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## **DATALOGIC GROUP**

### **Consolidated financial statements for the first quarter of 2002**

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## COMPOSITION OF CORPORATE GOVERNANCE BODIES

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### **Board of Directors** <sup>(1)</sup>

**Romano Volta**

*Chairman* <sup>(2)</sup>

**Roberto Tunioli**

Vice Chairman and C.E.O. <sup>(3)</sup>

**PierPaolo Caruso**

Director

**Alberto Forchielli**

Director

**Giancarlo Micheletti**

Director

**Umberto Paolucci**

Director

**Elserino Piol**

Director

**Gabriele Volta**

Director

**Valentina Volta**

Director

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### **Board of Statutory Auditors** <sup>(4)</sup>

**Stefano Romani**

President

**Giovanni Ronzani**

Standing auditor

**Massimo Saracino**

Standing auditor

**Stefano Biordi**

Alternate auditor

**Giorgio Delli**

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 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 TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST QUARTER OF 2002**

### **A) INFORMATION ON OPERATIONS**

To the Shareholders:

The financial statements as of 31 March 2002 submitted for shareholder review have been prepared in accordance with the provisions contained in the regulations applicable to companies quoted on the Nuovo Mercato of the Italian Stock Exchange.

The ordinary shares of Datalogic S.p.A. were admitted to trading on the Nuovo Mercato on 28 March 2001 in conjunction with a global offering of 3,046,000 shares (400,000 of which were relative to a greenshoe option that was fully subscribed on 4 May 2001).

The table below provides key financial data of the Datalogic Group for the first quarter of 2002, and a comparison with the same period in 2001.

<b>Datalogic Group</b>	<b>31 March 2002</b>	<b>31 March 2001</b>	<b>Change</b>
	<b>in EUR 000's</b>	<b>in EUR 000's</b>	<b>in EUR 000's</b>
Revenues from sales and services	28,888	27,860	1,028
EBITDA	3,977	5,220	(1,243)
<i>% of revenues from sales and services</i>	<i>13.8%</i>	<i>18.7%</i>	
Net financial position (NFP)	27,936	24,702	3,234
NFP as of 31 December 2001	24,912	(24,315)	49,227
Change in net financial position	3,024	49,017	(45,993)

Revenues of the Datalogic Group in the first quarter of 2002 rose by 3 percent year on year to a total of EUR 29,138,000 (including EUR 28,888,000 from sales and services). Although modest in percentage terms, the increase is significant when considering the very buoyant market in first quarter of 2001 when the Group achieved a 19-percent increase in sales over the same period in 2000. In continuing to grow during such a critical period, the Group has demonstrated its capacity to deal effectively with the market's challenges through ongoing product innovation and the maintenance of a good level of operating flexibility.

**Profit before taxes for the first quarter was EUR 2,064,000, while EBITDA stood at EUR 3,977,000, or 13.6 percent of total revenues.**

Though declining year on year, the gross operating margin ranks at the high end of the global industry in which the Group operates.

## TREND OF REVENUES AND KEY FACTORS INFLUENCING OPERATING PERFORMANCE FOR THE PERIOD

The increase in revenues is the result of growth in the Group's two core businesses (optical readers and RFID readers). Revenues from the sale of optical readers in the first quarter of 2002 totalled EUR 24,642,000, rising by 4 percent over the EUR 23,685,000 realized for the same period in 2001. Instead, revenues from the sale of RFID readers were EUR 2,827,000, or 8 percent higher than the EUR 2,602,000 registered for the first quarter of 2001.

At EUR 1,431,000, revenues from non-core products were lower than the EUR 1,572,000 posted in the first quarter of 2001, with the reduction confirming a trend evident in recent years.

The products making the greatest contribution to sales results were portable CCD-technology readers (+ 25 percent over the first quarter of 2001), high-end portable terminals (+ 46 percent) and more importantly, presentation scanners (+ 341 percent).

The results for fixed-position readers were more modest, with sales decreasing year on year (even though the basis for comparison is not the same due to different product families). Despite this outcome, an 11-percent increase in orders in the first quarter and the status of current negotiations for sales of these products provide indications of a recovery of these revenues in future quarters.

As of 31 March 2002, the Group's net financial position was positive at EUR 27,936,000 as detailed below:

	31/12/01	31/03/01	31/03/02
Financial fixed assets (other securities)	2,468		2,467
Medium-/long-term bank debt	-16,978		-11,456
Medium-/long-term debt to other financial institutions	-4,404		-4,376
Own shares	1,091		2,577
<b>Net Medium-/long-term financial position</b>	<b>-17,823</b>	<b>-23,908</b>	<b>-10,788</b>
Current debt to banks and other financial institutions	-7,928		-6,928
Financial debt (leasing)	-68		-31
Financial receivables (other securities)	1,167		380
Commercial paper	0		1,196
Cash and cash equivalents	49,564		44,107
<b>Net current financial position</b>	<b>42,735</b>	<b>48,610</b>	<b>38,724</b>
<b>Net financial position</b>	<b>24,912</b>	<b>24,702</b>	<b>27,936</b>

The improvement in the net financial position of EUR 3,024,000 versus 31 December 2001 is largely due to cash flow from operations (EUR 3,902,000). Investments, net of disposals of assets (intangible and tangible), amounted to EUR 1,117,000 against a decrease of EUR 582,000 in working capital.

## **TREND OF SUBSIDIARY COMPANIES AND BUSINESS WITH RELATED PARTIES**

Following is a summary of the revenues and earnings results of subsidiary companies for held in 2001

Datasud: The company, which is a wholly owned subsidiary of Datalogic S.p.A., realized revenues of EUR 6,387,000 for the period and a net profit of EUR 49,000.

Datalogic GMBH: The company, which is a wholly owned subsidiary of Datalogic S.p.A., realized revenues of EUR 7,258,000 for the period and a net profit of EUR 79,000.

Datalogic France: The company, which is a wholly owned subsidiary of Datalogic S.p.A., realized revenues of EUR 1,872,000 for the period and a net profit of EUR 77,000.

Datalogic UK: The company, which is a wholly owned subsidiary of Datalogic S.p.A., realized revenues of EUR 1,901,000 for the period and a net loss of EUR 16,000.

Datalogic AB: The company, which is a wholly owned subsidiary of Datalogic S.p.A., realized revenues of EUR 2,115,000 for the period and a net result of EUR 48,000.

Datalogic Pty: The company, which is a wholly owned subsidiary of Datalogic S.p.A., realized revenues of EUR 788,000 for the period and a net loss of EUR 76,000.

Datalogic Inc.: The company, which is a wholly owned subsidiary of Datalogic S.p.A., realized revenues of EUR 3,588,000 for the period and a net loss of EUR 63,000.

Escort Memory System: The company, which is 92-percent owned by Datalogic S.p.A., realized revenues of EUR 3,065,000 for the period and a net loss of EUR 127,000.

Datalogic BV: The company, which is a wholly owned subsidiary of Datalogic GMBH, realized a net profit of EUR 34,000 for the period.

