € 3,977 thousand, or 13.6% of revenues, in the first quarter of 2002).

This improvement of over 23% is considerably more than the increase in revenues. It is the result of effective measures in two important areas: product innovation and maintenance of a high degree of operational flexibility. This in turn has helped the company boost its profitability, while not foregoing important investment projects (the enlargement of the premises in Lippo di Calderara, the introduction of a new computer system and maintenance of R&D expenditure, which accounted for over 8% of revenues in the first quarter of 2003). Minec AB (which, as already mentioned, was consolidated line-by-line starting from January 1st 2003) was responsible for € 138 thousand of consolidated EBITDA for the quarter.

Profit before tax came to € 3,026 thousand, € 962 thousand (+47%) higher than the figure of € 2,064 thousand reported in the first quarter of 2002.

REVENUE TRENDS AND KEY FACTORS AFFECTING OPERATIONS IN THE PERIOD

Total revenues in the first quarter of the year amounted to € 31,158 thousand, (of which € 30,906 thousand from sales and services), having risen by 7% on the corresponding period last year.

All the main product lines belonging to the company's core business contributed to this excellent result: sales of optical scanners accounted for € 26,102 thousand of this total, up 6% on the first quarter of 2002, radio frequency identification devices for € 3,258 thousand (+15%) and services for € 964 thousand (+41%).

Among the various products, portable devices performed well, with sales climbing by over 38% on the first quarter of 2002, mainly thanks to the contribution of the recently introduced top-of-the-range models.

Sales of unattended scanning devices also performed well, with sales rising by around 7% on 2002.

Sales of hand-held readers were lower than in the first quarter of 2002, mainly because of the high level of revenues generated by the project for the Italian Post Office, completed in the early part of 2002. First quarter sales were nonetheless broadly in line with company budgets.

Sales of "non core" products continued to retreat, falling 9% to € 582 thousand.

Other revenue and income amounted to € 252 thousand.

As at March 31st 2003, the net financial position reported net cash of € 37,206 thousand, comprised as follows:

Datalogic Group	31/12/02	31/03/02	31/03/03
Long-term financial assets	2,466	2,467	2,466
Medium/long-term bank borrowing	-3,745	-11,456	-2,771
Medium/long-term amounts payable to other financial institutions	-4,025	-4,376	-3,970
Own shares	4,925	2,577	5,919
Medium/long-term net borrowing	-379	-10,788	1,644
Short-term bank borrowing and amounts payable to other financial institutions	-2,543	-6,928	-1,815
Financial payables (leasing)	0	-31	0
Financial receivables (other securities)	2,487	380	4,000
Commercial paper	6,233	1,196	3,991
Cash and cash equivalents	27,625	44,107	29,386
Short-term net financial position	33,802	38,724	35,562
Net financial position	33,423	27,936	37,206

There was a large and steady improvement in the net financial position over the past twelve months (€ 9,270 thousand higher than at March 31st 2002 and € 3,783 thousand up on the end of 2002), mainly thanks to cash flows generated by current business, amounting to € 3,555 thousand in the first quarter.

As at March 31st 2003, the net financial position of Minec (consolidated line-by-line as from January 1st 2003) was € 364 thousand, meaning that the change in consolidation area made an insignificant contribution to the overall group figure.

Investments in the three-month period, net of tangible and intangible fixed-asset disposals and the effect of consolidating the Minec group, amounted to € 374 thousand, while working capital increased by around € 1,422 thousand over the quarter.

PERFORMANCE OF GROUP COMPANIES

The performance of group companies up to March 31st 2003 - inclusive of intercompany transactions - is summarised below (the result for the period is shown before tax and after making the necessary adjustments for alignment with group accounting policies).

REVENUES FROM SALES AND SERVICES (€/000)

COMPANY NAME	% OWNERSHIP as at 31/03/03	31/03/03	31/03/02	% CHANGE
Datalogic SpA (parent company)		22,362	20,621	8.4%
Datasud Srl	100%	8,251	6,387	29.2%
Datalogic AB	100%	1,924	2,103	-8.5%
EMS, Inc.	92.05%	3,348	3,065	9.2%
Datalogic France SA	100%	2,036	1,872	8.8%
Datalogic Optik Elektronik GmbH	100%	7,865	7,258	8.4%
Datalogic Optic Electronics B.V. (1)	100%	0	0	0.0%
Datalogic Handelsgesellschaft mbH (1)	100%	0	0	0.0%
Datalogic PTY Ltd.	100%	1,041	788	32.1%
Datalogic UK Ltd.	100%	1,964	1,890	3.9%
Datalogic Inc.	100%	4,075	3,588	13.6%
DL Iberia (1)	100%	25	0	0.0%
Minec AB	100%	799	n.a.	-
Minec System Holding AB (2)	100%	0	n.a.	-

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

(2) The figure for "revenues from sales and services" is zero because this company is dormant.

PROFIT (LOSS) BEFORE TAX (€/000)

COMPANY NAME	% OWNERSHIP as at 31/03/03	31/03/03	31/03/02
Datalogic SpA (parent company)		1,787	2,034
Datasud Srl	100%	906	49
Datalogic AB	100%	-130	48
EMS, Inc.	92.05%	498	-127
Datalogic France SA	100%	-42	77
Datalogic Optik Elektronik GmbH	100%	345	79
Datalogic Optic Electronics B.V.	100%	57	34
Datalogic Handelsgesellschaft mbH	100%	112	242
Datalogic PTY Ltd.	100%	3	-76
Datalogic UK Ltd.	100%	122	-16
Datalogic Inc.	100%	151	-63
DL Iberia	100%	164	-23
Minec AB	100%	126	n.a.
Minec System Holding AB	100%	-12	n.a.

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

As regards transactions with related parties, the only significant ones were those with Datasensor SpA. These mainly referred to the purchase of components by Datalogic SpA, financial charges, and contributions to interest payments in relation to the IMI long-term loan (which, following the demerger on 02/01/1998, is now jointly held by Datalogic SpA and Datasensor SpA). Other transactions with this company involved the distribution, by some group companies, of modest quantities of Datasensor products.

OUTLOOK FOR THE REST OF THE YEAR

The results for the first three months of the year were very positive both in terms of revenues and profitability and were actually higher than budget. In view of these results and despite the modest medium-term prospects, we believe that the company will be able to close the year with revenues and margins that are in line with budget.

