



Consolidated financial statements

31st March 2008



DATALOGIC GROUP

Consolidated Financial Report at March 31, 2008

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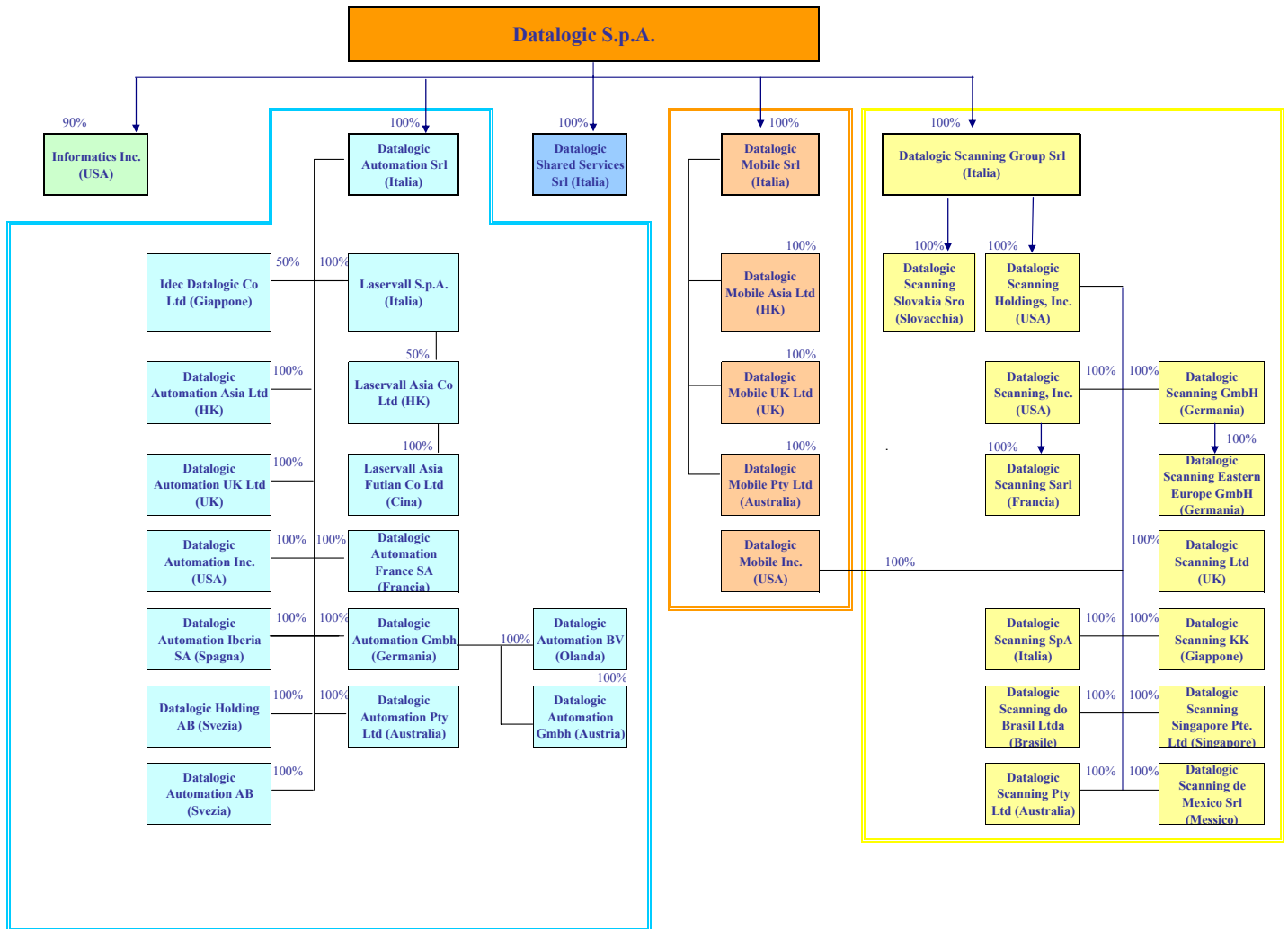
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ANNEXES

GROUP STRUCTURE



We would like to highlight that on the minority share equal to 10% of Informatics Inc., a member of the Board of Directors signed a put option contract (exercise date 15th August 2009 - 15th August 2010). According to IAS 32.23 this transaction was accounted for as a minority acquisition.

COMPOSITION OF CORPORATE GOVERNANCE BODIES

Board of Directors (1)

Romano Volta

Chairman (2)

Roberto Tunioli

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

Pier Paolo Caruso

Director

Alberto Forchielli

Director

Giancarlo Micheletti

Director

Umberto Paolucci

Director

Elserino Piol

Director

Gabriele Volta

Director

Valentina Volta

Director

John O'Brien

Director

Angelo Manaresi

Director

Giovanni Tamburi

Director

Lodovico Floriani

Director

Board of Statutory Auditors (4)

Stefano Romani

President

Massimo Saracino

Standing auditor

Mario Stefano Luigi Ravaccia

Standing auditor

Patrizia Passerini

Alternate auditor

Stefano Biordi

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 2008

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

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

(4) The Board of Statutory Auditors will remain in office until the shareholders' meeting that approves financial statements for the year ending on December 31st 2009

DATALOGIC GROUP – MANAGEMENT REPORT AT 31 MARCH 2008**REPORT ON OPERATIONS**

Shareholders,

The quarterly report for the period ending on 31 March 2008, which we submit to you for review, has been prepared in compliance with the requirements indicated in the instructions accompanying the Regulation issued by Borsa Italiana S.p.A.

More specifically, the consolidated financial statements apply the approach set forth by the international accounting standards (IAS/IFRS) adopted by the European Union.

OPERATING AND FINANCIAL RESULTS

The following table summarises the Datalogic Group's key operating and financial highlights at 31 March 2008, comparing them with the figures from the same period 2007:

Datalogic Group	31/03/2008	31/03/2007	Change	% Change
(€'000)				
Total revenues	96,017	104,065	-8,048	-7.7%
EBITDA (*)	11,581	14,006	-2,425	-17.3%
% of total revenues	12.1%	13.5%		
Group net profit/loss	4,296	4,316	-20	-0.5%
% of total revenues	4.5%	4.1%		
Net Financial Position (NFP)	-69,390	-54,115	-15,275	28.2%

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

At 31 March 2008, the **Datalogic Group recorded revenues of €96.017 million (vs. €104.065 million in the first three months of 2007)**, detailed as follows:

- €92.103 million in revenue from the sale of products;
- €3.914 million in revenues from services.

These revenues decreased by 7.7% over the same period of the previous year. At constant Euro/Dollar exchange rates, the decrease would have been 3%. The first quarter 2007 was particularly positive in terms of revenue, since the Company had planned start up of a major reorganization on 2 April and, to reduce to a minimum the number of possible customer disservices, numerous orders originally anticipated for April were brought forward to March. In April 2008, sales were more than €29 million, up by 37% with respect to the €21.2 million earned in the same month in 2007. Overall, sales revenue reported in the first four months of the year came to €125 million, essentially in line with the €126 million earned in the same year of 2007. At constant Euro/US dollar exchanges, growth would have been 5%.

Group EBITDA was €11.581 million, for a margin on total revenues of 12.1%. The decrease over the same period of the previous year totals €2.425 million of revenue (-17.3% over the €14.006 million of revenue of 31 March 2007).

Net Group profit at 31 March 2008 was €4.296 million (in line with the €4.316 million at 31 March 2007)

ANALYSIS OF RECLASSIFIED INCOME STATEMENT DATA

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

(€'000)	31/03/2008		31/03/2007		change	% change
TOTAL REVENUES	96,017	100.0%	104,065	100.0%	(8,048)	-7.7%
Cost of sales	(52,208)	-54.4%	(58,051)	-55.8%	5,843	-10.1%
Gross profit	43,809	45.6%	46,014	44.2%	(2,205)	-4.8%
Other revenues (*)	399	0.4%	474	0.5%	(75)	-15.8%
R&D costs	(6,081)	-6.3%	(7,007)	-6.7%	926	-13.2%
Distribution expenses	(19,181)	-20.0%	(19,862)	-19.1%	681	-3.4%
General & administrative expenses	(9,702)	-10.1%	(7,303)	-7.0%	(2,399)	32.8%
Other operating costs (*)	(570)	-0.6%	(1,373)	-1.3%	803	-58.5%
Earnings before non recurring income and costs and amortization from acquisitions (EBITANR)	8,674	9.0%	10,943	10.5%	(2,269)	-20.7%
Non-recurring costs and revenues	0	0.0%	(1,225)	-1.2%	1,225	-100.0%
Depreciation & amortization due to acquisitions (**)	(962)	-1.0%	(1,054)	-1.0%	92	-8.7%
Operating result (EBIT)	7,712	8.0%	8,664	8.3%	(952)	-11.0%
Net financial income (expenses)	(1,223)	-1.3%	(972)	-0.9%	(251)	25.8%
Subsidiaries' earnings/(losses)	126	0.1%	74	0.1%	52	70.3%
Foreign exchange earnings/(losses)	42	0.0%	(199)	-0.2%	241	no data
Pre-tax profit	6,657	6.9%	7,567	7.3%	(910)	-12.0%
Income taxes	(2,361)	-2.5%	(3,205)	-3.1%	844	-26.3%
Net profit/(loss) for period	4,296	4.5%	4,362	4.2%	(66)	-1.5%
Minority interests' share of net profit		0.0%	(46)	0.0%	46	-100.0%
GROUP NET PROFIT/LOSS	4,296	4.5%	4,316	4.1%	(20)	-0.5%
Depreciation of property plant & equipment	(1,866)	-1.9%	(2,109)	-2.0%	243	-11.5%
Amortization of intangible assets	(1,041)	-1.1%	(954)	-0.9%	(87)	9.1%
EBITDA	11,581	12.1%	14,006	13.5%	(2,425)	-17.3%

(*) The items "Other revenues" and "Other operating costs" at 31 March 2007 have been reclassified to make them homogenous at 31 March 2008. Details of these reclassifications are included in the attachment.