Datalogic Handels: The company, which is a wholly owned subsidiary of Datalogic GMBH, realized a net profit of EUR 242,000 for the period.

Datalogic Iberia: The company, which is a wholly owned subsidiary of Datalogic S.p.A., realized a net loss of EUR 23,000 for the period.

Transactions with the controlling shareholder, Hydra S.p.A., were of a marginal nature during the period and limited to the reciprocal chargeback of rents.

In terms of business with related parties, the only significant transactions regard Datasensor S.p.A. Such transactions refer mainly to the purchase of components by the parent company, to charges and interest subsidies relative to the IMI long-term financing (which following the spin-off of 2 January 1998

is now a liability of both parent company and Datasensor S.p.A.), and to the distribution of modest quantities of Datasensor products by certain Group companies.

## **BUSINESS OUTLOOK FOR 2002**

Even though the Group's results in the first three months of the year exceeded the forecasts in terms of both revenues and profitability, the outlook for business for the rest of 2002 is still subject to the uncertainty which prevailed for much of the second half of 2001.

Notwithstanding this scenario, the Group's plans for business development and cost control should yield full-year revenues and margins in line with the budget and well above the comparable figures for 2001.

## **B) VALUATION CRITERIA**

### *Introduction*

The quarterly report of the Datalogic Group as of 31 March 2002 has been prepared in accordance with Italian Law Decree n.127 of 1999, the provisions of the CONSOB Resolution No. 11971 of 14 May 1999 and the subsequent modifications thereto, and the provisions contained in Article IA.2.4.1 of the regulations applicable to the Nuovo Mercato of the Italian Stock Exchange which is organized and managed by Borsa Italiana S.p.A. Pursuant to the Nuovo Mercato regulations, which went into effect on 18 February 2002, as of the first quarter of 2002, Datalogic S.p.A. will prepare quarterly reports with consolidated data only.

The financial statements include the balance sheet, the profit and loss statement and the statement of consolidated cash flow. The notes to the financial statement provide a schedule detailing the changes in net equity, and a reconciliation between the quarterly earnings and net equity of the parent company and the quarterly earnings and net equity on a consolidated basis.

All amounts in the quarterly report are stated in thousands of euros. The balance-sheet data are presented alongside the comparable data as of 31 December 2001. The figures relative to the profit and loss accounts are supplied without comparable data for the same period of the prior year; such comparison may be eliminated in the case of the first quarter pursuant to Exhibit 3D of CONSOB Resolution No. 11971 of 1999 (the resolution implementing the provisions of Law Decree No. 58 of 1998).

The consolidated financial statements have been prepared on the basis of the data of the parent company, Datalogic S.p.A., and the data of the companies included in the consolidation; the latter data have been adjusted wherever necessary to bring them into line with the accounting principles of the Group.

### *Accounting principles and valuation criteria*

The accounting principles and valuation criteria used for the preparation of the quarterly report as of 31 March 2002 are those provided by Law Decree No. 127 of 1991. In the case of aspects not specifically contemplated by the decree, the principles have been supplemented by those issued by the Italian accounting profession ("Consigli Nazionali dei Dottori Commercialisti e dei Ragionieri") and in absence thereof, by those of the International Accounting Standards Committee (I.A.S.C.)

The principles and criteria correspond to those used for the preparation of the consolidated financial statements as of 31 December 2001. Depreciation of tangible fixed assets and amortization of intangible fixed assets for the quarter were calculated on a straight-line basis, using rates equal to one-fourth of the annual rates applicable.

Earnings for the quarterly period are stated prior to taxes and to any adjustments or provisions required exclusively for tax purposes.

### **Group structure and activity**

The Group companies are active in the production, marketing and sale of automated identification products; the Group has essentially three product lines:

USS: Unattended Scanning Systems

HHR: Hand Held Readers

PDC: Portable Data Collection

The consolidated financial statements include the financial statements of the parent company and the financial statements of the companies in which the parent directly or indirectly holds the majority of voting rights or over which the parent exercises a dominant influence, if significant.

Following is a listing of the companies consolidated on a line-by-line basis as of 31 March 2002:

Company Name	Registered Office	Share Capital	Total net Equity (EUR 000's)	Net Profit (Loss) for the Period (EUR 000's)	% ownership
Datalogic S.p.A. (parent company)	Lippo di Calderara di Reno (Bo) – Italy	EUR 24,759,280	95,0777	2,034	
Datasud SRL	Castiglion Messer Raimondo (TE) – Italy	EUR 1,820,000	6,615	49	100%
Datalogic AB	Malmö – Sweden	KRS 1,400,000	1,045	48	100%
EMS, Inc	Scotts Valley (California) – USA	648,000 \$USA	3,984	(168)	91,93%
Datalogic France SA	Villebon Sur Yvette (Paris) – France	EUR 2,227,040	3,113	75	100%
Datalogic Optik elektronik GMBH	Erkenbrechtsweiler (Stuttgart) – Germany	EUR 1,022,580	4,422	79	100%
Datalogic Optic Electronics B.V.	Maarssen – Netherlands	EUR 18,150	(116)	34	100%
Datalogic Handelsgesellschaft mbH	Wiener Neudorf (Vienna) – Austria	EUR 72,670	989	242	100%
Datalogic PTY LTD	Mount Waverley (Melbourne)- Australia	2,300,000 \$AUS	866	(76)	100%
Datalogic UK LTD	Redbourn (London) – UK	GBP 3,500,000	2,558	5	100%
Datalogic INC	Hebron (Kentucky) – USA	\$USA 1	2,365	(63)	100%
DL Iberia	Madrid – Spain	EUR 60,500	38	(23)	100%



Following is a schedule of subsidiary and associated companies in which the parent company holds between 20 percent and 50 percent of the capital which are valued with the net equity method.

Company Name	Registered Office	Share Capital	Total net Equity (EUR 000's)	Net Profit (Loss) for the Period (EUR 000's)	% ownership
Izumi Datalogic Co. Ltd.	Kobe – Japan	Yen 300,000,000	422	(149)	50%

Associated companies valued at cost include the following:

Company Name	Registered Office	Share Capital	% ownership
Datalex Sa	Athens – Greece	EUR 146,735	50%
Datalogic Private Ltd.	Shankarapuram (Bangalore) – India	Rupie 1,000,000	20%

### **Changes in the area of consolidation**

With respect to the preceding year, the share capital of the company EMS is higher by USD 10,000; this increase was completely underwritten by employees as part of a stock option plan approved by the Board of Directors in 1997; the transaction involved a decrease in the percentage of control equal to 0.106%.

In addition, the wholly owned subsidiary, Datalogic Iberia, which was incorporated on 13 December 2001 and began operating as of 1 January 2002, was consolidated on a line-by-line basis whereas it was valued at net equity in the financial statements as of 31 December 2001.

## C) INFORMATION ON THE BALANCE SHEET

### INTANGIBLE FIXED ASSETS

Following is a schedule of the changes occurring in intangible fixed assets.