During the month of April, under the stock option plan approved by its Board of Directors in 1997, the subsidiary EMS bought back:

- 572,005 shares previously allotted to its employees, for a sum of USD 715,006.25;
- 1,058,605 options, previously allotted to the company's employees, for a sum of USD 1,058,605.

During the first quarter of the year, EMS had already purchased 331,010 shares from employees for a figure of USD 413,762.50 (for more details, see the comments in the section entitled “changes in consolidation area”).

Lastly, on April 18th 2003, the Ministry for Universities and Scientific and Technological Research awarded the parent company the sum of € 1,015 thousand to fund research and development projects (of which € 383 thousand is non-reimbursable, while the balance is by way of an interest-subsidised loan).

B) VALUATION CRITERIA

Introduction

The Datalogic Group's quarterly report as at March 31st 2003 has been prepared in compliance with Italian Legislative Decree 127/1991. It also takes account of the contents of Consob Regulation 11971 dated May 14th 1999 and subsequent updates thereto and of article 1A.2.4.1 of the Instructions accompanying the Regulations of the New Market, organised and run by Borsa Italiana S.p.A., in effect since February 18th 2002. In compliance with these regulations, the quarterly financial statements are prepared on a consolidated basis only.

The financial statements presented consist of the consolidated balance sheet, profit & loss account, and cash-flow summary. The notes commenting on the balance sheet also include tables showing changes in net equity accounts and the reconciliation of the parent company's net equity and results for the period with the corresponding consolidated amounts.

All amounts presented in the quarterly report are shown in € '000. Amounts shown in the notes commenting on the balance sheet are compared with those as at December 31st 2002, whilst those concerning the profit & loss account are reported in comparison with March 31st 2002.

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

Accounting Standards and Policies

The accounting standards and policies used to prepare the quarterly report as at March 31st 2003 are those envisaged in Italian Legislative Decree 127/1991, supplemented - for aspects not specifically covered by the decree - by the Italian accounting standards published by the Italian Accounting Profession (Consigli Nazionali e dei Dottori Commercialisti e dei Ragionieri) and, in their absence, by those of the International Accounting Standards Committee (IASC).

Standards and policies are the same as those used to draw up the consolidated financial statements as at December 31st 2002. Depreciation and amortisation of tangible and intangible fixed assets have been calculated on a straight-line basis, booking one quarter of the full-year charge to reflect the length of the accounting period concerned.

Note also that the profit for the period has been stated before tax, as well as the adjustments and provisions arising exclusively from the 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 range principally consists of four product lines as follows:

USS: Unattended Scanning Systems

HHR: Hand-Held Readers

PDC: Portable Data Collection devices

RFID: Radio-Frequency Identification Devices.

The consolidated quarterly results include the quarterly financial statements of the parent company and the companies in which the latter directly or indirectly holds the majority of voting capital, or in which it exercises a dominant influence, provided the companies concerned are significant.

The companies consolidated on a line-by-line basis for the three months ending March 31st 2003 are as follows:

Company name	Registered offices	Share capital	Total net equity (€ '000)	Result for the period (€ '000)	% ownership
Datalogic SpA (parent company)	Lippo di Calderara di Reno (BO) – Italy	EUR 24,759,280	97,292	1,787	
Datasud Srl	Castiglion Messer Raimondo (TE) – Italy	EUR 1,820,000	8,074	906	100%
Datalogic AB	Malmö – Sweden	SEK 1,400,000	957	-130	100%
EMS, Inc.	Scotts Valley (California) – USA	USD 829,000	3,192	278	92.05%
Datalogic France SA	Villebon Sur Yvette (Paris) - France	EUR 2,227,040	3,020	-42	100%
Datalogic Optik Elektronik Gmbh	Erkenbrechtsweiler (Stuttgart) – Germany	EUR 1,022,580	5,825	345	100%
Datalogic Optic Electronics B.V.	Maarsse – Holland	EUR 18,150	25	57	100%
Datalogic Handelsgesellschaft mbH	Wiener Neudorf (Vienna) – Austria	EUR 72,670	771	112	100%
Datalogic PTY Ltd.	Mount Waverley (Melbourne)- Australia	AUD 2,300,000	880	3	100%
Datalogic UK Ltd.	Redbourn (London) – UK	GBP 3,500,000	2,635	122	100%
Datalogic Inc.	Hebron (Kentucky) – USA	USD 1	1,877	151	100%
DL Iberia	Madrid – Spain	EUR 61,000	34	164	100%
Minec – AB	Stockholm – Sweden	SEK 200,000	1,083	126	100%
Minec – Holding	Stockholm – Sweden	SEK 100,000	1,189	-12	100%

The associated and subsidiary companies in which the parent company owns between 20% and 50% of their share capital and which are valued on a net equity basis are as follows:

Company name	Registered offices	Share capital	Total net equity (€ '000)	Result for the period (€ '000)	% ownership
Izumi Datalogic Co. Ltd.	Kobe – Japan	JPY 300,000,000	591	91	50%

The associated companies valued at cost are as follows:

Company name	Registered offices	Share capital	% ownership
Datalogic Private Ltd.	Shankarapuram (Bangalore) – India	INR 1,000,000	20%

Changes in consolidation area

As part of a scheme to buy back all the shares subscribed by employees under the stock option plan approved by the Board of Directors in 1997, during the first quarter of 2003 EMS bought back 331,010 shares worth USD 413,762.5, which were subsequently cancelled (in accordance with US legislation); as a result of this operation, the interest in this company increased by 4.033%.

In addition, the Minec group has been consolidated on a line-by-line basis as at March 31st 2003, having been carried at net equity at the end of December 2002.

C) BALANCE-SHEET INFORMATION

INTANGIBLE FIXED ASSETS

Changes in intangible fixed assets are shown below:

	Start-up costs	Industrial patents and intellectual properties	Concessions, licences, trademarks & similar items	Goodwill	Difference arising on consolidation	Others	Intangible assets in process and payments on account	Total
<u>Opening value</u>								
Historical cost	75	9,768	283	10,437	1,678	1,328	267	23,836
(Amortisation)	(72)	(5,132)	(205)	(6,013)	(78)	(1,023)		(12,523)
Revaluations								
(Write-downs)		(120)						(120)
Total	3	4,516	78	4,424	1,600	305	267	11,193
<u>Increases</u>								
Increases		74	5			285	56	420
Amortisation reversal								
Other changes								
Total		74	5			285	56	420
<u>Decreases</u>								
Decreases							(267)	(267)
Amortisation	(1)	(405)	(18)	(261)	(42)	(57)		(784)
Other changes		(17)				(4)		(21)
Total	(1)	(422)	(18)	(261)	(42)	(61)	(267)	(1,072)
Closing value	2	4,168	65	4,163	1,558	529	56	10,541

"Start-up costs" consist of expenses and fees incurred for the merger by incorporation of IdWare Srl in 1998.