(**) This item includes extraordinary costs for amortization arising from acquisitions of the companies Laservall, Informatics, Datalogic Scanning INC, and Datalogic Mobile INC.

In order to assure better representation of the Group's ordinary profitability, we have preferred – in all tables in this management report – to show operating result before the impact of non-recurring costs/income and of depreciation and amortization due to acquisitions, which we have called EBITANR (Earnings before interests, taxes, acquisition and not recurring). To permit comparison with financial statements, we have in any case included a further intermediate profit margin (called "Operating result") that includes non-recurring costs/revenue and depreciation and amortization due to acquisitions and matches the figure reported in the financial statements.

Depreciation & amortization arising from acquisitions (equal to €962 thousand) are made up of:

1. €324 thousand pertaining to Laservall,
2. €134 thousand pertaining to Informatics,
3. €416 thousand pertaining to Datalogic Scanning INC
4. €88 thousand pertaining to Datalogic Mobile INC

At 31 March 2008, operating costs included €652 thousand of leaving incentives which were not classified under "non-recurring costs and revenue" since they were the result of the normal movement of managers and not of extraordinary reorganization/restructuring operations.

EBIT came to €7.712 million, for a margin on sales of 8%, down by 11% over the same period of the previous year.

The table below shows the comparison between the key economic figures for the first quarter 2008 and the same period in 2007

	1st quarter 2008		1st quarter 2007		change	% change
TOTAL REVENUES	96,017	100.0%	104,065	100.0%	-8,048	-7.7%
EBITDA	11,581	12.1%	14,006	13.5%	-2,425	-17.3%
EBITANR	8,674	9.0%	10,943	10.5%	-2,269	-20.7%
OPERATING RESULT (EBIT)	7,712	8.0%	8,664	8.3%	-952	-11.0%

PERFORMANCE BY BUSINESS

Segment information

A business segment is a group of assets and operations the aim of which is to provide products or services and which is subject to risks and returns that differ from those of other business segments. A geographical segment refers to a group of assets and operations that provides products and services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments.

Business segments are considered as primary (see IAS 14), while geographical segments have been considered secondary. Our segment information reflects the Group's internal reporting structure.

The amounts used for intersegment transfers of components or products are the Group's effective intercompany selling prices.

Segment information includes both directly attributable costs and those allocated on a reasonable basis.

Business segments

In April 2007, the Group completed a restructuring project which, among other things, involved the reorganization of Datalogic's segments. Up to 31 March 2007, the business segments of significance for information purposes were as follows:

Data Capture: this is Datalogic's traditional business and includes the development, production and sale of the following products: HHR (hand-held readers), USS (fixed scanners for the industrial market) and MC (mobile computers), and fixed scanners for the retail market.

Business Development: this division includes the business areas with high development potential within the scope of Datalogic's traditional offer (radio frequency scanners or RFID and self scanning solutions) or those representing adjacent areas to the Group's traditional areas consisting of industrial marking products and the distribution of products for automatic identification. These latter two activities are operated by the subsidiaries Laservall S.p.A. and Informatics Inc.

As from April 2007, following completion of the Group's reorganization plan, its business segments are as follows:

Mobile – includes the Mobile Computers (MC) product lines

Automation – includes the product lines related to: fixed scanners for the industrial market (USS), industrial marking products and radio frequency scanners or RFID.

Scanning – includes the product lines related to: HHR (hand-held readers) and fixed scanners for the retail market.

Business Development – includes the remaining product lines, i.e. the self-scanning solutions and the distribution of products for automatic identification.

These business segments correspond to the Group's new operating divisions. Following the significant impact resulting from the restructuring process, it has not been possible to make a reliable classification of the final figures for the first quarter 2007 and the previous period based on the new business segments.

Consequently, segment information has been divided as follows:

- the economic data for the first quarter of the financial year of the new Mobile, Automation, Scanning and Business Development business segments;
- in addition, the data in the first three months of 2008, reclassified based on the previous structure (Data Capture and Business Development) and compared to the results achieved during the same period in 2007 (as they are uniform), in order to ensure comparison.

The economic results of the primary segments, revised based on the new business structure, for the period January to March 2008 are as follows:

	Mobile	Automation	Business Dev.	Scanning	Datalogic S.p.A. (*)	Adj.	total group
External sales	20,075	19,131	11,548	45,263	0	0	96,017
Intersegment sales	1,880	547	4	98	5,196	(7,725)	0
TOTAL REVENUES	21,955	19,678	11,552	45,361	5,196	(7,725)	96,017
Cost of goods sold	(12,365)	(10,256)	(6,140)	(26,175)	(1)	2,729	(52,208)
Gross profit	9,590	9,422	5,412	19,186	5,195	(4,996)	43,809
% of revenues	43.7%	47.9%	46.8%	42.3%	100.0%	64.7%	45.6%
Others revenues	120	484	12	141	210	(568)	399
R&D expenses	(1,029)	(1,791)	(196)	(2,917)	(150)	2	(6,081)
Distribution expenses	(5,131)	(4,432)	(2,367)	(9,749)	(1)	2,499	(19,181)
General expenditure	(2,290)	(2,870)	(823)	(3,561)	(3,496)	3,338	(9,702)
Other operating costs	(85)	(157)	(18)	(224)	(25)	(61)	(570)
Total operating costs	(8,535)	(9,250)	(3,404)	(16,451)	(3,672)	5,778	(35,534)
% of revenues	-38.9%	-47.0%	-29.5%	-36.3%	-70.7%	-74.8%	-37.0%
EBITANR	1,175	656	2,020	2,876	1,733	214	8,674
% of revenues	5.4%	3.3%	17.5%	6.3%	33.4%	-2.8%	9.0%
Extraordinary revenues	0	0	0	0	0	0	0
Amortization arising from acquisitions	(88)	(324)	(134)	(416)	0	0	(962)
Operating result (EBIT)	1,087	332	1,886	2,460	1,733	214	7,712
% of revenues	5.0%	1.7%	16.3%	5.4%	33.4%	-2.8%	8.0%
Net financial income (expenses)							(1,181)
Net profits of associated companies							126
Income taxes							(2,361)
Net profit/loss							4,296
% of revenues							4.5%

(*) This column also includes the costs and revenues relating to Datalogic Shared Services S.r.l. (respectively for €13 thousand and €7 thousand), no longer operational since 10 January 2008 and currently in the process of liquidation.

The economic results of the primary segments at 31 March 2008, presented according to the previous structure, compared with the results at 31 March 2007, are as follows:

	Data Capture		Business Development		Costs/Revenues not attributed		Adjustments		Consolidated segment	
	31/03/08	31/03/07	31/03/08	31/03/07	31/03/08	31/03/07	31/03/08	31/03/07	31/03/08	31/03/07
External sales	74,690	83,431	21,327	20,634	0		0		96,017	104,065
Intersegment sales	2,283	23	0	26			(2,283)	(49)	0	0
Total revenues	76,973	83,454	21,327	20,660	0	0	(2,283)	(49)	96,017	104,065
Cost of goods sold	(40,871)	(47,440)	(11,337)	(10,611)					(52,208)	(58,051)
Intersegment cost of goods sold			(1,822)	(10)			1,822	10	0	0
Gross profit	36,102	36,014	8,168	10,039	0	0	(461)	(39)	43,809	46,014
% of revenues	46.9%	43.2%	38.3%	48.6%			20.2%	79.6%	45.6%	44.2%
Others revenues	375	431	48	88			(24)	(45)	399	474
R&D expenses	(5,020)	(5,949)	(1,061)	(1,058)					(6,081)	(7,007)
Distribution expenses	(16,062)	(16,384)	(3,324)	(3,478)			205		(19,181)	(19,862)
General expenditure	(5,795)	(4,157)	(2,051)	(1,494)	(2,136)	(1,692)	280	40	(9,702)	(7,303)
Other operating costs	(370)	(540)	(200)	(107)		(726)			(570)	(1,373)
Total operating cost	(27,247)	(27,030)	(6,636)	(6,137)	(2,136)	(2,418)	485	40	(35,534)	(35,545)
% of revenues	-35.4%	-32.4%	-31.1%	-29.7%			-21.2%	-81.6%	-37.0%	-34.2%
EBITANR	9,230	9,415	1,580	3,990	(2,136)	(2,418)	0	(44)	8,674	10,943
% of revenues	12.0%	11.3%	7.4%	19.3%			0.0%	89.8%	9.0%	10.5%
(Allocable non-recurring costs/revenues)	0	(1,225)	0	0	0		0		0	(1,225)
Amortization due to acquisitions	(505)	(577)	(457)	(477)	0		0		(962)	(1,054)
OPERATING RESULT (EBIT)	8,725	7,613	1,123	3,513	(2,136)	(2,418)	0	(44)	7,712	8,664
% of revenues	11.3%	9.1%	5.3%	17.0%			0.0%	89.8%	8.0%	8.3%
Net financial income (expenses)					(1,181)	(1,171)			(1,181)	(1,171)
Share of associates' profit.					126	74			126	74
Income taxes					(2,361)	(3,205)			(2,361)	(3,205)
NET PROFIT/LOSS	8,725	7,613	1,123	3,513	(5,552)	(6,720)	0	(44)	4,296	4,362
% of revenues	11.3%	9.1%	5.3%	17.0%			0.0%	89.8%	4.5%	4.2%
Third party gains and losses						(46)			0	(46)
GROUP NET PROFIT/LOSS	8,725	7,613	1,123	3,513	(5,552)	(6,766)	0	(44)	4,296	4,316
% of revenues	11.3%	9.1%	5.3%	17.0%			0.0%	89.8%	4.5%	4.1%