	Start-up and expansion costs	Industrial patents and intellectual property rights	Concessions, licenses, trademarks and similar rights	Goodwill	Other	Intangible Assets in progress and advances	Total
<u>Opening balance</u>							
Historical cost	74	6,589	260	10,437	1,036	1,893	20,289
(amortisation)	(57)	(3,180)	(127)	(4,970)	(787)		(9,121)
(write-downs)		(120)					(120)
<b>Total</b>	<b>17</b>	<b>3,289</b>	<b>133</b>	<b>5,467</b>	<b>249</b>	<b>1,893</b>	<b>11,048</b>
<u>Increases</u>							
Increases	1	63	3			264	331
Reversal of amortisation							
Other changes	-	9					9
<b>Total</b>	<b>1</b>	<b>72</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>264</b>	<b>340</b>
<u>Decreases</u>							
Decreases							
Amortisation	(4)	(307)	(18)	(261)	(30)		(620)
Other changes							
<b>Total</b>	<b>(4)</b>	<b>(307)</b>	<b>(18)</b>	<b>(261)</b>	<b>(30)</b>	<b>0</b>	<b>(620)</b>
<b>Closing balance</b>	<b>14</b>	<b>3,054</b>	<b>118</b>	<b>5,206</b>	<b>219</b>	<b>2,157</b>	<b>10,768</b>

The start-up and expansion costs refer to expenditures and fees sustained in relation to the merger by incorporation of the company IdWare S.r.l. (which occurred in 1998).

The balance of EUR 3,054,000 in the industrial patent rights and intellectual property account is inclusive of the following:

- EUR 2,280,000 in relation to the parent company, consisting of EUR 267,000 for software licenses, EUR 300,000 for the filing of patents, EUR 966,000 for licenses on patents held by third parties, and EUR 747,000 for the acquisition of intellectual property.
- EUR 725,000 in relation to EMS, covering the development of know-how as part of a project in the area of radio-frequency identification.

The balance of EUR 5,206,000 in the goodwill account refers to a merger deficit and a deficit on the exchange of shares originating from the incorporation of IdWare S.r.l in 1998.

Other intangible assets of EUR 219,000 consist of:

- EUR 194,000 of leasehold improvements (EUR 54,000 relative to the parent company and EUR 140,000 relative to EMS);
- EUR 10,000 of deferred charges on assets leased to the parent company;
- other assets of EUR 15,000.

Assets in process of development and advance payments include EUR 1,869,000 relative to the parent company and EUR 288,000 relative to the company, Datasud. Assets in process of development and advance payments relative to Datalogic S.p.A. consist mainly of expenditures for the development of software for the new management information system (EUR 1,390,000) and software used for the operation of company's products which is realized by external personnel (EUR 287,000). The balance relative to Datasud consists of expenditures for the development of software for the new management information system.

The increase of EUR 264,000 in the balance is mostly attributable to the parent company, and is principally related to the development of software for the new management information system.

**TANGIBLE FIXED ASSETS**

Following is a schedule of the changes occurring in tangible fixed assets.

	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets in progress and advances	Total
<b>Opening balance</b>						
Historical cost	19,139	4,806	9,877	11,876	3,827	49,525
(depreciation)	(4,710)	(3,391)	(7,192)	(9,215)		(24,508)
Revaluation	675		15	8		698
(writedowns)	(246)			(160)		(406)
Exchange-rate differences	244		27	(7)	5	269
<b>Total</b>	<b>15,102</b>	<b>1,415</b>	<b>2,727</b>	<b>2,502</b>	<b>3,832</b>	<b>25,578</b>
Increases						
Investments	8	256	154	488	20	926
Reversal of depreciation						
<b>Total</b>	<b>8</b>	<b>256</b>	<b>154</b>	<b>488</b>	<b>20</b>	<b>926</b>
Decreases						
Disposals			(5)	(175)	(7)	(187)
Depreciation	(149)	(122)	(370)	(299)		(940)
Writedowns						
<b>Total</b>	<b>(149)</b>	<b>(122)</b>	<b>(375)</b>	<b>(474)</b>	<b>(7)</b>	<b>(1,127)</b>
Positive transfers (Negative transfers)						
Changes in the area of consolidation						
Exchange-rate differences	22		2	14		38
<b>Closing balance</b>	<b>14,983</b>	<b>1,549</b>	<b>2,508</b>	<b>2,530</b>	<b>3,845</b>	<b>25,415</b>

The increase in the balance of plant and equipment is mainly attributable to the purchase by the subsidiary, Datasud, of an automated machine for mounting components (EUR 244,000).

The increase of EUR 154,000 in the balance of industrial and commercial equipment is mainly the result of parent company's purchases of moulds (EUR 31,000) and electronic instrumentation for production and for research (EUR 76,000).

The investments in other assets amounting to EUR 488,000 include:

- EUR 244,000 relative to the parent company. The expenditures mainly cover the purchase of new furnishings (EUR 51,000), office machinery (EUR 77,000) and auto vehicles (EUR 57,000);
- EUR 108,000 relative to the Spanish branch. The amount primarily consists of outlays for new furnishings.

The main components of the other assets account as of 31 March 2002 include: office furnishings and fixtures (EUR 576,000), office machinery (EUR 1,352,000), auto vehicles (EUR 300,000), and equipment used for trade fairs (per EUR 230,000).

Assets in progress and advances (EUR 3,845,000) are almost exclusively attributable to the parent company (EUR 3,843,000) and mainly refer to advances paid on the expansion of the plant located in Via Candini 2 (in Lippo di Calderara, Bologna). The expansion, whose total cost is projected to be around EUR 5 million, will extend the surface space of the plant by 2,400 square meters and will add some 4,500 cubic meters of volume; the project is expected to be finished during the first half of 2002.

In past years, Datasud S.r.l. received capital subsidies in the amount of EUR 2,056,000 (paid in three tranches: one in 1993 and two in 1997); these amounts were recorded in other reserves. The company also received interest subsidies in the amount of EUR 1,756,000 (paid in two tranches: one in 1995, and one in 1996). The disbursement of these sums involve the following constraints and restrictions on the use of the assets:

- special lien in the amount of EUR 2,970,000 on plant and machinery in the production facility, pursuant to Article 46 of Law Decree No. 385 of 01 September 1993;
- mortgage of the same amount on property assets.

Should the terms and conditions of the constraints and restrictions not be observed, the entity disbursing the subsidies may recall the amounts.

## LONG TERM FINANCIAL ASSETS

### Investments

Following is a schedule of the changes occurring in long-term investments during the period.

	Net opening balance 31/12/01	Increases	Exchange- rate differences	Revaluation (writedowns)	Changes	Net Closing balance 31/03/02
Subsidiary companies valued on the net equity method:						
Datalogic Iberia	61				(61)	0
Datalogic Handelsgesellschaft mbH	0					0
Datalogic Optic Electronics B.V						
<b>Total subsidiary companies</b>	<b>61</b>				<b>(61)</b>	<b>0</b>
Affiliate companies valued with the net equity method:						
Izumi Datalogic Co. Ltd.	281		(2)	(74)		205
Affiliate companies valued at cost:						
Datalogic Private Ltd.	8					8
Datalex Sa	87					87
<b>Total associated companies</b>	<b>376</b>		<b>(2)</b>	<b>(74)</b>		<b>300</b>
Other companies						
NOMISMA S.p.A. Italy	7					7
Conai						
Caaf Ind. Emilia Romagna Italy	4					4
Crit S.r.l.	51					51
<b>Total other companies</b>	<b>62</b>					<b>62</b>

The change in the value of subsidiaries with respect to the balance as of 31 December 2001 is the result of the full consolidation of the newly incorporated company, Datalogic Iberia.