The main items under the "Industrial patents" heading - totalling € 4,168 thousand - consist of:

- € 3,349 thousand relating to the parent company, of which € 1,869 thousand for software licences, € 275 thousand for patent registration, € 858 thousand for licences on third-party patents, and € 347 thousand for the purchase of know-how;
- € 387 thousand relating to EMS for development of know-how concerning an RFID project;

- € 430 thousand relating to Datasud, most of which refers to software development costs for the new management information system.

"Goodwill", amounting to € 4,163 thousand, refers to the merger deficit and share-swap loss arising on the merger by incorporation of IdWare Srl during 1998.

The "Difference arising on consolidation" - totalling € 1,558 thousand - has been generated following the consolidation of the Minec group, in which a 100% interest was acquired on July 15th 2002 by Datalogic AB, a wholly-owned subsidiary of the parent company.

The breakdown of "Others", totalling € 529 thousand, is as follows:

- € 429 thousand in development costs of commercial software, attributable to the parent company;
- € 85 thousand in deferred costs relating to rented buildings, of which € 6 thousand relates to the parent company and € 79 thousand to EMS;
- € 15 thousand in other items.

The increase of € 285 thousand in this balance refers to the parent company's development of commercial software.

"Intangible assets in process and payments on account" refer to the parent company's costs for developing software.

TANGIBLE FIXED ASSETS

Changes in tangible fixed assets are shown below:

	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets in process and payments on account	Total
<u>Opening value</u>						
Historical cost	23,745	5,391	10,700	12,777	64	52,677
(Depreciation)	(5,449)	(3,912)	(8,281)	(10,260)		(27,902)
Revaluations	675		15	8		698
(Write-downs)	(246)			(160)		(406)
Exchange-rate differences	53		(3)	(58)	4	(4)
Total	18,778	1,479	2,431	2,307	68	25,063
<u>Increases</u>						
Investments		4	213	185	32	434
Depreciation reversal						0
Total	0	4	213	185	32	434
<u>Decreases</u>						
Disposals						0
Depreciation	(225)	(102)	(289)	(274)		(890)
Write-downs						0
Total	(225)	(102)	(289)	(274)	0	(890)
<u>Reclassifications and other changes</u>						
Positive reversals						0
(Negative reversals)	0					0
Change in consolidation area				146		146
Exchange-rate differences	(173)		(5)	(14)		(192)
Closing value	18,380	1,381	2,350	2,350	100	24,561

"Industrial and commercial equipment" has increased by € 213 thousand, mostly due to:

- the parent company's purchase of € 64 thousand in moulds and € 49 thousand in electronic instruments for the production area and the R&D laboratories;
- the French subsidiary's restructuring of its premises (€ 46 thousand).

"Other assets" have increased by € 185 thousand, mostly due to the parent company's purchase of € 115 thousand in electronic office machinery and € 5 thousand in new furnishings.

Other assets have also increased by € 146 thousand due to the consolidation of the Minec group on a line-by-line basis.

As at March 31st 2003 the main components of "Other assets" were: office furniture and fittings (€ 799 thousand), office machinery (€ 1,015 thousand), motor vehicles (€ 216 thousand) and trade-fair equipment (€ 234 thousand).

We also draw attention to the fact that in the past Datasud Srl has received capital grants of € 2,056 thousand (received in three instalments: one in 1993 and two in 1997), that have been booked under Other Reserves, and interest subsidies totalling € 1,756 thousand (issued in two instalments in 1995 and 1996).

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

- a special 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 over properties.

Any failure to comply with the clauses imposing these restrictions and constraints entitles the issuing agency to recall the grants.

LONG-TERM FINANCIAL ASSETS**Investments**

The changes in investments during the period are shown below:

	Balance 31/12/02	Increases	Exchange- rate differences	Write-ups (Write- downs)	Changes	Balance 31/03/03
a) Subsidiary companies						
- Valued on net equity basis:						
DL Iberia	0					0
Minec Group	1,433				(1,433)	0
Total subsidiary companies	1,433	0	0	0	(1,433)	0
b) Associated companies						
- Valued on net equity basis:						
Izumi DL Co. Ltd	260	45	(10)			295
- Valued at cost:						
DATALEX Greece	(0)					(0)
DL PRIVATE India	8					8
Total associated companies	268	45	(10)	0	0	303
d) Other companies						
Nomisma SpA Italy	7					7
Conai	0					0
CAAf Ind. Emilia Romagna Italy	4					4
Crit Srl	51					51
Total other companies	62	0	0	0	0	62

The change in Subsidiary companies relative to December 31st 2002 is due to the transition to line-by-line consolidation of the Minec group.

The change in Associated companies relative to December 31st 2002 is the result of valuing Izumi Datalogic Co. Ltd on a net equity basis.

Financial receivables – long-term financial assets

The changes in the period are shown below:

Financial amounts receivable from:	31/12/02	Increases	(Decreases)	31/03/03
Subsidiary companies				
Associated companies				
Others	88		(11)	77
Total	88		(11)	77

"Others" consist mainly of the parent company's tax credit for prepayment of withholding taxes on employee severance indemnities, inclusive both of payments made during the period and of revaluation of the existing credit.

Other securities

	31/12/02	Increases	(Decreases)	31/03/03
Securities as guarantee	2,466			2,466
(Write-down provision)				-
Total	2,466			2,466

This balance mainly consists of securities held to guarantee the loan from San Paolo IMI SpA to the parent company to finance applied research. Of the securities in the portfolio, € 1,296 thousand relates to Italian medium- and long-term treasury notes (BTP and CCT), € 457 thousand to bank bonds, and € 711 thousand to shares in bond funds.

Own shares

	31/12/02	Increases	(Decreases)	31/03/03
Datalogic S.p.A. shares	4,925	994		5,919
Total	4,925	994		5,919

At an ordinary general meeting held on October 25th 2001 the parent company's shareholders approved a buy-back plan for a maximum of 650,000 shares.

As at March 31st 2003, a total of 574,049 own shares had been bought back for a figure of € 5,919 thousand, corresponding to at an average unit price of € 10.30. The value of these shares at the end

of March 2003 was € 5,199 thousand; the Board of Directors has decided not to make any write-down since this loss in value is considered to be temporary.