The cost of goods sold decreased as a percentage of sales from 55.8% in the same period in 2007 to 54.4% in 2008. The decrease reported is the result of a percentage contraction of the cost of goods sold for the Data Capture Division (decreasing from 56.9% of sales, at 31 March 2007, to 53.1% of the same period 2008) and an increase in the cost of goods sold for the Business Development Division (decreasing from 51.4% of sales at 31 March 2007, to 61.7% in the same period 2008).

The contribution margin increased from €46.014 million (at 31 March 2007) to €43.809 million at 31 March 2008 with a decrease of 4.8%.

Operating costs attributable to the divisions amounted to €33.883 million at 31 March 2008 (increasing by 2% from the €33.167 million reported for the same period 2007, of which €27.247 million were incurred by the Data Capture Division and €6.636 million refer to the Business Development Division (+8% compared to €6.137 million reported in 2007), gross of "interdivisional" operating costs (- €485 thousand).

In particular, the Data Capture Division reported:

- a 15.6% decrease in research and development costs, which totalled €5.02 million at 31 March 2008, equal to 6.5% of total sales for the division.
- a 2% decrease in distribution expenses from the €16.062 million of the first quarter of 2008 compared to the €16.384 million at 31 March 2007.
- a 39% increase in allocable G&A costs, which amounted to €5.795 million in 2008 vs. €4.157 million reported a year earlier. This increase is attributed largely to expenses for consulting and the new classification of the management incentive plan.

In particular, the Business Development Division reported:

- a slight increase in research and development costs, which totalled €1.061 million at 31 March 2008, equal to 5% of total sales for the division;
- a decrease in distribution expenses from the €3.324 million of the first quarter of 2008 to €3.478 million reported in the same quarter 2007;
- an increase of 37.3% in attributable general expenses, amounting to €2.051 million during the period under review, compared to €1.494 million recorded in the previous period. This increase is due chiefly to the costs incurred for leaving incentives in the amount of €347 thousand.

EBITDA (without considering general expenses and other non-attributable operating costs), came to €9.23 million for the Data Capture Division, slightly down compared with the €9.415 million recorded in 2007.

EBITDA of the Business Development Division was €1.58 million, down against the €3.99 million reported in 2007.

Segment results do not include the €2.136 million for general, non-attributable costs/revenues (€2.418 million at 31 March 2007).

BALANCE SHEET BY BUSINESS SEGMENT

The balance sheet by business segment presented according to the new structure is as follows:

	Mobile		Automation		Business Dev.		Scanning		Datalogic S.p.A. (*)		Adjustments		Consolidated segment	
€/000	Mar-08	Dec-07	Mar-08	Dec-07	Mar-08	Dec-07	Mar-08	Dec-07	Mar-08	Dec-07	Mar-08	Dec-07	Mar-08	Dec-07
Attributed assets	61,740	62,009	61,241	61,701	19,273	20,893	165,474	169,987	45,843	52,309	(34,710)	(42,285)	318,861	324,614
Interests in subsidiaries booked at equity	-	-	1,632	1,472	-	-	3,636	3,905	153,861	153,861	(157,497)	(157,766)	1,632	1,472
Not attributed assets													74,043	86,306
Total assets	61,740	62,009	62,873	63,173	19,273	20,893	169,110	173,892	199,704	206,170	(192,207)	(200,051)	394,536	412,392
Attributed liabilities	23,498	22,363	20,519	24,918	7,833	9,427	53,497	55,375	11,007	13,018	(32,464)	(34,736)	83,890	90,365
Non-attributed liabilities													147,516	148,545
Equity	28,350	29,335	39,917	40,352	8,712	9,372	75,752	77,223	167,260	174,283	(156,861)	(157,083)	163,130	173,482
Total liabilities	51,848	51,698	60,436	65,270	16,545	18,799	129,249	132,598	178,267	187,301	(189,325)	(191,819)	394,536	412,392
Amort. and deprec. (net of amort. arising from acquisitions)	637	NO DATA	730	NO DATA	81	NO DATA	1,186	NO DATA	268	NO DATA	5	NO DATA	2,907	3,063

(*) This column also includes the costs and revenues relating to Datalogic Shared Services Srl, no longer operational since 10 January 2008 and currently in the process of liquidation.

ANALYSIS OF FINANCIAL AND CAPITAL DATA

At 31 March 2008, our net financial position was negative by € -69.39 million and featured the following breakdown:

Datalogic Group	31/03/2008	31/12/2007	31/03/2007
(Euro/000)			
A. Cash and banks	49,598	54,669	75,182
B. Other liquid assets	106	70	0
<i>b1. Restricted cash</i>	106	70	0
C. Securities held for trading	368	368	370
<i>c1. Current</i>		0	0
<i>c2. Non-current</i>	368	368	370
D. Cash & Cash equivalents (A) + (B) + (C)	50,072	55,107	75,552
E. Current financial receivables	206	206	206
F. Other current financial assets	70	171	0
<i>f1. Hedging transactions</i>	70	171	0
G. Bank overdrafts	4	0	128
H. Current portion of the non-current debt	23,863	26,006	29,805
I. Other current financial liabilities	1,265	686	0
<i>i1. Hedging transactions</i>	1,265	686	0
J. Current financial debt (G) + (H) + (I)	25,132	26,692	29,933
K. Current financial debt, net (J) - (D) - (E) - (F)	(25,216)	(28,792)	(45,825)
L. Non-current bank borrowing	91,292	87,845	97,443
M. Bonds issued		0	0
N. Other non-current liabilities	3,314	3,491	2,497
<i>n1. Financial liabilities vs BoD member</i>	3,314	3,491	2,497
O. Non-current financial debt (L) + (M) + (N)	94,606	91,336	99,940
P. Net financial debt (K) + (O)	69,390	62,544	54,115

The net financial position at 31 March 2008 was -€69.39 million and has worsened compared with 31 December 2007 (-€62.544 million) and versus 31 March 2007 (-€54.115).

This decrease (equal to €6.846 million) is primarily due to a couple of events that took place in the quarter that have more than offset the cash flow generated by current operations:

- the purchase of treasury shares for €7.636 million (treasury shares in the portfolio amount to €35.853 million at 31 March 2008 and are not included in the net financial position)
- the first installment of the managerial incentive plan was distributed in the amount of €4.9 million.

The Group also made investments of €1.845 million.

Working capital at 31 March 2008 came to €75.047 million and increased by €7.617 million with respect to 31 December 2007 (€67.43 million) and €2.748 million vs. 31 March 2007 (€72.299 million).

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

	31 March 2008		31 December 2007	
	Total net equity	Result of the period	Total net equity	Result of the period
Datalogic S.p.A. net equity and profit	164,687	720	171,704	7,840
Difference between consolidated companies' net equity and their carrying value in Datalogic S.p.A.'s statement; effect of equity-based valuation	6,980	9,714	9,962	23,555
Reversal of dividends	0	(5,785)	0	(9,017)
Laservall acquisition	(4,856)	(324)	(4,532)	(1,295)
Amortization of new Datalogic AB consolidation difference	(239)		(239)	
Elimination of capital gain on sale of business branch	(2,199)	0	(2,199)	(1,980)
Effect of eliminating intercompany transactions	(2,575)	(170)	(2,405)	(560)
Sundry income	(247)	28	(275)	117
Transfer of Know How	(2,392)	357	(2,749)	(2,749)
Minec goodwill impairment	(254)	(51)	(203)	(203)
Deferred income tax	4,225	(193)	4,418	2,375
Group portion of net equity	163,130	4,296	173,482	18,083
Minority interests	0	0	0	0
Total net equity	163,130	4,296	173,482	18,083

FINANCIAL MANAGEMENT

Financial management was negative for €1.181 million and the result is detailed as follows:

(€'000)	31/03/2008
Financial income/expenses	(1,110)
Net foreign exchange losses	42
bank charges	(137)
Sundry income	24
Total net financial expenses	(1,181)

OUTLOOK FOR CURRENT YEAR AND SUBSEQUENT EVENTS

The company believes that in light of the market performance and the company plans underway, this year should bring better profit and earnings than last year which will be in line with company plans.