The change in the value of affiliates is instead the result of the valuation of Izumi Datalogic Co. Ltd. using the net equity method.

**Long-term receivables**

The changes occurring during the period are summarized in the table below:

	31/12/01	Increases	(Decreases)	31/03/02
Amounts due from subsidiaries	0			0
Amounts due from associated				
Other receivables	185		(52)	
<b>Total</b>	<b>185</b>	<b>0</b>	<b>(52)</b>	<b>133</b>

The other receivables mainly consist of tax credits on the books of the parent company for the advance payment of withholding taxes on the reserve for severance indemnities, inclusive of both payments made during the year and the revaluation of the outstanding receivable.

**Other securities**

	31/12/01	Increases	(Decreases)	31/03/02
Pledged securities	2,468		(1)	2,467
(Reserve for writedowns)				
<b>Total</b>	<b>2,468</b>		<b>(1)</b>	<b>2,467</b>

The account mainly consists of securities pledged to guarantee a long-term loan made to the parent company by San Paolo IMI S.p.A. for the purpose of financing applied research. The securities in the portfolio include EUR 1,296,000 of Italian government securities (BTPs and CCTs); EUR 457,000 of bank bonds; and EUR 711,000 of quotas in bond funds.

**Own shares**

	31/12/01	Increases	(Decreases)	31/03/02
Datalogic S.p.A. shares	1,091	1,486		2,577
<b>Total</b>	<b>1,091</b>	<b>1,486</b>		<b>2,577</b>

At an ordinary meeting of the shareholders on 25 October 2001, a resolution was passed authorizing the buyback of up to 650,000 shares to be effected within 18 months thereafter, with the price per share for the buyback established as a minimum of EUR 5.00 and a maximum of EUR 20.00. The various motives underlying the buyback program were presented to the shareholders and include the following:

- On the one hand, the program facilitates the Company's capacity to enter into merger or acquisition transactions that will accelerate business development and in this regard, the use of the Company's own shares represents a more flexible option than issuing new shares.
- The market price of the shares does not seem representative of the value of the Company's current equity and of the Company's earnings prospects, and thus a buyback appears to be a positive investment opportunity for the Company itself.

As of 31 March 2002, the Company held 220,074 of its own shares; the carrying value of the shares amounts to EUR 2,577,000, and thus the average purchase price is EUR 11.71.

In accordance with prevailing regulations, the parent company has established a special restricted reserve within shareholders' equity for an amount equal to the carrying value of the shares. This reserve was established through a charge to retained earnings.

## CURRENT ASSETS

### Inventories

Detail on inventories is provided in the following table:

	31/03/02	31/12/01	Variation
Raw and auxiliary materials and consumables	12,491	11,652	839
Work in progress and semi-finished goods	3,986	2,832	1,154
Finished products and merchandise	10,165	9,744	421
Advances	3	47	(44)
<b>Total</b>	<b>26,645</b>	<b>24,275</b>	<b>2,370</b>

The valuation of the inventories does not differ significantly from a valuation based on current costs.



**Accounts receivables**

	31/03/02	31/12/01	Variation	Due beyond 5 years
<b>Accounts receivables from customers</b>				
for goods and services	30,872	28,673	2,199	-
(allowance for doubtful accounts)	(709)	(748)	39	-
<b>Total</b>	<b>30,163</b>	<b>27,925</b>	<b>2,238</b>	<b>-</b>
<b>Current receivables from subsidiaries</b>				
Datalogic Optic Electronics B.V		-		-
Datalogic Handelsgesellschaft mbH		-		-
<b>Total</b>	<b>-</b>	<b>-</b>		<b>-</b>
<b>Current receivables from associated</b>				
Izumi Datalogic Co. Ltd.	383	342	41	-
Datalex SA	357	130	227	-
Datalogic Private		-		-
<b>Total</b>	<b>740</b>	<b>472</b>	<b>268</b>	<b>-</b>
<b>Current receivables due from parent companies</b>				<b>-</b>
Hydra S.p.A.	6	0	6	
<b>-Total</b>	<b>6</b>	<b>0</b>	<b>6</b>	
<b>Other current receivables</b>				
VAT due from the Italian tax authorities	2,675	2,716	(41)	
Other amounts due from Italian tax authorities	4,522	4,684	(162)	
Commercial paper receivables	1,196	-	1,196	
Amounts due from banks for accrued interest	263	1	262	
Advances and advances on supplier invoices	498	554	(56)	
Tax credit on dividends	119	119	0	
Other receivables	239	198	41	
<b>Total</b>	<b>9,512</b>	<b>8,272</b>	<b>1,240</b>	
<b>Total accounts receivables</b>	<b>40,421</b>	<b>36,669</b>	<b>3,752</b>	

Amount receivable from subsidiaries and affiliates are related to commercial transactions carried out at normal market conditions.

Amounts due from the Italian tax authorities are mainly receivables on the books of the parent company (EUR 3,117,000) and on the books of Datasud S.r.l. (EUR 830,000), and include advance payments of taxes (EUR 2,896,000), and prepaid taxes (EUR 1,102,000). The balance also includes EUR 520,000 of withholding taxes in relation to interest earned.

The tax credit on dividends (EUR 119,000) is mainly related to the dividend paid by Datalogic France in 2001.

### Current financial assets

Other securities of EUR 380,000 are represented by the investment of liquidity in securities and in money-market funds.

### Bank deposit and cash on hand

	31/03/02	31/12/01	Variation
Banks and postal deposits	43,654	49,325	(5,671)
Cheques		-	
Cash and cash on hand	453	239	214
<b>Total bank deposit and cash on hand</b>	<b>44,107</b>	<b>49,564</b>	<b>(5,457)</b>

### Accrued income and prepaid expenses

	31/03/02	31/12/01	Variation
a) Accrued income			
Other interest earned	17	18	(1)
Other	51	68	(17)
<b>Total accrued income</b>	<b>68</b>	<b>86</b>	<b>(18)</b>
b) Prepaid expenses			
Insurance	135	95	40
Association membership fees	41	58	(17)
Rent and maintenance expenses	143	72	71
Leasing contracts	5	11	(6)
Costs of guarantees	103	114	(11)
Trade fairs and sponsorships	495	165	330
Substitution tax	625	625	0
Other	338	270	68
<b>Total prepaid expenses</b>	<b>1,885</b>	<b>1,410</b>	<b>475</b>

The most significant amount is the substitution tax on goodwill recorded on the books of the parent company in the amount of EUR 625,000 which is relative to the ten-year period from 1998 to 2007 and correlated to the term over which the goodwill is amortized.