The ordinary general meeting of the parent company's shareholders held on April 16th 2003 voted to extend the buy-back plan to purchase up to 1,150,000 shares, to be executed within 18 months from the date of the resolution, at a unit 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 future possibility of undertaking share swaps to accelerate the company's development, with the use of own shares being 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 earnings potential and so the buy-back seems to be a good investment opportunity for the company itself.

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

CURRENT ASSETS**Inventories**

The detailed breakdown of inventories is as follows:

	31/03/03	31/12/02	Change
1) Raw and ancillary materials and consumables	12,802	9,954	2,848
2) Work in process and semi-finished goods	2,835	2,679	156
3) Work to order in process	-	-	
4) Finished products and goods	10,649	8,640	2,009
5) Payments on account	-	-	
Total	26,286	21,273	5,013

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

AMOUNTS RECEIVABLE

	31/03/03	31/12/02	Change	Due after 5 years
Customers				
For goods and services	32,360	32,874	(514)	
(Doubtful debt provision)	(759)	(777)	18	
Total	31,601	32,097	(496)	-
Associated companies				
Izumi Datalogic	290	676	(386)	-
Total	290	676	(386)	-
Parent companies				-
Hydra SpA	6	1	5	
Total	6	1	5	-
Others				
Tax authorities for VAT	4,339	3,103	1,236	
Other tax receivables	5,893	6,065	(172)	
Commercial paper	3,991	6,233	(2,242)	
Payments on account to suppliers	400	517	(117)	
Tax credits on dividends	684	246	438	
Sundry amounts receivable	352	415	(63)	
Total	15,659	16,579	(920)	-
Total amounts receivable	47,556	49,353	(1,797)	-

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 (€ 2,896 thousand), Datasud Srl (€ 494 thousand) and Datalogic Handelsgesellschaft (€ 908 thousand) - refer to € 2,764 thousand in payments on account, € 291 thousand in taxes withheld on interest income, and € 2,821 thousand in deferred tax assets, of which € 989 thousand recoverable over the long term.

Amounts receivable for commercial paper (€ 3,991 thousand as at March 31st 2003) represent investments made to optimise the use of corporate liquidity.

Tax credits on dividends, amounting to € 684 thousand, refer to the distribution of dividends in 2002 and 2003 by Datasud.

Current financial assets

The increase of € 1,513 thousand during the period relates to the investment of liquidity in bonds and cash-based investment funds.

Cash and cash equivalents

	31/03/03	31/12/02	Change
1) Bank and post-office deposits	29,360	27,607	1,753
2) Cheques	4	-	4
3) Cash and similar items in hand	22	18	4
Total cash and cash equivalents	29,386	27,625	1,761

Accrued income and prepayments

	31/03/03	31/12/02	Change
a) Accrued income			
Sundry interest receivable	107	24	83
Other	427	45	382
Total accrued income	534	69	465
b) Prepayments			
Insurance	272	59	213
Membership fees	53	77	(24)
Rents and maintenance fees	162	92	70
Leasing contracts	2	33	(31)
Surety costs	62	97	(35)
Trade fairs and sponsorships	32	67	(35)
Substitute tax	521	521	(0)
Other	86	152	(66)
Total prepayments	1,190	1,098	92
Total accrued income and prepayments	1,724	1,167	557

“Other” accrued income includes € 333 thousand as a result of retranslating forward hedging contracts outstanding as at March 31st 2003 at period-end exchange rates and € 40 thousand arising on the calculation of the related premium.

The largest item consists of € 521 thousand in substitute tax on goodwill, booked in the parent company's accounts. It is being charged to income over the period 1998-2007 (inclusive), in keeping with the period over which the associated goodwill is being amortised.

NET EQUITY

Changes in net equity during the period are shown below:

	Opening balance 31/12/02	Profit allocation	Capital increases	Other changes	Profit (loss) for the period	Closing balance 31/03/03
Share capital	24,759					24,759
Share premium reserve	54,424					54,424
Revaluation reserves	258					258
Legal reserve	464					464
Own-shares reserve	4,925			994		5,919
Demerger capital reserve	4,439					4,439
Consolidation reserve	1,878					1,878
Translation reserve	(13)			(347)		(360)
Retained earnings/losses carried forward	5,418	5,217		(994)		9,641
Profit (loss) for the period	5,362	(5,362)			3,026	3,026
Total	101,914	(145)	0	(347)	3,026	104,448
Minority interests in results	(39)	39			40	40
Minority interests in net equity	468	(39)		(243)		186
Total	102,343	(145)	0	(590)	3,066	104,674

Note that the profit for the period is shown before tax.

Revaluation reserves comprise asset revaluations (totalling € 258 thousand) carried out under the following Italian laws:

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

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

As required under the Italian Civil Code, the own-shares reserve has been set up by the parent company following the buy-back of its stock.

Share capital is comprised as follows as at March 31st 2003:

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

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

The decrease in net equity pertaining to the group (€ 145 thousand) and minority interests (€ 243 thousand) is mostly due to EMS's repurchase of shares from its employees.

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

	Share capital and reserves	Profit for period 31/03/03	Total equity 31/03/03
Datalogic SpA net equity and profit	95,505	1,787	97,292
Differences between consolidated companies' net equity and their carrying value in the parent company's financial statements and effect of valuing at equity	7,989	2,305	10,294
Amortisation of difference arising on consolidation	(78)	(42)	(120)
Elimination of intercompany profits	(2,310)	(225)	(2,535)
Effect of eliminating intercompany transactions	16	3	19
Effect of booking leasing contracts	127	(23)	104
Deferred taxes	0	0	0
Reversal of BV's doubtful debt write-down	173	0	173
Reversal of dividends	0	(779)	(779)
Group net equity	101,422	3,026	104,448
Minority interests in net equity	186	40	226
Total net equity	101,608	3,066	104,674

Note that the profit for the period is shown before taxes.

PROVISIONS FOR RISKS AND CHARGES

	31/12/02	Increases	(Utilisation)	Exchange- rate differences	31/03/03
Retirement benefits and similar obligations	10	1			11
Taxes	200		(2)	(1)	197
Other provisions	686	41		(9)	718
Total provisions for risks and charges	896	42	(2)	(10)	926

The tax provision mainly consists of: € 44 thousand in deferred taxes relating to consolidation entries, € 82 thousand in deferred taxes calculated by the parent company, and € 53 thousand in deferred taxes provided by the subsidiary Datalogic GmbH in respect of the different depreciation rates used for consolidation purposes.