Continuation of the Euro / US dollar exchange rate at 1.5 will lead to a decrease in Group revenue with respect to the budget (approximately 35% of revenue is expressed in US dollars and the exchange rate used for the budget was 1.36) but without negative effects on expected company profitability (as part of the cost of goods sold and operating costs are also expressed in US dollars).

On 20 February 2008, the General Meeting of Datalogic S.p.A. approved a decrease in share capital by voiding 5,409,981 treasury shares (equal to 8.472% of the share capital) held by the Company.

As from 27/05/2008, the transaction will lead to a decrease in the share capital of €2,813,190.12 and release of unavailable reserves for own shares for an amount of €33,403,391.87.

SECONDARY OFFICES

Pursuant to the aforementioned reorganization, as of April the parent company will no longer have secondary locations.

DATALOGIC S.p.A.
CONSOLIDATED BALANCE SHEET

	Note	31-03-08 Euro/000	31-12-07 Euro/000	31-03-07 Euro/000
ASSETS				
A) NON-CURRENT ASSETS (1+2+3+4+5+6+7+8)		186.728	204.401	224.061
1) Tangible non-current assets		47.912	49.244	50.945
Land	1	6.352	6.482	6.637
Buildings	1	18.791	18.605	19.178
Other tangible assets	1	20.972	22.662	24.016
Assets in progress and payments on account	1	1.797	1.495	1.114
2) Investment property		0	0	0
3) Intangible non-current assets		128.510	137.270	150.828
Goodwill	2	79.926	84.813	89.283
Development costs	2	1.792	2.023	2.814
Other intangible assets	2	46.792	50.434	58.731
4) Equity interests in associate companies	3	1.632	1.472	1.222
5) Available-for-sale financial assets (non-current)		1.318	1.298	1.241
Equity investments	5	950	930	871
Treasury stock				
Securities	5	368	368	370
6) Trade and other receivables	7	398	345	534
7) Deferred tax credits	13	6.958	14.772	19.179
from parent company				
8) Crediti tributari		0	0	112
B) CURRENT ASSETS (8+9+10+11+12+13+14+15)		207.808	207.991	225.777
9) Inventories	8	56.061	51.158	52.815
Raw & auxiliary materials plus consumables	8	27.704	26.577	32.314
Work in progress and semiprocessed goods	8	7.601	5.791	6.552
Finished products and goods for resale	8	20.756	18.790	13.949
10) Job-order work in progress		0	0	0
11) Trade and other receivables	6	91.342	92.844	90.350
Trade receivables	7	80.650	82.681	83.394
Within 12 months	7	78.535	81.512	81.373
After 12 months	7		32	
Amounts receivable from associates	7	2.089	1.116	2.021
Amounts receivable from subsidiaries	7			
Amounts receivable from parent company	7	22		0
Amounts receivable from related parties	7	4	21	
Other receivables - Accrued income/prepaid expenses	7	10.692	10.163	6.956
12) Tax credits	9	10.425	8.873	7.224
from parent company		4.467	4.076	3.702
13) Available-for-sale financial assets (current)	5	206	206	206
Securities		0	0	0
Loans to subsidiaries		206	206	206
14) Hedging instruments	6	70	171	0
15) Cash & cash equivalents	10	49.704	54.739	75.182
TOTAL ASSETS (A+B)		394.536	412.392	449.838

DATALOGIC S.p.A.
CONSOLIDATED BALANCE SHEET

LIABILITIES	Note	31-03-08 Euro/000	31-12-07 Euro/000	31-03-07 Euro/000
A) TOTAL NET EQUITY (1+2+3+4+5)	11	163.130	173.482	197.693
1) Share capital	11	132.711	140.347	166.596
2) Reserves	11	-26.242	-19.236	-11.822
3) Retained earnings/(losses carried forward)	11	52.365	34.288	38.081
4) Profit/(loss) for period		4.296	18.083	4.316
5) Minority interests		0	0	522
B) NON-CURRENT LIABILITIES (6+7+8+9+10+11)		116.506	121.911	140.914
6) Borrowing	12	94.606	91.336	99.940
from related parties		3.314	3.491	2.497
7) Tax payables		53	0	0
8) Deferred tax liabilities	13	10.273	18.010	25.666
9) Employee severance indemnity and retirement provision	14	6.345	6.565	7.539
10) Long-term provisions for risks and expenses	15	5.206	5.924	6.918
11) Other non-current liabilities		23	76	851
C) CURRENT LIABILITIES (12+13+14+15+16)		114.900	116.999	111.231
12) Trade and other payables	16	70.211	76.333	71.163
Trade payables	16	45.847	45.923	48.420
Within 12 months	16	45.343	45.392	48.226
After 12 months	16			
Amounts payable to associates	16	71	39	
Amounts payable to parent company	16			0
Amounts payable to related parties	16	433	492	194
Accrued liabilities and deferred income				
Other current payables	16	24.364	30.410	22.743
13) Taxes payable		12.570	9.080	6.927
from parent company		3.969	2.702	11
14) Short-term provisions for risks and expenses	15	6.987	4.894	3.208
15) Hedging instruments	6	1.265	686	
16) Short-term borrowing	12	23.867	26.006	29.933
TOTAL LIABILITIES (A+B+C)		394.536	412.392	449.838

DATALOGIC S.p.A.
CONSOLIDATED PROFIT & LOSS ACCOUNT

	Note	31-03-08 Euro/000	31-03-07 Euro/000	31-12-07 Euro/000
1) TOTAL REVENUES	17	96.017	104.065	404.027
Revenues from sale of products		92.103	100.561	389.561
Revenues from services		3.914	3.504	14.466
2) Cost of goods sold	18	52.208	58.065	224.349
<i>of which non-recurring (*)</i>	18	0	14	51
GROSS PROFIT (1-2)		43.809	46.000	179.678
3) Other operating revenues	19	399	762	2.665
<i>of which non-recurring (*)</i>	19	0	288	388
4) R&D expenses	18	6.081	7.011	25.004
<i>of which non-recurring (*)</i>	18	0	4	12
5) Distribution expenses	18	19.181	20.242	78.570
<i>of which non-recurring (*)</i>	18	0	380	1.067
6) General & administrative expenses	18	10.664	9.293	41.744
<i>of which non-recurring (*)</i>	18		936	911
<i>of which amort. pertaining to acquisitions (*)</i>	18	962	1.054	4.087
7) Other operating expenses	18	570	1.552	5.941
<i>of which non-recurring (*)</i>	18		179	969
Total operating costs (4+5+6+7)		36.496	38.098	151.259
OPERATING PROFIT		7.712	8.664	31.084
8) Financial income	20	-1.181	-1.171	-4.861
9) Share of associate companies' profits	3	126	74	396
PRE-TAX PROFIT/(LOSS)		6.657	7.567	26.619
Taxes	21	2.361	3.205	8.536
NET PROFIT FOR PERIOD		4.296	4.362	18.083
Minority interests' share of net profit		0	46	0
GROUP NET PROFIT		4.296	4.316	18.083
Earning per share (Euro)	22	0,0732	0,0690	0,2938
Diluted earning per share (Euro)	22	0,0732	0,0688	0,2938

DATALOGIC S.p.A.
CONSOLIDATED CASH FLOW STATEMENT

	31-03-08 Euro/000	31-12-07 Euro/000
Pre-tax profit	6.657	26.619
Depreciation & amortisation	3.869	16.388
Employee severance indemnity provision	-220	-1.059
Bad debt provisions	47	289
Net financial costs/revenues included foreign exchange	1.181	4.861
Write-down of financial assets	-126	-396
Cash flow from operating before change in working capital	11.408	46.702
Trade receivables	1.942	-5.247
Inventories	-4.903	847
Other current assets	-530	-4.161
Other medium-/long-term assets	-11	158
Trade payables	-76	-3.281
Other current liabilities	-6.046	5.468
Other medium-/long-term liabilities	-53	-2
Provisions for risks and expenses	1.375	315
Trade foreign exchange	418	-9
	3.524	40.790
Taxes	-293	-10.018
Interests and bank expenses	-1.422	-4.608
Operating cash flow (A)	1.809	26.164
(Increase)/decrease in intangible non-current assets net of exchange rate	-470	-4.743
(Increase)/decrease in tangible non-current assets net of exchange rate	-1.321	-7.821
Exchange rate	-54	-25
Unconsolidated equity investments		
Investment cash flow (B)	-1.845	-12.589
LT/ST financial receivables	61	2.743
LT/ST financial payables and derivatives	1.710	25.459
Financial exchange rate	-177	-244
Purchase treasury share	-7.636	-19.946
Reserves	1.003	6.012
Capital increase with exercise stock options		736
Capital increase with issue of new shares		
Dividend distribution		-3.805
Finance cash flow (C)	-5.039	10.955
Change in net financial position (A+B+C)	-5.075	24.530
Short term net financial position at beginning of period	54.669	30.139
Short-term net financial position at end of period	49.594	54.669