The prepayments relative to trade fairs and sponsorships include instalments of expenses sustained for a convention held in the first months of the year.

## EQUITY

The changes occurring during the period are summarized in the table below:

	Opening balance 31/12/01	Allocation of earnings	Capital increases	Other changes	Net Profit (loss) for the period	Closing balance 31/03/02
Share capital	24,759					24,759
Share premium reserve	54,424					54,424
Revaluation reserve	258					258
Legal reserve	284					284
own-shares reserve	1,091	1,486				2,577
Demerger capital reserve	4,439					4,439
Parent company retained earnings	4,173	2,126				6,299
Consolidation reserve	1,878					1,878
Translation reserve/(loss)	1,154			133		1,287
Retained earnings of other companies	5,073	(2,833)		(20)		2,220
Net Profit/(loss) for the period	779	(779)			2,064	2,064
<b>Balance</b>	<b>98,312</b>	<b>0</b>	<b>0</b>	<b>113</b>	<b>2,064</b>	<b>100,489</b>
Earnings of minority interests	45	(45)			(10)	(10)
Equity of minority interests	236	45	12			293
<b>Balance</b>	<b>98,593</b>	<b>0</b>	<b>12</b>	<b>113</b>	<b>2,054</b>	<b>100,772</b>

The earnings for the period are stated on a pre-tax basis.

The revaluation reserve includes amounts for the revaluation of fixed assets (EUR 258,000) effected on the basis of the following laws:

- Law 413 of 1991
- "Visentini" Law 72 of 1983.

The Demerger capital reserve is the result of the spin-off of the parent company on 2 January 1998, in I.E.S. S.p.A (company spun off, now operating under the name "Datasensor") and Datalogic S.p.A. (beneficiary company).

The own-shares reserve was set up by the parent company pursuant to the provisions of the Italian Civil Code as a result of certain transactions for the buyback of the Company's shares.

As of 31 March 2002, the share capital consisted of:

<b>Shares/quotas</b>	<b>Number</b>	<b>Par value in EUR</b>	<b>Total value in EUR</b>
Ordinary	11,903,500	2.08	24,759,280

The retained earnings of the other companies of the Group include the changes in the equity of the consolidated companies occurring subsequent to the date of acquisition as well as the effects of the consolidation.

The reconciliation between the earnings and capital of the parent company and the consolidated earnings and capital is provided in the following table:

	Share capital and reserves	Net Profit for the period	Total equity as of 31/03/02
<b>Datalogic spa net equity and profit</b>	<b>93,043</b>	<b>2,034</b>	<b>95,077</b>
Differences between consolidated companies' net equity and the carrying value of the same on the parent company's statement and effect of the valuation on a net equity basis	7,329	162	7,491
Elimination of intercompany profits	(2,483)	(98)	(2,581)
Effect of elimination of intercompany transactions	17		17
Effect of leasing entry	146	10	156
Reversal of writedown of BV receivables	373	(44)	329
<b>Consolidated net equity and earnings prior to minority interests</b>	<b>98,425</b>	<b>2,064</b>	<b>100,489</b>
Minority interests	293	(10)	283
<b>Consolidated net equity and earnings</b>	<b>98,718</b>	<b>2,054</b>	<b>100,772</b>

The earnings for the period are stated on a pre-tax basis.

**PROVISION FOR RISKS AND CHARGES**

	31/12/01	Increases (Utilisation)	Exchange-rate differences	31/03/02
Retirement benefits and similar obligations	6			6
Provision for taxes	495	(7)	1	489
Other Provisions	701	(69)	3	635
<b>Total reserves for risks and charges</b>	<b>1,202</b>	<b>(76)</b>	<b>4</b>	<b>1,130</b>

The provision for taxes mainly includes: EUR 80,000 for deferred taxes booked on the consolidation of the accounts; EUR 21,000 for deferred taxes calculated for Datasud; EUR 170,000 for deferred taxes calculated for the parent company; and EUR 41,000 of deferred taxes for Datalogic GmbH as a result of different rates of depreciation and amortization used for the purpose of the consolidated financial statements.

The other provisions for risks and charges include the amounts set forth in the following table:

	31/03/02	31/12/01	Variation
Product warranty provision	512	548	(36)
Risk provision for current litigation and for restructuring charges	0	33	(33)
Other	123	119	4
<b>Total</b>	<b>635</b>	<b>701</b>	<b>(66)</b>

The product warranty reserve represents an estimate of the costs to be sustained for assistance with respect to products sold under limited warranties. The balance of EUR 512,000 is deemed sufficient to meet the specific risk to which it refers.

**PROVISION FOR EMPLOYEES' SEVERANCE INDEMNITIES**

Changes in the provision for severance indemnities during the period are summarized below:

	31/12/01	New provision	(Utilisation)	31/03/02
Provision for severance indemnities	3,498	204	(88)	3,614

**PAYABLES**Bank borrowing

The bank borrowing include:

	Due within 12 months	Due after 12 months	Due after 5 years	Total
<b>Due to banks</b>				
Current accounts	1,663			1,663
Bank and mortgage loans	4,181	11,084	372	15,637
<b>Total</b>	<b>5,844</b>	<b>11,084</b>	<b>372</b>	<b>17,300</b>

Amounts due to other financial institutions

	Due within 12 months	Due after 12 months	Due after 5 years	Total
<b>Amounts due to other financial institutions</b>				
San Paolo I.M.I. S.p.A.	1,012	3,163		4,175
Other financiers	72	293	920	1,285
<b>Total</b>	<b>1,084</b>	<b>3,456</b>	<b>920</b>	<b>5,460</b>

The amounts due to other financial institutions mainly refer to a secured long-term loan funded by San Paolo I.M.I. S.p.A. for the account of Datasud S.r.l. and the parent company, and a loan received by Datalogic UK LTD which was renegotiated in 2000 with Barclays Bank.

Amounts due to subsidiaries and associated companies

Amount due to subsidiaries and associated companies are related to commercial transactions carried out at normal market conditions.

Following is details on the amounts due:

	31/03/02	31/12/01	Variation
<b>Due to associated companies</b>			
Datalex SA	3	6	(3)
<b>Total due to associated companies (9)</b>	<b>3</b>	<b>6</b>	<b>(3)</b>
<b>Due to parent companies</b>			
Hydra S.p.A.	4	2	2
<b>Total due to parent companies (9)</b>	<b>4</b>	<b>2</b>	<b>2</b>
<b>Total</b>	<b>7</b>	<b>8</b>	<b>(1)</b>

Tax authorities payables

The account tax payables includes only liabilities for taxes which are known and certain, with any liabilities for taxes whose date of settlement or amount is uncertain and any deferred taxes booked to the reserve for taxes (account B.2 of the liabilities). Taxes payable amounted to EUR 4,347,000 as of 31 March 2002, and included EUR 2,257,000 relative to the parent company, which break down as follows:

EUR 606,000 for the regional tax on productivity activity ("IRAP") relative to 2001;

EUR 690,000 for the withholding of personal income taxes for the account of employees;

EUR 537,000 for value-added taxes payable;

EUR 208,000 for the substitution tax on goodwill to be paid in the second half of 2002;

EUR 208,000 for the substitution tax on goodwill to be paid in 2003;

EUR 8,000 for the withholding of income taxes for the account of free-lance professionals and various service providers.