The breakdown of “Other provisions” is as follows:

	31/03/03	31/12/02	Change
Product warranty provision	559	577	(18)
Provision for outstanding legal claims	43	37	6
Other	116	72	44
Total	718	686	32

The product warranty provision represents estimated costs to be incurred for servicing products sold under warranty. It totals € 559 thousand and is deemed sufficient to meet the specific risk concerned.

ACCRUED EMPLOYEE SEVERANCE INDEMNITY PROVISION

Changes during the period are shown below:

	31/12/02	Provisions	(Utilisation)	31/03/03
Employee severance indemnities	4,217	263	(146)	4,334

The utilisation mostly refers to the parent company and includes € 82 thousand in advances on employee severance indemnities.

PAYABLESBank borrowing

Bank borrowing can be analysed as follows:

	within 12 months	after 12 months	after 5 years	Total
Bank borrowing				
Current account overdrafts	7			7
Bank and long-term loans	626	2,476	295	3,397
Total bank borrowing	633	2,476	295	3,404

Bank borrowing has decreased following Datasud's early repayment of a long-term loan totalling € 1,632 thousand.

Amounts owed to other financial institutions

	within 12 months	after 12 months	after 5 years	Total
Amounts owed to other financial institutions				
San Paolo IMI SpA	1,118	2,486	467	4,071
Other providers of finance	64	273	744	1,081
Total amounts owed to other financial institutions	1,182	2,759	1,211	5,152

The amounts owed to other financial institutions mainly relate to a secured long-term loan from San Paolo IMI SpA to Datasud Srl and the parent company, and to a loan, renegotiated in 2000, from Barclays Bank to Datalogic UK Ltd.

Taxes payable

"Taxes payable" include only liabilities for certain or definite taxes, since liabilities for probable or uncertain taxes as regards amount and materialisation, or for deferred taxes, are booked under liability account B2 (tax provision). As at March 31st 2002, taxes payable amount to € 6,224 thousand, of which € 4,024 thousand relating to the parent company, as detailed below:

€ 2,262 thousand for corporate income tax (IRPEG);

€ 796 thousand for personal income tax (IRPEF) withheld from employees;

€ 502 thousand for VAT payable;

€ 244 thousand for the direct tax amnesty;

€ 208 thousand for the portion of substitute tax on goodwill to be paid during 2003;

€ 12 thousand for taxes withheld for professionals and various self-employed service providers.

Other significant tax payables were reported by Datalogic GmbH (€ 568 thousand), Datalogic UK (€ 306 thousand), and Datasud (€ 664 thousand).

Other amounts payable

Other amounts payable	31/03/03	31/12/02	Change
Employees	3,498	3,423	75
Directors' emoluments	39	301	(262)
Insurance	62	-	62
Sundry amounts payable	245	1,479	(1,234)
Total	3,844	5,203	(1,359)

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

The decrease in sundry amounts payable is mostly due to the settlement of the sums due, still outstanding at the end of 2002, for the acquisition of the interest in the company Minec Systems Holding AB.

ACCRUED LIABILITIES AND DEFERRED INCOME

	31/03/03	31/12/02	Change
a) Accrued liabilities			
Interest payable on long-term loans	97	14	83
Consulting services	50	68	(18)
Bonuses and commissions	15	1	14
Marketing funds	147	118	29
Sundry items	262	108	154
Total accrued liabilities	571	309	262
b) Deferred income			
Maintenance contracts	12	1	11
Intergroup transactions	66	146	(80)
Warranty extension	250	-	250
Other	827	283	544
Total deferred income	1,155	430	725
Total accrued liabilities and deferred income	1,726	739	987

"Other deferred income" includes € 827 thousand in respect of income on specific contracts that have not yet been fully completed. This sum includes € 379 thousand in respect of Datalogic Inc., € 313 thousand in respect of Datalogic GmbH and € 134 thousand in relation to EMS.

D) INFORMATION ON PROFIT & LOSS ACCOUNT

PRODUCTION VALUE

	31/03/03	31/03/02	Change
Revenues from sales and services	30,906	28,888	2,018
Change in inventories of work in process, semi-finished, and finished goods	1,238	2,084	(846)
Increase in fixed assets following internal enhancement	25	0	25
Sundry revenues	252	250	2
Operating grants	0	0	0
Total production value	32,421	31,222	1,199

Revenues from sales and services are 7% higher than in the corresponding period of last year. For further details, reference should be made to the section on “Revenue trends and key factors affecting operations in the period”.

Sundry revenues mainly consist of:

- € 67 thousand for rents;
- € 63 thousand for packaging and shipment;
- € 34 thousand for charge-back of seconded staff;
- € 38 thousand for contingent income on product returns;
- € 28 thousand for other sundry income and revenues.

The geographical breakdown of revenues from sales and services is shown in percentage terms as follows:

	31/03/03	31/03/02	Change
Revenues – Italy	14%	18%	-4%
Foreign revenues - Rest of EU	56%	52%	4%
Foreign revenues – Non-EU	30%	30%	0%

PRODUCTION COSTS

	31/03/03	31/03/02	Change
Raw materials, consumables, and goods for resale	15,574	13,992	1,582
Services	4,800	4,122	678
Use of third-party assets	571	446	125
Staff costs:			-
Wages and salaries	7,504	6,851	653
Social security charges	1,724	1,520	204
Employee severance indemnities	263	204	59
Other staff costs	340	387	(47)
<i>Total staff costs</i>	9,831	8,962	869
Amortisation, depreciation and write-downs:			
Amortisation of intangible fixed assets	784	620	164
Depreciation of tangible fixed assets	890	940	(50)
Write-downs of receivables included in current assets	49	15	34
<i>Total amortisation, depreciation and write-downs</i>	1,723	1,575	148
Changes in inventories of raw materials, consumables, and goods for resale	(3,252)	(243)	(3,009)
Risk provisions	27	11	16
Other provisions		5	(5)
Sundry operating costs	330	277	53
Total production costs	29,604	29,147	457

The significant increase in "Raw materials, consumables, and goods for resale" (+11%) is due to the growth in sales (+7% on the first quarter of 2002) and inventories of components (+€ 3,252 thousand compared with the end of 2002).

The increase in "Staff costs" is mostly due to the higher average number of employees at the parent company (+24) and Datasud S.r.l. (+8) compared with the first quarter of 2002.