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

Description	Share capital	Other reserves				Net profit for previous years								Net profit for period	Net equity	Minority Equity
		cash flow hedge reserve	Translation reserve	Financial liabilities reserve	Total Other reserves	Consolidation reserve	Retained earnings	Merger surplus	Capital grant reserve	Legal reserve	Treasury share reserve	IFRS reserve	Total			
01.01.2006	90.556	79	1.548		1.627	-	9.216	4.432	256	1.399	-	9.043	24.346	12.997	129.526	335
Profit allocation					-		9.037			471			9.508	-12.997	-3.489	
Capital increase	77.243				-								-		77.243	
Translation reserve			-10.103		-10.103								-		-10.103	
Increase in IFRS reserve					-							-227	-227		-227	
Sale of treasury shares	-8.182				-		-8.283				8.283		-		-8.182	
Fair value adjustment		-79			-79								-		-79	
Capital increase charges	-519				-								-		-519	
Extraordinary dividend					-								-		-	
Other changes				-2.502	-2.502		341	-702	702				341		-2.161	335
Net profit as at 31.12.06					-								-	4.125	4.125	141
01.01.2007	159.098	-	-8.555	-2.502	-11.057	-	10.311	3.730	958	1.870	8.283	8.816	33.968	4.125	186.134	476
Profit allocation					-		320						320	-4.125	-3.805	
Capital increase	736				-								-		736	
Translation reserve			-10.166		-10.166								-		-10.166	
Increase in IFRS reserve					-							-96	-96		-96	
Sale of treasury shares	-19.487				-		2.573	-3.730			1.157		-		-19.487	
Fair value adjustment		-			-								-		-	
Capital increase charges					-								-		-	
Extraordinary dividend					-								-		-	
Other changes		-515		2.502	1.987		96						96		2.083	
Net profit as at 31.12.07					-								-	18.083	18.083	-476
01.01.2008	140.347	-515	-18.721	-	-19.236	-	13.300	-	958	1.870	9.440	8.720	34.288	18.083	173.482	-
Profit allocation					-		18.083						18.083	-18.083	-	
Capital increase					-								-		-	
Translation reserve			-6.326		-6.326								-		-6.326	
Increase in IFRS reserve					-							-6	-6		-6	
Sale of treasury shares	-7.636				-								-		-7.636	
Fair value adjustment		-			-								-		-	
Capital increase charges					-								-		-	
Extraordinary dividend					-								-		-	
Other changes		-680			-680								-		-680	
Net profit as at 31.12.08					-								-	4.296	4.296	-476
31.03.2008	132.711	-1.195	-25.047	-	-26.242	-	31.383	-	958	1.870	9.440	8.714	52.365	4.296	163.130	-

INTRODUCTION

Datalogic Group S.p.A. (hereinafter "Datalogic", the "Parent company" or the "Company") is a company formed under Italian law. The consolidated quarterly report for the period ending on 31 March 2008 comprises Datalogic S.p.A. and its subsidiaries (hereinafter defined as "the Group") and the relevant share of associate companies' profits.

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

The parent company is a joint-stock corporation listed on the Star section of the Milan Stock Exchange and is based in Italy. The address of its registered headquarters is: Via Candini 2, Lippo di Calderara (BO), Italy.

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

This report was approved by the Board of Directors on 14 May 2008.

ACCOUNTING STANDARDS AND POLICIES

(a) Accounting standards

The consolidated quarterly report at 31 March 2008 has been prepared in an abridged form in compliance with IAS 34 *"Interim Financial Reporting"*, providing the summary notes set forth by the international accounting standard, integrated where possible to provide a higher level of disclosure where necessary. The present quarterly report must be read jointly with the consolidated financial statements and the respective explanatory notes at 31 December 2007.

(b) Basis of presentation

The accounting standards adopted in preparing the financial statements for the year comply with those adopted at 31 December 2007, which should be referred to for additional information. However, it is important to remember that the process of drafting and homologating International Accounting Standards led the Group to redraft some of its documents and/or introduce new documents in the last months of 2007 and the first three months of 2008 that would subsequently enter into force at the closure of the financial statements at 31 March 2008 which, despite having already entered into force, are not mandatorily applicable for drafting this quarterly report.

The table below demonstrates the new documents and changes to documents existing and issued in the last months of 2007 and in the early months of 2008 and their impact on the quarterly report as per IAS 8:

Document	Title	Description and impact on the company	Effective date	Date of application by the company
IFRS 8	<i>Operating Segments</i>	Replaces IAS 14 – Segment Reporting Requires entities to base segment reporting on information that is used by management to make operating decisions (internal reports for performance analysis)	30 November 2006	1 January 2009
IAS 23	<i>Borrowing costs</i>	Removal of the option whereby entities can immediately recognize as an expense borrowing costs that relate to assets that take a substantial period of time to get ready for use or sale.	29 March 2007	1 January 2009
IFRIC 13	Customer loyalty programme	IFRIC 13 forbids recognition of provision for liabilities against a customer loyalty programme. Only in cases when the cost of meeting the obligation exceeds deferred revenue does the company have an onerous contract against which it must recognise an additional liability based on IAS 37.	1 July 2008	Not applicable to the Group
IFRIC 14	The Limit on a Defined Benefit Asset Minimum Funding Requirements and their Interaction	IFRIC 14 defines in which circumstances companies can recognise a pension-fund asset; specifies in which cases a minimum funding requirement reduces pension-fund assets; and indicates in which cases a minimum funding requirement requires recognition of a liability and how this liability must be measured	1 January 2008	1 January 2008

Segment information

Segment information

A business segment is a group of assets and operations the aim of which is to provide products or services and that is subject to risks and returns that are different from those of other business segments. A geographical segment refers to a group of assets and operations that provides products and services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments.

We consider business segments to be primary (see IAS 14), while geographical segments have been considered secondary. Our segment information reflects the Group's internal reporting structure.

The amounts used for intersegment transfers of components or products are the Group's effective intercompany selling prices.

Segment information includes both directly attributable costs and those reasonably allocable.

Business segments

In April 2007, the Group completed a restructuring project which, among other things, involved the reorganization of Datalogic's segments. Up to 31 March 2007, the business segments of significance for information purposes were as follows:

Data Capture: this is Datalogic's traditional business and includes the development, production and sale of the following products: HHR (hand-held readers), USS (fixed scanners for the industrial market) and MC (mobile computers), and fixed scanners for the retail market.

Business Development: this division includes the business areas with high development potential within the scope of Datalogic's traditional offer (radio frequency scanners or RFID and self scanning solutions) or those representing adjacent areas to the Group's traditional areas consisting of industrial marking products and the distribution of products for automatic identification. These latter two activities are operated by the subsidiaries Laservall S.p.A. and Informatics Inc.

As from April 2007, following completion of the Group's reorganization plan, its segments are as follows:

Mobile – includes the Mobile Computers (MC) product lines.

Automation – includes the product lines related to: fixed scanners for the industrial market (USS), industrial marking products and radio frequency scanners or RFID.

Scanning – includes the product lines related to: HHR (hand-held readers) and fixed scanners for the retail market.

Business Development – includes the remaining product lines, i.e. the self scanning solutions and the distribution of products for automatic identification.

These business segments correspond to the Group's new operating divisions. Following the significant impact resulting from the restructuring, it has not been possible to make a reliable classification of the final figures for the first quarter 2007 and the previous period based on the new business segments.

Consequently, segment information with reference to the business sector segment has been divided as follows:

- the economic data for the first quarter of the financial year of the new Mobile, Automation, Scanning and Business Development business segments;
- in addition, the data in the first three months of 2008, reclassified based on the previous structure (Date Capture and Business Development) and compared to the results achieved during the same period in 2006 (as they are uniform), in order to ensure the principle of comparability.

The economic results for the primary segments, revised based on the new business structure, for the first quarter 2008 are as follows:

	Mobile	Automation	Business Dev.	Scanning	Datalogic S.p.A. (*)	Adj.	TOTAL Group
External sales	20,075	19,131	11,548	45,263	0	0	96,017
Infrasegment sales	1,880	547	4	98	5,196	(7,725)	0
TOTAL REVENUES	21,955	19,678	11,552	45,361	5,196	(7,725)	96,017
Cost of sales	(12,365)	(10,256)	(6,140)	(26,175)	(1)	2,729	(52,208)
Gross profit	9,590	9,422	5,412	19,186	5,195	(4,996)	43,809
% of revenues	43.7%	47.9%	46.8%	42.3%	100.0%	64.7%	45.6%
Others revenues	120	484	12	141	210	(568)	399
R&D expenses	(1,029)	(1,791)	(196)	(2,917)	(150)	2	(6,081)
Distribution expenses	(5,131)	(4,432)	(2,367)	(9,749)	(1)	2,499	(19,181)
General expenditure	(2,290)	(2,870)	(823)	(3,561)	(3,496)	3,338	(9,702)
Other operating costs	(85)	(157)	(18)	(224)	(25)	(61)	(570)
Total operating costs	(8,535)	(9,250)	(3,404)	(16,451)	(3,672)	5,778	(35,534)
% of revenues	-38.9%	-47.0%	-29.5%	-36.3%	-70.7%	-74.8%	-37.0%
Ordinary operating income (EBITANR)	1,175	656	2,020	2,876	1,733	214	8,674
% of revenues	5.4%	3.3%	17.5%	6.3%	33.4%	-2.8%	9.0%
Non-recurring costs and revenues	0	0	0	0	0	0	0
Amortization arising from acquisitions	(88)	(324)	(134)	(416)	0	0	(962)
Operating result (EBIT)	1,087	332	1,886	2,460	1,733	214	7,712
% of revenues	5.0%	1.7%	16.3%	5.4%	33.4%	-2.8%	8.0%
Net financial income (expenses)							(1,181)
Net profits of associated companies							126
Income taxes							(2,361)
Net profit/loss							4,296
% of revenues							4.5%

(*) This column also includes the costs and revenues relating to Datalogic Shared Services S.r.l. (respectively for €13 thousand and 7 thousand), no longer operational since 10 January 2008 and currently in the process of liquidation.