Other significant taxes payable have been booked by: Datalogic Gmbh for EUR 684,000, Datalogic UK for EUR 359,000 and Datasud for EUR 421,000.

Other payables

	31/03/02	31/12/01	Variation
Amounts due to employees	3,058	2,806	252
Leasing payables	31	68	(37)
Compensation due to directors	145	243	(98)
Insurance	-	65	(65)
Other payables	530	345	186
<b>Total</b>	<b>3,765</b>	<b>3,527</b>	<b>238</b>

The amounts due to employees include accruals for wages, salaries and vacations earned by the employees as of the date of the financial statements.



**ACCRUED LIABILITIES AND DEFERRED INCOME**

	<b>31/03/02</b>	<b>31/12/01</b>	<b>Variation</b>
<b>Accrued liabilities</b>			
Interest payable	67	40	27
Consulting fees	18	116	(98)
Bonuses and commissions	18	35	(17)
Marketing funds	102	65	38
Maintenance contracts	60	-	60
Other	242	163	79
<b>Total accrued liabilities</b>	<b>507</b>	<b>419</b>	<b>88</b>
<b>Deferred income</b>			
Maintenance contracts	19	26	(7)
Other	73	75	(2)
<b>Total deferred income</b>	<b>92</b>	<b>101</b>	<b>(9)</b>
<b>Total accrued liabilities and deferred income</b>	<b>599</b>	<b>520</b>	<b>79</b>

**D) INFORMATION ON THE PROFIT AND LOSS ACCOUNT**

The figures relative to the profit and loss accounts are supplied without comparable data for the same period of the prior year; such comparison may be eliminated in the case of the first quarter pursuant to Exhibit 3D of CONSOB Resolution No. 11971 of 1999 (the resolution implementing the provisions of Law Decree No. 58 of 1998).

**PRODUCTION VALUE**

	<b>31/03/02</b>
Revenues from sales and services	28,888
Changes in inventories of work in progress, semi-finished goods and finished goods	2,084
Increases in fixed assets from internal production	-
Other revenues	250
<b>Total value of production</b>	<b>31,222</b>

Other revenues mainly include:

EUR 63,000 for rentals;

EUR 46,000 for packaging and shipment;

EUR 25,000 for the recovery of expenditures for services of the Group's personnel;

EUR 12,000 of reversals of previously recorded expenditures for returned products;

EUR 32,000 of miscellaneous income and revenues

A percentage breakdown of revenues from sales and services by geographic area is provided in the following table:

	<b>31/03/02</b>
Revenues – Italy	18%
Revenues – Other EU countries	52%
Revenues– Non-EU countries	30%

**PRODUCTION COSTS**

	<b>31/03/02</b>
Raw materials, supplies, materials for consumption and goods for resale	13,992
Services	4,122
Rentals	446
Personnel	
Salaries and wages	6,851
Social contributions	1,520
Provision for employees' severance indemnities	204
Other cost	387
<b>Total personnel expenses</b>	<b>8,962</b>
Depreciation, amortization and writedowns	
Amortization of intangible fixed assets	620
Depreciation of tangible fixed assets	940
Writedowns of current receivables	15
<b>Total depreciation, amortization and writedowns</b>	<b>1,575</b>
Changes in inventory value of raw materials, supplies, materials for consumption and goods for resale	(243)
Risk provisions	11
Other provisions	5
Other operating expenses	277
<b>Total production costs</b>	<b>29,147</b>

Following is detail on expenditures for services:

	31/03/02
Trade fairs, advertising and entertainment	650
External processing	403
Technical, legal and fiscal consulting services	505
Travel and lodging	424
Receipt and shipment of merchandise	298
Motor Power	134
Repairs and technical assistance	215
Maintenance	192
Compensation to directors and statutory auditors	323
Staff services	165
Telephone and postage	234
Meetings	92
Insurance	97
Auto vehicle expenses	60
Other	330
<b>Total</b>	<b>4,122</b>

Compensation to directors and statutory auditors includes payments to directors in the amount of EUR 316,000 and to the statutory auditors in the amount of EUR 7,000.

The following table provides detail of expenditures on rentals:

	31/03/02
Building rents	236
Other asset rents	63
Lease payments	129
Other	18
<b>Total</b>	<b>446</b>

The table below provides detail of sundry charges:

<b>Sundry charges</b>	<b>31/03/02</b>
Duties and taxes other than income taxes	55
Association dues	85
Sponsorships and promotional materials	40
Corporate gifts and donations	19
Reversal of previously recorded income	13
Costs to be charged back to third parties	9
Other	56
<b>Total</b>	<b>277</b>

### **Financial income and charges**

#### **Other financial income**

The account consists of the following:

	<b>31/03/02</b>
Interest earned on balances held in current accounts with banks	352
Foreign-exchange differences	248
Other	9
<b>Total other financial income</b>	<b>609</b>

#### **Interest and other financial costs**

	<b>31/03/02</b>
Interest on current-account credit facilities and loans	366
Foreign-exchange differences	178
Interest on loans from other lenders	26
Subsidies	(57)
Other	66
<b>Total interest not other</b>	<b>579</b>

**Adjustments to the value of financial assets**

The writedowns are relative to the valuation of Izumi Datalogic Co. LTD at net equity.

**Extraordinary income and charges**

	<b>31/03/02</b>
<b>Income</b>	
Capital gains on disposals of assets	5
Other extraordinary income:	
Reversal of previously accrued expenditures	70
Other	8
<b>Total non-recurring income</b>	<b>83</b>
<b>Charges</b>	
Capital losses on disposals of assets	
Other	-
Other extraordinary charges	-
Reversal of previously accrued income	57
Other	25
<b>Total extraordinary charges</b>	<b>82</b>

Romano Volta  
Chairman of the Board of Directors

# DATALOGIC S.p.A.

## CONSOLIDATED BALANCE SHEET

ASSETS	31-mar-02 in Euro/000	31-dic-01 in Euro/000
<b>A) SUBSCRIBED CAPITAL UNPAID</b>		
1) Part called up		
2) Part not called up		
<b>Total subscribed capital unpaid (A)</b>		
<b>B) FIXED ASSETS</b>		
<i>I - Intangible fixed assets:</i>		
1) Start up and expansion costs	14	17
2) Research & Development and advertising costs	-	-
3) Industrial patent rights and rights for use of intellectual properties	3.054	3.289
4) Concessions, licenses, trademarks and similar rights	118	133
5) Goodwill	5.206	5.467
6) Consolidation difference	-	-
7) Intangible Assets in progress and advances	2.157	1.893
8) Other intangible assets	219	249
<b>Total intangible fixed assets (I)</b>	<b>10.768</b>	<b>11.048</b>
<i>II - Tangible fixed assets:</i>		
1) Land and buildings	14.983	15.102
2) Plant and machinery	1.549	1.415
3) Industrial and commercial equipment	2.508	2.727
4) Other tangible fixed assets	2.530	2.502
5) Assets in progress and advances	3.845	3.832
<b>Total tangible fixed assets (II)</b>	<b>25.415</b>	<b>25.578</b>
<i>III - Long term financial assets:</i>		
1) Investments in:		
a) Subsidiaries valued on the net equity basis	-	61
b) Associated companies valued on the net equity basis	300	376
c) Parent companies	-	-
d) Other companies	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	55
after 12 months	108	130
Total accounts receivable from other companies (d)	133	185
3) Other securities:	2.467	2.468
4) Own shares	2.577	1.091
<b>Total long term financial assets (III)</b>	<b>5.539</b>	<b>4.242</b>
<b>Total fixed assets (B= I + II + III)</b>	<b>41.722</b>	<b>40.868</b>