The detailed breakdown of service costs is as follows:

	31/03/03	31/03/02	Change
Outsourcers	785	403	382
Goods receipt and shipment	371	298	73
Technical, legal and tax advisory services	382	505	(123)
Travel and lodging	512	424	88
Power, light and heat	156	134	22
Maintenance	125	192	(67)
Repairs and technical assistance	297	215	82
Trade fairs, advertising and entertaining	479	650	(171)
Commissions	56	32	24
Emoluments of corporate officers	274	323	(49)
Services for staff	135	165	(30)
Meetings	308	92	216
Telephones and postage	229	234	(5)
EDP services	99	9	91
Vehicle costs	20	60	(40)
Cleaning	75	31	44
Insurance	116	97	19
Nuovo Mercato listing costs	-	7	(7)
Other	381	251	130
Total	4,800	4,122	678

The increase in the cost of "Outsourcers" mostly reflects the parent company's greater outsourcing of various stages of its production process.

The decrease of € 171 thousand in "Trade fairs, advertising and entertaining" compared with the corresponding prior year period is due to the reduction in the number of trade fairs that the group attended, the contraction in advertising expenditures and the reclassification of € 33 thousand in royalties to costs for the use of third-party assets.

The increase in the cost of "Meetings" is due to the introduction in 2002 of the new accounting standard on the preparation of interim accounts (Accounting standard no. 30 issued by the Italian Accounting Profession), as a result of which the costs of the annual Convention (held in January) have been entirely expensed in the first quarter. In the past these costs had been spread evenly over the year.

The "Emoluments of corporate officers" include emoluments both for directors (€ 258 thousand) and statutory auditors (€ 16 thousand).

Details of the costs incurred for use of third-party assets are as follows:

	31/03/03	31/03/02	Change
Building rental	258	236	22
Rental of other assets	183	63	120
Leasing instalments	30	129	(99)
Maintenance of third-party assets	11	11	(0)
Royalties payable	63	-	63
Other	26	7	19
Total	571	446	125

This balance has increased mostly as a result of the reclassification of royalties, as mentioned earlier. These costs were classified under services in the first quarter of 2002.

"Sundry operating costs" are analysed as follows:

	31/03/03	31/03/02	Change
Taxation other than income tax	58	55	3
Vehicle tax	7	3	4
Losses on receivables	2	1	1
Sundry non deductible costs	-	-	-
Costs reimbursable by third parties	1	9	(8)
Membership fees	95	85	10
Sponsorships and promotion	26	40	(14)
Gifts and donations	1	19	(18)
Contingent charges	38	13	25
Ordinary losses on disposal of assets	-	-	-
Other	102	53	49
Total	330	277	53

Financial income and charges**Other financial income**

This item is analysed as follows:

	31/03/03	31/03/02	Change
b) Securities entered in non-current assets that are not equity investments:	17	17	-
c) Securities entered in current assets that are not equity investments:	15	5	10
d) Income other than the above:			-
- subsidiary companies	-		-
- associated companies	-		-
- others	728	609	119
Total	760	631	129

Income other than above received from others is analysed below:

	31/03/03	31/03/02	Change
Interest receivable on bank accounts	177	352	(175)
Exchange-rate gains	515	248	267
Interest income on commercial paper	36	-	36
Other	-	9	(9)
Total income other than above	728	609	119

The decrease in current account interest mostly refers to the parent company and is mainly due to the cut in rates and the amount of liquidity held on current account.

“Exchange-rate gains” include € 474 thousand in respect of the parent company, analysed as follows:

- € 71 thousand in exchange gains on commercial transactions, of which € 22 thousand refers to retranslation at period-end exchange rates;
- € 30 thousand in exchange gains on borrowings and current accounts in foreign currency;
- € 373 thousand broken down as follows: € 333 thousand as a result of retranslating forward hedging contracts outstanding as at March 31st 2003 at period-end exchange rates and € 40 thousand arising on the calculation of the related premium.

Interest expenses and other financial charges

	31/03/03	31/03/02	Change
- Subsidiary companies			
- Associated companies			
- Parent companies			
- Others			
Interest payable on bank overdrafts and loans	70	366	(296)
Exchange-rate losses	511	178	333
Interest on loans from other financial institutions	82	26	56
Charge to exchange-rate provision	-	-	-
Operating grants	(58)	(57)	(1)
Other	53	66	(13)
Total interest expenses and other financial charges	658	579	79

“Exchange-rate losses” include € 450 thousand in respect of the parent company and may be analysed as follows:

- € 294 thousand in exchange losses on commercial transactions, of which € 63 thousand refers to retranslation at period-end exchange rates;
- € 156 thousand in exchange losses on borrowings and current accounts in foreign currency, of which € 150 thousand refers to the retranslation at period-end exchange rates.

The decrease in “Interest payable on bank overdrafts and loans” is mainly due to the early discharge by the parent company in 2002 of two Banca Agricola Mantovana unsecured long-term loans and of a Rolo Banca unsecured long-term loan.

Adjustments to the value of financial assets

The write-back refers to the valuation on a net equity basis of Izumi Datalogic Co. Ltd.

Extraordinary income and charges

	31/03/03	31/03/02	Change
20) Income			
a) Capital gains on disposals	-	5	(5)
b) Other extraordinary income			-
Contingent income	20	70	(50)
Sundry income	20	8	12
Total extraordinary income	40	83	(43)
21) Charges			
a) Capital losses on disposals			
Miscellaneous charges	-	-	-
b) Other extraordinary charges			
Contingent charges	123	57	66
Tax amnesty	244	-	244
Sundry charges	9	25	(16)
Total extraordinary charges	376	82	294

Chairman of the Board of Directors

Romano Volta

DATALOGIC S.p.A.