The economic results of the primary segments at 31/03/2008, presented according to the previous structure, compared with those at 31/03/2007, are as follows:

	Data Capture		Business Development		Costs/Revenues not attributed		Adjustments		Consolidated segment	
	31/03/08	31/03/07	31/03/08	31/03/07	31/03/08	31/03/07	31/03/08	31/03/07	31/03/08	31/03/07
External sales	74,690	83,431	21,327	20,634	0		0		96,017	104,065
Intersegment sales	2,283	23	0	26			(2,283)	(49)	0	0
TOTAL REVENUES	76,973	83,454	21,327	20,660	0	0	(2,283)	(49)	96,017	104,065
Cost of goods sold	(40,871)	(47,440)	(11,337)	(10,611)					(52,208)	(58,051)
Intersegment cost of goods sold			(1,822)	(10)			1,822	10	0	0
Gross profit	36,102	36,014	8,168	10,039	0	0	(461)	(39)	43,809	46,014
% of revenues	46.9%	43.2%	38.3%	48.6%			20.2%	79.6%	45.6%	44.2%
Others revenues	375	431	48	88			(24)	(45)	399	474
R&D expenses	(5,020)	(5,949)	(1,061)	(1,058)					(6,081)	(7,007)
Distribution expenses	(16,062)	(16,384)	(3,324)	(3,478)			205		(19,181)	(19,862)
General expenditure	(5,795)	(4,157)	(2,051)	(1,494)	(2,136)	(1,692)	280	40	(9,702)	(7,303)
Other operating costs	(370)	(540)	(200)	(107)		(726)			(570)	(1,373)
Total operating cost	(27,247)	(27,030)	(6,636)	(6,137)	(2,136)	(2,418)	485	40	(35,534)	(35,545)
% of revenues	-35.4%	-32.4%	-31.1%	-29.7%			-21.2%	-81.6%	-37.0%	-34.2%
Ordinary operating income (EBITANR)	9,230	9,415	1,580	3,990	(2,136)	(2,418)	0	(44)	8,674	10,943
% of revenues	12.0%	11.3%	7.4%	19.3%			0.0%	89.8%	9.0%	10.5%
Allocable non-recurring costs/revenues	0	(1,225)	0	0	0		0		0	(1,225)
Amortization due to acquisitions	(505)	(577)	(457)	(477)	0		0		(962)	(1,054)
OPERATING RESULT (EBIT)	8,725	7,613	1,123	3,513	(2,136)	(2,418)	0	(44)	7,712	8,664
% of revenues	11.3%	9.1%	5.3%	17.0%			0.0%	89.8%	8.0%	8.3%
Net financial income (expenses)					(1,181)	(1,171)			(1,181)	(1,171)
Share of associates' profit.					126	74			126	74
Income taxes					(2,361)	(3,205)			(2,361)	(3,205)
NET PROFIT/LOSS	8,725	7,613	1,123	3,513	(5,552)	(6,720)	0	(44)	4,296	4,362
% of revenues	11.3%	9.1%	5.3%	17.0%			0.0%	89.8%	4.5%	4.2%
Share of net income (loss)						(46)			0	(46)
GROUP NET PROFIT/LOSS	8,725	7,613	1,123	3,513	(5,552)	(6,766)	0	(44)	4,296	4,316
% of revenues	11.3%	9.1%	5.3%	17.0%			0.0%	89.8%	4.5%	4.1%

The balance sheet by business segment presented according to the old structure, in order to make a comparison with figures at 31 December 2007, is as follows:

	Mobile		Automation		Business Dev.		Scanning		Datalogic S.p.A.. (*)		Adjustments		Consolidated segment	
€/000	Mar-08	Dec-07	Mar-08	Dec-07	Mar-08	Dec-07	Mar-08	Dec-07	Mar-08	Dec-07	Mar-08	Dec-07	Mar-08	Dec-07
Attributed assets	61,740	62,009	61,241	61,701	19,273	20,893	165,474	169,987	45,843	52,309	(34,710)	(42,285)	318,861	324,614
Interests in subsidiaries booked at equity	-	-	1,632	1,472	-	-	3,636	3,905	153,861	153,861	(157,497)	(157,766)	1,632	1,472
Not attributed assets													74,043	86,306
Total assets	61,740	62,009	62,873	63,173	19,273	20,893	169,110	173,892	199,704	206,170	(192,207)	(200,051)	394,536	412,392
Attributed liabilities	23,498	22,363	20,519	24,918	7,833	9,427	53,497	55,375	11,007	13,018	(32,464)	(34,736)	83,890	90,365
Non-attributed liabilities													147,516	148,545
Equity	28,350	29,335	39,917	40,352	8,712	9,372	75,752	77,223	167,260	174,283	(156,861)	(157,083)	163,130	173,482
Total liabilities	51,848	51,698	60,436	65,270	16,545	18,799	129,249	132,598	178,267	187,301	(189,325)	(191,819)	394,536	412,392
Amortization and depreciation (net of amortization arising from acquisitions)	637	NO DATA	730	NO DATA	81	NO DATA	1,186	NO DATA	268	NO DATA	5	NO DATA	2,907	3,063

(*) This column also includes the costs and revenues relating to Datalogic Shared Services S.r.l. no longer operational since 10 January 2008 and currently in the process of liquidation.

STRUCTURE OF THE GROUP

Consolidated financial statements include the statements of the direct parent company and of the companies in which the former directly or indirectly holds the majority of voting rights.

The companies consolidated on a 100% line-by-line basis as at 31 March 2008 were the following:

Company	Head office	Share capital		Total equity (€'000)	Profit/loss for the period (€'000)	% ownership
Datalogic S.p.A. holding	Bologna - Italy	Euro	33,205,000	164,687	720	
Datalogic Shared Services S.r.l	Bologna - Italy	Euro	20,000	2,573	-6	100%
Informatics	Plano Texas - U.S.A.	\$USA	15,100,000	14,035	374	100%
Datalogic Automation S.r.l.	Bologna - Italy	Euro	10,000,000	31,549	4,008	100%
Datalogic Automation France	Paris - France	Euro	2,227,500	3,318	-50	100%
Datalogic Automation Iberia	Madrid – Spain	Euro	60,500	667	-11	100%
Datalogic Automation Germany GmbH	Erkenbrechtsweiler - Germany	Euro	1,025,000	4,165	-59	100%
Datalogic Automation Austria GmbH	Guntramsdorf - Austria	Euro	72,673	1,084	-2	100%
Datalogic Automation UK Limited	Redbourn - England	GBP	3,500,000	4,559	104	100%
Datalogic Holding AB	Malmö - Sweden	KRS	1,400,000	1,102	0	100%
Datalogic Automation AB	Malmö - Sweden	KRS	200,000	-205	21	100%
Datalogic Automation INC	Hebron, KY - USA	\$USA	463,812	3,734	-121	100%
Datalogic Automation PTY LTD	Mount Waverley (Melbourne) - Australia	\$AUS	2,300,000	495	120	100%
Datalogic Automation BV	Nieuwegein - Netherlands	Euro	18,150	-189	-3	100%
Laservall S.p.A	Donnas (AO) - Italy	Euro	900,000	11,230	1,414	100%
Datalogic Asia Limited	Hong Kong - China	HKD	10,000	-352	-102	100%
Datalogic Mobile S.r.l.	Bologna - Italy	Euro	10,000,000	24,955	1,599	100%
Datalogic GMBH Mobile (branch)	Darmstadt - Germany	Euro	0	-496	-156	100%
Datalogic Sweden Mobile (branch)	Malmö - Sweden	KRS	0	-19	48	100%
Datalogic France Mobile (branch)	Paris - France	Euro	0	316	138	100%
Datalogic Spain Mobile (branch)	Madrid – Spain	Euro	0	-171	-61	100%
Datalogic Austria Mobile (branch)	Wiener Neudorf (Vienna) – Austria	Euro	0	-51	21	100%
Datalogic Denmark Mobile (branch)	Horsholm - Denmark	Euro	0	-58	-24	100%
Datalogic Mobile Asia	Hong Kong - China	HKD	100,000	184	14	100%
Datalogic Mobile UK	Redbourn - England	GBP	15,000	-110	145	100%
Datalogic Mobile INC	Eugene, OR - U.S.A.	\$USA	0.10	4,913	-137	100%
Datalogic Mobile PTY	Mount Waverley (Melbourne) - Australia	\$AUS	0	-111	-117	100%
Datalogic Scanning Group S.R.L	Bologna - Italy	Euro	10,000,000	91,422	93	100%
Datalogic Scanning Slovakia	Trnava - Slovakia	SKK	2,000,000	12,209	2,054	100%
Datalogic Scanning Holdings Inc.	Eugene, OR - U.S.A.	\$USA	100	68,668	-530	100%
Datalogic Scanning Inc.	Eugene, OR - U.S.A.	\$USA	10	32,908	863	100%
Datalogic Scanning do Brazil	Sao Paulo - Brazil	R\$	159,525	5	-4	100%
Datalogic Scanning Mexico	Colonia Cuauhtemoc - Mexico	\$USA	0	-200	-36	100%
Datalogic Scanning UK Ltd	Watford - England	GBP	191,510	-724	6	100%
Datalogic Scanning Sarl	Paris - France	Euro	653,015	-463	155	100%
Datalogic Scanning GmbH transaction	Darmstadt - Germany	Euro	306,775	1,521	-163	100%
Datalogic Scanning IBERIA	Madrid - Spain	Euro	0	579	-62	100%
Datalogic Scanning Eastern Europe GmbH	Darmstadt - Germany	Euro	30,000	105	-98	100%
Datalogic Scanning S.p.A	Milan – Italy	Euro	110,000	851	30	100%
Datalogic Scanning PTY	Sydney - Australia	\$ AUD	2	536	44	100%
Datalogic Scanning Japan	Tokyo - Japan	JPY	151,437,000	24	-10	100%
Datalogic Scanning Singapore	Singapore	SGD	100,000	18	4	100%
Datalogic Scanning Scandinavia (branch)	Malmö - Sweden	KRS	0	86	72	100%