# DATALOGIC S.p.A.

## CONSOLIDATED BALANCE SHEET

ASSETS	31-mar-02 in Euro/000	31-dic-01 in Euro/000
<b>C) CURRENT ASSETS</b>		
<i>I - Inventories:</i>		
1) Raw and auxiliary materials, and consumables	12.491	11.652
2) Work in progress and semifinished goods	3.986	2.832
3) Work to order in progress	-	-
4) Finished goods and goods for resale	10.165	9.744
5) Payments on account	3	47
<b>Total inventories (I)</b>	<b>26.645</b>	<b>24.275</b>
<i>II - Accounts receivable:</i>		
1) From customers		
within 12 months	30.163	27.925
after 12 months	-	-
<b>Total accounts receivable from customers (1)</b>	<b>30.163</b>	<b>27.925</b>
2) From subsidiaries		
within 12 months	-	-
after 12 months	-	-
<b>Total accounts receivable from subsidiaries (2)</b>	<b>-</b>	<b>-</b>
3) From associated companies		
within 12 months	740	472
after 12 months	-	-
<b>Total accounts receivable from associated companies (3)</b>	<b>740</b>	<b>472</b>
4) From parent companies		
within 12 months	6	-
after 12 months	-	-
<b>Total accounts receivable from parent companies (4)</b>	<b>6</b>	<b>-</b>
5) From others		
within 12 months	9.461	8.175
after 12 months	51	97
<b>Total accounts receivable from others (5)</b>	<b>9.512</b>	<b>8.272</b>
<b>Totale accounts receivable (II)</b>	<b>40.421</b>	<b>36.669</b>
<i>III - Current Financial assets</i>		
1) Investments in subsidiaries	-	-
2) Investments in associated companies	-	-
3) Investments in parent companies	-	-
4) Other investments	-	-
5) Own shares	-	-
6) Other securities	380	1.167
<b>Total current financial assets (III)</b>	<b>380</b>	<b>1.167</b>
<i>IV - Bank deposit and cash on hand</i>		
1) Bank and postal deposits	43.654	49.325
2) Cheques	-	-
3) Cash and cash equivalent	453	239
<b>Total bank deposit and cash on hand (IV)</b>	<b>44.107</b>	<b>49.564</b>
<b>Total current assets (C = I + II + III + IV)</b>	<b>111.553</b>	<b>111.675</b>
<b>D) ACCRUED INCOME AND PREPAYMENTS</b>		
a) Accrued income	68	86
b) Prepayments	1.885	1.410
c) Discounts on loans	-	-
<b>Total accrued income and prepayments (D)</b>	<b>1.953</b>	<b>1.496</b>
<b>TOTAL ASSETS (A + B+ C+ D)</b>	<b>155.228</b>	<b>154.039</b>



## DATALOGIC S.p.A.

### CONSOLIDATED BALANCE SHEET

LIABILITIES AND EQUITY		31-mar-02 in Euro/000	31-dic-01 in Euro/000
<b>A) NET EQUITY</b>			
<i>I Share Capital</i>		24.759	24.759
<i>II Share premium reserve</i>		54.424	54.424
<i>III Revaluation reserves</i>		258	258
<i>IV Legal reserve</i>		284	284
<i>V Own-share reserve</i>		2.577	1.091
<i>VI Statutory reserves</i>		0	0
<i>VII Demerger capital reserve</i>		4.439	4.439
<i>VIII Other reserves</i>			
<i>IX Consolidation reserve</i>		1.878	1.878
<i>X Translation reserve/(loss)</i>		1.287	1.154
<i>XI Retained earnings/(losses) carried forward - parent co.</i>		6.299	4.173
<i>XII Retained earnings/(losses) carried forward - other group companies</i>		2.220	5.073
<i>XIII Net profit/(loss) for the year</i>		2.064	779
		<b>100.489</b>	<b>98.312</b>
Net equity pertaining to minorities		283	281
<b>Total net equity (A)</b>		<b>100.772</b>	<b>98.593</b>
<b>B) PROVISIONS FOR RISKS AND CHARGES:</b>			
1) Provision for retirement benefits and similar obligations		6	6
2) Provision for taxation		489	495
3) Others		635	701
<b>Total provisions for risks and charges (B = 1 + 2 + 3)</b>		<b>1.130</b>	<b>1.202</b>
<b>C) Employees' severance indemnity provision</b>		<b>3.614</b>	<b>3.498</b>
<b>D) PAYABLES</b>			
1) Debentures			
	within 12 months	-	-
	after 12 months	-	-
	<b>Total debentures (1)</b>	<b>-</b>	<b>-</b>
2) Convertible bonds			
	within 12 months	-	-
	after 12 months	-	-
	<b>Total convertible bonds (2)</b>	<b>-</b>	<b>-</b>
3) Bank borrowing			
	within 12 months	5.844	6.844
	after 12 months	11.456	16.978
	<b>Total bank borrowing (3)</b>	<b>17.300</b>	<b>23.822</b>
4) Accounts payable to other financial institutions			
	within 12 months	1.084	1.084
	after 12 months	4.376	4.404
	<b>Total accounts payable to other financial institutions (4)</b>	<b>5.460</b>	<b>5.488</b>
5) Advances received			
	within 12 months	40	1
	after 12 months	-	-
	<b>Total advances received (5)</b>	<b>40</b>	<b>1</b>
6) Trade payables			
	within 12 months	17.496	12.071
	after 12 months	0	0
	<b>Total trade payables (6)</b>	<b>17.496</b>	<b>12.071</b>
7) Bill payable			
	within 12 months	-	-
	after 12 months	-	-
	<b>Total bill payable (7)</b>	<b>-</b>	<b>-</b>