CONSOLIDATED BALANCE SHEET

ASSETS	31-mar-03 in Euro/000	31-dic-02 in Euro/000	31-mar-02 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	2	3	14
2) Research & Development and advertising costs	-	-	-
3) Industrial patent rights and rights for use of intellectual properties	4.168	4.516	3.054
4) Concessions, licenses, trademarks and similar rights	65	78	118
5) Goodwill	4.163	4.424	5.206
6) Consolidation difference	1.558	1.600	-
7) Intangible Assets in progress and advances	56	267	2.157
8) Other intangible assets	529	305	219
Total intangible fixed assets (I)	10.541	11.193	10.768
II - Tangible fixed assets:			
1) Land and buildings	18.380	18.778	14.983
2) Plant and machinery	1.381	1.479	1.549
3) Industrial and commercial equipment	2.350	2.431	2.508
4) Other tangible fixed assets	2.350	2.307	2.530
5) Assets in progress and advances	100	68	3.845
Total tangible fixed assets (II)	24.561	25.063	25.415
III - Long term financial assets:			
1) Investments in:			
a) Subsidiaries valued on the net equity basis		1.433	-
b) Associated companies valued on the net equity basis	303	268	300
c) Parent companies			-
d) Other companies	62	62	62
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		-	25
after 12 months	77	88	108
Total accounts receivable from other companies (d)	77	88	133
3) Other securities:	2.466	2.466	2.467
4) Own shares	5.919	4.925	2.577
Total long term financial assets (III)	8.827	9.242	5.539
Total fixed assets (B= I + II + III)	43.929	45.498	41.722

DATALOGIC S.p.A.

CONSOLIDATED BALANCE SHEET

ASSETS	31-mar-03 in Euro/000	31-dic-02 in Euro/000	31-mar-02 in Euro/000
C) CURRENT ASSETS			
I - Inventories:			
1) Raw and auxiliary materials, and consumables	12.802	9.954	12.491
2) Work in progress and semifinished goods	2.835	2.679	3.986
3) Work to order in progress	-	-	-
4) Finished goods and goods for resale	10.649	8.640	10.165
5) Payments on account			3
Total inventories (I)	26.286	21.273	26.645
II - Accounts receivable:			
1) From customers			
within 12 months	31.601	31.802	30.163
after 12 months	-	295	-
Total accounts receivable from customers (1)	31.601	32.097	30.163
2) From subsidiaries			
within 12 months	-	-	-
after 12 months	-	-	-
Total accounts receivable from subsidiaries (2)	-	-	-
3) From associated companies			
within 12 months	290	676	740
after 12 months	-	-	-
Total accounts receivable from associated companies (3)	290	676	740
4) From parent companies			
within 12 months	6	1	6
after 12 months	-	-	-
Total accounts receivable from parent companies (4)	6	1	6
5) From others			
within 12 months	14.534	15.440	9.461
after 12 months	1.125	1.139	51
Total accounts receivable from others (5)	15.659	16.579	9.512
Totale accounts receivable (II)	47.556	49.353	40.421
III - Current Financial assets			
1) Investments in subsidiaries		-	-
2) Investments in associated companies		-	-
3) Investments in parent companies		-	-
4) Other investments		-	-
5) Own shares		-	-
6) Other securities	4.000	2.487	380
Total current financial assets (III)	4.000	2.487	380
IV - Bank deposit and cash on hand			
1) Bank and postal deposits	29.360	27.607	43.654
2) Cheques	4	-	-
3) Cash and cash equivalent	22	18	453
Total bank deposit and cash on hand (IV)	29.386	27.625	44.107
Total current assets (C = I + II + III + IV)	107.228	100.738	111.553
D) ACCRUED INCOME AND PREPAYMENTS			
a) Accrued income	534	69	68
b) Prepayments	1.190	1.098	1.885
c) Discounts on loans			
Total accrued income and prepayments (D)	1.724	1.167	1.953
TOTAL ASSETS (A + B + C + D)	152.881	147.403	155.228

DATALOGIC S.p.A.

CONSOLIDATED BALANCE SHEET

LIABILITIES AND EQUITY	31-mar-03 in Euro/000	31-dic-02 in Euro/000	31-mar-02 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	464	284
<i>V Own-share reserve</i>	5.919	4.925	2.577
<i>VI Statutory reserves</i>	0	0	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>	-360	(13)	1.287
<i>XI Retained earnings/(losses) carried forward</i>	9.641	5.418	8.519
<i>XIII Net profit/(loss) for the year</i>	3.026	5.362	2.064
	104.448	101.914	100.489
Net equity pertaining to minorities	226	429	283
Total net equity (A)	104.674	102.343	100.772
B) PROVISIONS FOR RISKS AND CHARGES:			
1) Provision for retirement benefits and similar obligations	11	10	6
2) Provision for taxation	197	200	489
3) Others	718	686	635
Total provisions for risks and charges (B = 1 + 2 + 3)	926	896	1.130
C) Employees' severance indemnity provision	4.334	4.217	3.614
D) PAYABLES			
1) Debentures			
within 12 months		-	-
after 12 months		-	-
Total debentures (1)	0	-	-
2) Convertible bonds			
within 12 months		-	-
after 12 months		-	-
Total convertible bonds (2)	0	-	-
3) Bank borrowing			
within 12 months	633	1.354	5.844
after 12 months	2.771	3.745	11.456
Total bank borrowing (3)	3.404	5.099	17.300
4) Accounts payable to other financial institutions			
within 12 months	1.182	1.189	1.084
after 12 months	3.970	4.025	4.376
Total accounts payable to other financial institutions (4)	5.152	5.214	5.460
5) Advances received			
within 12 months	19	29	40
after 12 months	0	-	-
Total advances received (5)	19	29	40
6) Trade payables			
within 12 months	21.404	16.838	17.496
after 12 months			
Total trade payables (6)	21.404	16.838	17.496
7) Bill payable			
within 12 months	-	-	-
after 12 months	-	-	-
Total bill payable (7)	-	-	-

DATALOGIC S.p.A.

CONSOLIDATED BALANCE SHEET

LIABILITIES AND EQUITY		31-mar-03 in Euro/000	31-dic-02 in Euro/000	31-mar-02 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			3
	after 12 months			-
	Total accounts payable to associated companies (9)	-	-	3
10) Accounts payable to parent companies				
	within 12 months			4
	after 12 months	-	-	-
	Total accounts payable to parent companies (10)	-	-	4
11) Tax authorities payable				
	within 12 months	6.041	5.350	4.139
	after 12 months	183	22	208
	Total tax authorities payable (11)	6.224	5.372	4.347
12) Social security institutions payable				
	within 12 months	1.174	1.453	698
	after 12 months			-
	Total social security institutions payable (12)	1.174	1.453	698
13) Other payables				
	within 12 months	3.808	5.170	3.741
	after 12 months	36	33	24
	Total other payables (13)	3.844	5.203	3.765
Total accounts payable (D)		41.221	39.208	49.113
E) ACCRUED EXPENSES AND DEFERRED INCOME				
a) Accrued expenses		571	309	507
b) Deferred income		1.155	430	92
c) Premium on loans				
Total accrued expenses and deferred income (E)		1.726	739	599
TOTAL LIABILITIES AND EQUITY (A+B+C+D+E)		152.881	147.403	155.228