The companies consolidated using the net equity method at 31 March 2008 are the following:

Company	Head office	Share capital	Total equity (€'000)	Total profit/loss for the period (€'000)	% ownership Direct and indirect
Idec Datalogic Co. Ltd.	Osaka – Japan	Yen 300,000,000	1,572	124	50%
Laservall Asia Co. Ltd.	Hong Kong - China	Hong Kong \$ 460,000	1,692	128	50%

Note that at 31 March 2008:

EMS was incorporated into Datalogic Automation INC;

Datalogic Mobile PTY has become operational and therefore, was consolidated using the line-by-line method;

Datalogic Scanning Scandinavia became operational;

Datalogic Shared Services S.r.l. and DL Automation Handels have been placed in liquidation.

BALANCE SHEET INFORMATION - ASSETS

NON-CURRENT ASSETS

1. Property, plant and equipment

	31/03/2008	31/12/2007	Change
Land	6,352	6,482	(130)
Buildings	18,791	18,605	186
Other tangible assets	20,972	22,662	(1,690)
Assets in progress and down payments	1,797	1,495	302
Total	47,912	49,244	(1,332)

“Other tangible assets” at 31 March 2008 include mainly the following categories: Plant and machinery (€7.331 million), Trade and industrial equipment (€5.388 million), Office furniture and machines (€4.816 million), General plant (€1.854 million), Motor vehicles (€252 thousand) and Maintenance on third-party assets (€1.228 million). In relation to 31 December 2007, the increase in the item is mainly attributable to the category “Plant and machinery” for €148 thousand, to the category “Industrial and commercial equipment” for €321 thousand and for €219 thousand to the category “Office furniture and electronic equipment”.

The balance of “Assets in progress and down payments” refers mainly to advances for equipment, instruments, and moulds related to normal production activities.

2. Intangible assets

	31/03/2008	31/12/2007	Change
Goodwill	79,926	84,813	(4,887)
Development costs	1,792	2,023	(231)
Other intangible assets	46,792	50,434	(3,642)
Total	128,510	137,270	(8,760)

Goodwill, totalling €79,926 thousand, consisted of the following items:

- €1.14 million due to consolidation of the Minec group, in which a 100% interest was acquired on 15 July 2002 by Datalogic Holding AB, in turn 100% owned by the parent company; in 2008, this goodwill was written down for €51 thousand (€203 thousand at 31 December 2007) based on the results of the *impairment test*, charging the item "general expenses and overheads". In the classification by nature, the impairment is included in "Amortizations and impairment".
- €3.38 million, ascribable to the parent company, consisting of the merger loss and share-swap loss originated by the merger by incorporation of IdWare S.r.l. during 1998;
- €5.119 million due to consolidation of Laservall S.p.A., an interest acquired during third quarter 2004 by the direct parent company.
- €10.731 million determined by the consolidation of Informatics Inc.; the change compared with 31 December 2007 (€11.296 million) pertains exclusively to changes to the exchange rate.
- €59.556 million, resulting from consolidation with the former PSC Group (for the purposes of impairment such goodwill was allocated to two different cash generating units: Datalogic Scanning Inc and Datalogic Mobile Inc), the change with respect to 31 December 2007 (€63.827 million) is due exclusively to the exchange rate.

Goodwill has been allocated to the cash generating units corresponding to the individual companies and/or subgroups to which the goodwill pertains. As shown in the relevant section included in the valuation criteria, goodwill has not been subjected to amortization since 1 January 2004 in accordance with IFRS3 and is subjected to an annual impairment test unless substantial impairment indicators require more frequent testing.

The economic value of the CGUs associated with each goodwill item assessed has been calculated using the Discounted Cash Flow financial model based on the cash flows shown in the Business Plans drawn up for each CGU, discounted at a rate known as the WACC - Weighted average cost of capital, which represents the return required by company financiers, both in terms of venture capital and in terms of debt capital.

Development costs, amounting to €1.792 million, are attributable to:

- €734 thousand to Datalogic Mobile S.r.l.,
- €501 thousand to Datalogic Automation S.r.l.,
- €526 thousand to Datalogic Scanning Group S.r.l.,
- €31 thousand to Informatics

and consist of specific development projects capitalized in the presence of the requirements laid down by IAS 38 and in accordance with the Group policies which provide for capitalization only of the projects relating to the development of products characterized by significant innovation.

"Other intangible assets" totalled €46.792 million and consists primarily of intangible assets acquired through business combinations carried out by the Group in 2004 and 2005, which are specifically identified and valued in the context of purchase accounting. Details are shown in the following table:

€/000	31/03/2008	31/12/2007	USEFUL LIFE (YEARS)
INTANGIBLE ASSETS ACQUIRED WITHIN THE SCOPE OF BUSINESS COMBINATION TRANSACTIONS			
Acquisition of the PSC group (on 30 November 2006)	26.721	29.216	
PATENTS	22.710	24,737	20
SERVICE AGREEMENT	263	323	4
TRADE MARK	1.904	2,111	10
CLIENT PORTFOLIO	1.844	2,045	10
Acquisition of Laservall S.P.A. (on 27 August 2004)	5,532	5,855	
UNPATENTED TECHNOLOGY	2,771	2,984	7
COMMERCIAL STRUCTURE	2,761	2,871	10
Acquisition of Informatics Inc (on 28 February 2005)	3,499	3,894	
COMMERCIAL STRUCTURE	3,499	3,894	10
LICENSE AGREEMENT	5,082	5,423	5
Others	5,958	6,046	
TOTAL OTHER INTANGIBLE ASSETS	46,792	50,434	

"Others" mainly consists of software licenses. The change in relation to 31 December 2007 is mainly attributable to amortizations over the period.

3. Investments in associates

Equity investments owned by the Group at 31 March 2008 were as follows:

	Balance at 31/12/07	Increases	Forex differences	Share of profit	Balance 31/03/08
Idec Datalogic Co. Ltd	690		34	62	786
Laservall Asia Co. Ltd	782			64	846
Total associated companies	1,472	0	34	126	1,632

The change in associated companies is explained by the Group's share of the earnings of Idec Datalogic Co. Ltd. and Laservall Asia Co. (including the results of its subsidiaries).

4. Financial instruments by category

31-Mar-08	Loans and receivables	Derivatives used for hedging transactions	Available for sale	Total
Non-current financial assets	398	-	1,318	1,716
Available-for-sale (AFS) financial assets (5)			1,318	1,318
Other receivables – accrued income and prepaid expenses (7)	398			398
Current financial assets	141,046	70	206	141,322
Trade accounts receivable (7)	80,650			80,650
Other receivables – accrued income and prepaid expenses (7)	10,692			10,692
Available-for-sale (AFS) financial assets (5)			206	206
Derivatives (6)		70		70
Cash and cash equivalents (10)	49,704			49,704
TOTAL	141,444	70	1,524	143,038

31-Mar-08	Hedge derivatives	Other financial liabilities	Total
Non-current financial liabilities		94,629	94,629
Financial payables (12)		94,606	94,606
Other accounts payable (16)		23	23
Current financial liabilities	1,265	94,078	95,343
Trade accounts payable (16)		45,847	45,847
Other accounts payable (16)		24,364	24,364
Derivatives (6)	1,265	-	1,265
Short-term debt (12)		23,867	23,867
Total financial liabilities	1,265	188,707	189,972

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

	31-Mar-08	31-Dec-07
Start of year	1,504	1,447
Foreign exchange differences		
Increases	20	59
Decreases		- 2
Equity fair value		
Profits/(losses) transferred to equity		
<i>End of year</i>	<i>1,524</i>	<i>1,504</i>
Less: Non-current portion	1,318	1,298
Current portion	206	206

The financial assets available for sale include the following:

	31-Mar-08	31-Dec-07
Loans to subsidiaries	206	206
Marketable securities	368	368
Government bonds	360	360
Others Securities	8	8
Equity investments in other companies	950	930
	1524	1504

At 31 March 2008, the Group owned the following equity investments in other companies:

	Balance as of 31/12/07	Increases	Forex differences Share of profit	Share of profit	Dividend income	Changes	Balance at 31/03/08
<i>d) Other companies</i>							
NOMISMA S.p.A. - Italy	7						7
Caaf Ind. Emilia Romagna - Italy	4						4
Crit S.r.l.	51						51
Consortium T3 Lab	8						8
Mandarin Capital Management SA	59	20					79
Alien technology	801						801
Total other equity investments	930	20	0	0	0	0	950

The amount of other equity investments consists mainly of the parent company's investment (an interest of less than 1%) in Alien Technology Corporation, a US company active in RFID (radio-frequency identification devices). This investment is valued at cost despite the fact that losses were recorded in recent years since company directors do not consider there are any requirements for the impairment of this investment as this company operates in a sector considered to be highly promising for the future.