## DATALOGIC S.p.A.

### CONSOLIDATED BALANCE SHEET

LIABILITIES AND EQUITY		31-mar-02 in Euro/000	31-dic-01 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	6
	after 12 months	-	-
	Total accounts payable to associated companies (9)	3	6
10) Accounts payable to parent companies			
	within 12 months	4	2
	after 12 months	-	-
	Total accounts payable to parent companies (10)	4	2
11) Tax authorities payable			
	within 12 months	4.139	4.053
	after 12 months	208	208
	Total tax authorities payable (11)	4.347	4.261
12) Social security institutions payable			
	within 12 months	698	1.047
	after 12 months	-	-
	Total social security institutions payable (12)	698	1.047
13) Other payables			
	within 12 months	3.741	3.494
	after 12 months	24	33
	Total other payables (13)	3.765	3.527
<b>Total accounts payable (D)</b>		<b>49.113</b>	<b>50.227</b>
<b>E) ACCRUED EXPENSES AND DEFERRED INCOME</b>			
a) Accrued expenses		507	419
b) Deferred income		92	101
c) Premium on loans		-	-
<b>Total accrued expenses and deferred income (E)</b>		<b>599</b>	<b>520</b>
<b>TOTAL LIABILITIES AND EQUITY (A+B+C+D+E)</b>		<b>155.228</b>	<b>154.039</b>
<b>MEMORANDUM ACCOUNTS</b>			
Ordinary guarantees			
Secured guarantees			
Personal guarantees			
Commitments			
<b>TOTAL MEMORANDUM ACCOUNTS</b>			

**DATALOGIC S.p.A.****CONSOLIDATED PROFIT & LOSS ACCOUNTS***31-mar-02 in Euro/000*

<b>A) PRODUCTION VALUE:</b>	
1) Revenues from sales and services	28.888
2) Changes in inventories of work in progress, semifinished and finished goods	2.084
3) Changes in contract work in progress	-
4) Increases in fixed assets from internal work	-
5) Other revenue and income	
a) Sundry revenues	250
b) Income from grants	-
Total other revenue and income(5)	250
<b>Total production value(A)</b>	<b>31.222</b>
<b>B) PRODUCTION COSTS:</b>	
6) Raw and auxiliary materials, consumables and goods for resale	13.992
7) Services	4.122
8) Use of third parties asset	446
9) Personnel costs:	
a) Salaries and wages	6.851
b) Social contributions	1.520
c) Employees' severance indemnity	204
d) Provision for retirement benefits and similar costs	-
e) Other personnel costs	387
Total personnel costs (9)	8.962
10) Amortisation, depreciation and write-downs	
a) Amortisation of intangible fixed assets	620
b) Depreciation of tangible fixed assets	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	15
Total amortisation, depreciation and write-downs (10)	1.575
11) Changes in inventories of raw materials, supplies, consumables and goods for resale	(243)
12) Risk provisions	11
13) Other provisions	5
14) Sundry operating costs	277
<b>Total production costs (B)</b>	<b>29.147</b>
<b>DIFFERENCE BETWEEN PRODUCTION VALUE AND COST (A - B)</b>	<b>2.075</b>

**CONSOLIDATED PROFIT & LOSS ACCOUNTS**

*31-mar-02 in Euro/000*

**C) FINANCIAL INCOME AND CHARGES:**

15) Income from investments in:		
a) Subsidiaries		-
b) Associated companies		-
c) Other companies		-
	Total income from investments (15)	-
16) Other financial income from:		
a) Receivables entered in long term financial assets from:		
- Subsidiaries		-
- Associated companies		-
- Parent companies		-
- Others		-
	Total (a)	-
b) Securities entered in long term financial assets that are not investments		17
c) Securities entered in current assets that are not investments		5
d) Income other than the above from:		
- Subsidiaries		-
- Associated companies		-
- Parent companies		-
- Other companies		609
	Total (d)	609
	Total other financial income (16)	631
17) Interest and other financial costs from:		
- Subsidiaries		-
- Associated companies		-
- Parent companies		-
- Others		579
	Total interest and other financial costs (17)	579
<b>Total financial income and charges (15+16-17)</b>		<b>52</b>

**D) ADJUSTMENT TO THE VALUE OF FINANCIAL ASSETS:**

18) Revaluation of:		
a) investments		-
b) long term financial assets that are not investments		-
c) Securities entered in current assets that are not investments		-
	Total revaluations (18)	-
19) Write-downs of:		
a) investments		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) (74)**

**E) EXTRAORDINARY INCOME AND CHARGES:**

20) Extraordinary income		
a) Capital gains on disposals of fixed assets		5
b) Other extraordinary income		78
	Total extraordinary income (20)	83
21) Extraordinary charges		
a) Capital losses on disposals of fixed assets		-
b) Other extraordinary charges		82
	Total extraordinary charges (21)	82
<b>Total extraordinary income/(charges) (20-21)</b>		<b>1</b>

**DATALOGIC S.p.A.****CONSOLIDATED PROFIT & LOSS ACCOUNTS**

		<i>31-mar-02 in Euro/000</i>
<b>PROFIT/(LOSS) BEFORE TAXES (A - B +/- C +/- D +/- E)</b>		<b>2.054</b>
22) Current income taxes		-
Deferred taxes		-
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<b>2.054</b>
Profit/(Loss) pertaining to minorities		10
<b>NET PROFIT/(LOSS) FOR THE YEAR</b>		<b>2.064</b>

The President of the Board of Directors  
(Romano Volta)

**DATALOGIC S.p.A.**

## CONSOLIDATED CASH FLOW

	31-mar-02 in Euro/000	31-dic-01 in Euro/000
<b>NET SHORT TERM FINANCIAL POSITION AT THE BEGINNING OF THE YEAR</b>	<b>42.734</b>	<b>1.543</b>
<b>NET PROFIT/(LOSS) FOR THE YEAR</b>	<b>2.064</b>	<b>779</b>
Amortisation and depreciation	1.560	6.165
Increase of the provision for employees' severance indemnity	204	977
Revaluations/write-downs of financial assets	74	4
<b>CASH FLOW FROM CURRENT OPERATIONS</b>	<b>3.902</b>	<b>7.925</b>
<b>Effect of changes in operating assets and liabilities</b>		
Trade receivables	-2.512	-1.931
Inventories	-2.370	4.867
Other current assets	-548	1.119
Other long term assets	46	29
Trade payables	5.464	-9.616
Tax payables	86	-2.919
Other current liabilities	14	130
Other long term liabilities	-9	-80
Provisions for risks and charges	-72	-473
Decrease of the provision for employees' severance indemnity	-88	-1.196
<b>Changes in operating assets and liabilities</b>	<b>11</b>	<b>-10.070</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>3.913</b>	<b>-2.145</b>
<b>Effect of changes in investment activities</b>		
(Increase)/decrease in intangible fixed assets	-340	-4.356
(Increase)/decrease in tangible fixed assets	-777	-5.966
(Increase)/decrease in long term financial assets	-1.434	-836
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>	<b>-2.551</b>	<b>-11.158</b>
<b>Effect of changes in financial activities</b>		
Change in long term financial position	-5.550	-7.141
Change in net equity pertaining to minorities	2	52
Impact of exchange-rate changes on foreign companies' consolidation	133	229
Other net equity changes	-20	60.630
Change in unconsolidated investments (*)	63	724
<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>	<b>-5.372</b>	<b>54.494</b>
<b>CHANGE IN NET FINANCIAL POSITION</b>	<b>-4.010</b>	<b>41.191</b>
<b>NET SHORT TERM FINANCIAL POSITION AT YEAR-END</b>	<b>38.724</b>	<b>42.734</b>