CONSOLIDATED PROFIT & LOSS ACCOUNTS

	31-mar-03 in Euro/000	31-mar-02 in Euro/000
A) PRODUCTION VALUE:		
1) Revenues from sales and services	30.906	28.888
2) Changes in inventories of work in progress, semifinished and finished goods	1.238	2.084
3) Changes in contract work in progress		-
4) Increases in fixed assets from internal work	25	-
5) Other revenue and income		
a) Sundry revenues	252	250
b) Income from grants	-	-
Total other revenue and income(5)	252	250
Total production value(A)	32.421	31.222
B) PRODUCTION COSTS:		
6) Raw and auxiliary materials, consumables and goods for resale	15.574	13.992
7) Services	4.800	4.122
8) Use of third parties asset	571	446
9) Personnel costs:		
a) Salaries and wages	7.504	6.851
b) Social contributions	1.724	1.520
c) Employees' severance indemnity	263	204
d) Provision for retirement benefits and similar costs		-
e) Other personnel costs	340	387
Total personnel costs (9)	9.831	8.962
10) Amortisation, depreciation and write-downs		
a) Amortisation of intangible fixed assets	784	620
b) Depreciation of tangible fixed assets	890	940
c) Other write-downs of fixed assets		-
d) Write-downs of receivables entered in current assets and in cash at bank and on hand	49	15
Total amortisation, depreciation and write-downs (10)	1.723	1.575
11) Changes in inventories of raw materials, supplies, consumables and goods for resale	(3.252)	(243)
12) Risk provisions	27	11
13) Other provisions		5
14) Sundry operating costs	330	277
Total production costs (B)	29.604	29.147
DIFFERENCE BETWEEN PRODUCTION VALUE AND COST (A - B)	2.817	2.075

CONSOLIDATED PROFIT & LOSS ACCOUNTS

	31-mar-03 in Euro/000	31-mar-02 in Euro/000
C) FINANCIAL INCOME AND CHARGES:		
15) Income from investments in:		
a) Subsidiaries		-
b) Associated companies		-
c) Other companies	438	-
Total income from investments (15)	438	-
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	17	17
c) Securities entered in current assets that are not investments	15	5
d) Income other than the above from:		
- Subsidiaries		
- Associated companies		
- Parent companies		
- Other companies	728	609
Total (d)	728	609
Total other financial income (16)	760	631
17) Interest and other financial costs from:		
- Subsidiaries		
- Associated companies		
- Parent companies		
- Others	658	579
Total interest and other financial costs (17)	658	579
Total financial income and charges (15+16-17)	540	52
D) ADJUSTMENT TO THE VALUE OF FINANCIAL ASSETS:		
18) Revaluation of:		
a) investments	45	-
b) long term financial assets that are not investments		-
c) Securities entered in current assets that are not investments		-
Total revaluations (18)	45	-
19) Write-downs of:		
a) investments		74
b) long term financial assets that are not investments		-
c) Securities entered in current assets that are not equity investments		-
Total write-downs (19)	-	74
Net adjustment to the value of financial assets (D =18-19)	45	(74)
E) EXTRAORDINARY INCOME AND CHARGES:		
20) Extraordinary income		
a) Capital gains on disposals of fixed assets		5
b) Other extraordinary income	40	78
Total extraordinary income (20)	40	83
21) Extraordinary charges		
a) Capital losses on disposals of fixed assets		-
b) Other extraordinary charges	376	82
Total extraordinary charges (21)	376	82
Total extraordinary income/(charges) (20-21)	(336)	1

DATALOGIC S.p.A.

CONSOLIDATED PROFIT & LOSS ACCOUNTS

	<i>31-mar-03 in Euro/000</i>	<i>31-mar-02 in Euro/000</i>
PROFIT/(LOSS) BEFORE TAXES (A - B +/- C +/- D +/- E)	3.066	2.054
PROFIT/(LOSS) FOR THE YEAR	3.066	2.054
Profit/(Loss) pertaining to minorities	(40)	10
NET PROFIT/(LOSS) FOR THE YEAR	3.026	2.064

The President of the Board of Directors
(Romano Volta)

DATALOGIC S.p.A.
CONSOLIDATED CASH FLOW

	31-mar-03 in Euro/000	31-dic-02 in Euro/000	31-mar-02 in Euro/000
NET SHORT TERM FINANCIAL POSITION AT THE BEGINNING OF THE YEAR	33.802	42.734	42.734
NET PROFIT/(LOSS) FOR THE YEAR	3.026	5.362	2.064
Amortisation and depreciation	1.674	7.156	1.560
Increase of the provision for employees' severance indemnity	263	1.084	204
Revaluations/write-downs of financial assets	-45	-102	74
CASH FLOW FROM CURRENT OPERATIONS	4.918	13.500	3.902
Effect of changes in operating assets and liabilities			
Trade receivables	877	-4.377	-2.512
Inventories	-5.013	3.002	-2.370
Other current assets	-1.893	-703	-548
Other long term assets	25	-1.042	46
Trade payables	4.556	4.787	5.464
Tax payables	852	1.297	86
Other current liabilities	-654	2.369	14
Other long term liabilities	3	-186	-9
Provisions for risks and charges	30	-306	-72
Decrease of the provision for employees' severance indemnity	-146	-365	-88
Changes in operating assets and liabilities	-1.363	4.476	11
CASH FLOW FROM OPERATING ACTIVITIES	3.555	17.976	3.913
Effect of changes in investment activities			
(Increase)/decrease in intangible fixed assets	-132	-3.549	-340
(Increase)/decrease in tangible fixed assets	-388	-3.237	-777
(Increase)/decrease in long term financial assets	-994	-3.736	-1.434
CASH FLOW FROM INVESTMENT ACTIVITIES	-1.514	-10.522	-2.551
Effect of changes in financial activities			
Change in long term financial position	-1.029	-13.612	-5.550
Change in net equity pertaining to minorities	-203	148	2
Impact of exchange-rate changes on foreign companies' consolidation	-347	-1.179	133
Other net equity changes	-145	-581	-20
Change in unconsolidated investments (*)	1.443	-1.162	63
CASH FLOW FROM FINANCIAL ACTIVITIES	-281	-16.386	-5.372
CHANGE IN NET FINANCIAL POSITION	1.760	-8.932	-4.010
NET SHORT TERM FINANCIAL POSITION AT YEAR-END	35.562	33.802	38.724