The increase in the period is attributable to the commitment in the fund Mandarin Capital Management SA, a company in which a member of the Board of Directors holds an investment.

Available for sale financial assets are represented by the investment in Alien Technology Corporation, whose original investment amounts to USD 1 million, stated at cost converted at the historic exchange rate; the remaining investments are stated in Euro.

The maximum exposure to the credit risk at the financial statement reference date is the fair value of the securities classified as available for sale.

No financial assets have expired or sustained any impairment.

6. Derivative financial instruments

	31-Mar-08		31-Dec-07	
	Assets	Liabilities	Assets	Current liabilities
Interest rate swaps - (on loans in Euro)	70		171	
Interest rate swaps - (on loans in USD)		1,265		- 686
Futures contracts	-	-	-	-
Total	70	1,265	171	- 686

The interest rate swap contracts are connected with medium/long-term loans and have the same repayment plan as the underlying hedged asset. The fair value of these contracts is entered in a suitable Equity reserve as provided for by IAS 39 as these are instruments hedging future cash flows and as all the requirements laid down by the aforesaid principle for the application of hedge accounting are observed.

The fair value hedges have proved effective and therefore nothing is entered in the income statement.

(a) *Futures contracts*

The notional capital of the futures contracts existing at 31 March 2008 was USD 2.0 million (vs. USD 3.7 million in December 2007).

The planned and highly probable transactions stated in foreign currency that are hedged will be realized in the next twelve months. The profits and losses entered in the equity hedge reserve for futures contracts at 31 March 2008 are entered in the income statement in the year or years in which the planned transactions take place. This generally happens within twelve months of the financial statement reference date.

(b) Interest rate swaps

At 31 March 2008, the notional capital of the interest rate swaps was € 32 million and USD 33.25 million.

7. Trade and other receivables**Trade and other receivables - current**

	31/03/2008	31/12/2007	Change
Third party trade receivables	79,630	83,090	- 3,460
Minus doubtful debt provision	1,095	1,546	- 451
Net third party trade receivables	78,535	81,544	- 3,009
Receivables from associated companies	2,089	1,116	973
Idec Datalogic CO. Ltd	376	268	108
Laservall Asia	1,713	848	865
Receivables from the parent company	22	-	22
Hydra	22		22
Account receivables from related parties	4	21	- 17
Datasensor	4	21	- 17
Other receivables – accrued income and prepaid expenses	11,090	10,508	582
Total	91,736	93,168	- 1,432
Less: Non-current portion	398	377	21
Current portion	91,338	92,791	- 1,453

Trade receivables

Trade receivables due within 12 months at 31 March 2008 amounted to €75.535 million (net of the doubtful-debt provision at 31 March 2008 of €1.095 million, down from the €1.546 million at 31 December 2007), decreasing by 4% compared with the comparative data at 31 December 2006. The decrease in the write-down reserve is due to the zeroing out of a receivable written down in past years.

Associate receivables stem from commercial transactions executed at arm's length conditions.

Other receivables – accrued income and prepaid expenses

Details of the item “Other receivables – accrued income and prepaid expenses” are as follows:

	31/03/2008	31/12/2007	Change
Other short-term receivables	2,655	1,662	993
Other long-term receivables	398	345	53
VAT receivables	5,363	6,245	(882)
Accrued income and prepaid expenses	2,674	2,256	418
Total	11,090	10,508	582

The increase in "Other short-term receivables" is due for €503 thousand to a payment made by the parent company to the tax offices pursuant to an audit notice received in January 2008 and against which the company has filed an appeal.

The other categories of assets included in trade and other receivables have not sustained any reductions in value.

8. Inventories

	31/03/2008	31/12/2007	Change
Raw & ancillary materials and consumables	27,704	26,577	1,127
Work in progress and semi-finished products	7,601	5,791	1,810
Finished products and goods	20,756	18,790	1,966
Total	56,061	51,158	4,903

Inventories are shown net of an obsolescence provision which at 31 March 2008 amounts to €6.775 million (€8.127 million at 31 March 2007).

The movement is shown below:

€/000	2008	2007
Inventory write-down provision at 01/01	7,045	10,453
Foreign exchange difference	(295)	(47)
Provisions	951	854
Release for scrap and other utilizations	(926)	(3,133)
Inventory write-down provision at 31/03	6,775	8,127

9. Tax receivables

This item includes the amount receivable from the controlling company Hydra relating to the IRES [tax on operating income] credit on acceptance of the tax consolidation. At 31 March 2008, this credit amounts to €4.467 million (€4.076 million at 31 December 2007).

10. Cash & cash equivalents

For the purposes of the financial statement, the cash and cash equivalents are detailed below:

	31/03/2008	31/12/2007	variation
Cash and cash equivalents shown on financial statements	49,704	54,739	(5,035)
Restricted cash	(106)	(70)	(36)
Current account overdrafts	(4)	-	(4)
Cash and cash equivalents for statement	49,594	54,669	(5,075)

Based on the requirements of Consob Communication No. 15519 of 28 July 2006, the financial position relating to the Group is as follows:

Datalogic Group	31/03/2008	31/12/2007	31/03/2007
(Euro/000)			
A. Cash and banks	49,598	54,669	75,182
B. Other liquid assets	106	70	0
<i>b1. Restricted cash</i>	106	70	0
C. Securities held for trading	368	368	370
<i>c1. Current</i>		0	0
<i>c2. Non-current</i>	368	368	370
D. Cash & Cash equivalents (A) + (B) + (C)	50,072	55,107	75,552
E. Current financial receivables	206	206	206
F. Other current financial assets	70	171	0
<i>f1. Hedging transactions</i>	70	171	0
G. Bank overdrafts	4	0	128
H. Current portion of the non-current debt	23,863	26,006	29,805
I. Other current financial liabilities	1,265	686	0
<i>i1. Hedging transactions</i>	1,265	686	0
J. Current financial debt (G) + (H) + (I)	25,132	26,692	29,933
K. Current financial debt (J) - (D) - (E) - (F)	(25,216)	(28,792)	(45,825)
L. Non-current bank borrowing	91,292	87,845	97,443
M. Bonds issued		0	0
N. Other non-current liabilities	3,314	3,491	2,497
<i>n1. Financial liabilities vs BoD member</i>	3,314	3,491	2,497
O. Non-current financial debt (L) + (M) + (N)	94,606	91,336	99,940
P. Net financial debt (K) + (O)	69,390	62,544	54,115

INFORMATION ON THE BALANCE SHEET - EQUITY AND LIABILITIES

11. Equity

Details of equity are shown below; changes during the period are reported in a separate table.

(€'000)	31/03/2008	31/12/2007
Share capital	33,205	33,205
Additional paid-in capital	106,517	114,141
Demerger reserve	0	0
Treasury shares	(7,011)	(6,999)
Share capital	132,711	140,347
Cash-flow hedge reserve	(1,195)	(515)
Translation reserve	(25,047)	(18,721)
Reserve for financial liabilities	0	0
Other reserves	(26,242)	(19,236)
Retained earnings	52,365	34,288
Net income (loss) for the year	4,296	18,083
Retained earnings	56,661	52,371
Total Group net equity	163,130	173,482
Total minority interests in net equity	0	

a) Share capital

Changes in share capital at 31 March 2008 are reported below (in €/000):

	Number of shares	Share capital	Share premium reserve	Treasury shares	Demerger reserve	Treasury share reserve	Total
01-Jan-08	59,348,688	33,205	114,141	(25,788)	0	18,789	140,347
Capital increase for exercise of stock options	0	0	0				0
Purchase of treasury shares	(1,311,754)		(7,624)	(7,624)		7,624	(7,624)
Sale of treasury shares							0
Costs for the purchase of treasury shares							0
Capital increase expenses				(12)			(12)
31-Mar-08	58,036,934	33,205	106,517	(33,424)	0	26,413	132,711

The share premium reserve for €7.624 million was used to discharge the requirements set forth under Article 2357-ter of the Italian Civil Code.

On 20 February 2008, the General Meeting of Datalogic S.p.A. approved a decrease in share capital by voiding 5,409,981 treasury shares (equal to 8.472% of the share capital) held by the Company.

As from 27/05/2008, the transaction will lead to a decrease in the share capital of €2,813,190.12 and release of unavailable reserves for treasury shares for an amount of €33,403,391.87.

Ordinary shares

At 31 March 2007, the total number of ordinary shares amounted to 63,856,472 of which 5,819,538 are owned as treasury shares, on which account there were 58,036,934 shares in circulation at that date. The shares have a nominal value of €0.52 and are fully paid.

Treasury shares

In the first quarter of 2008, the Group acquired 1,311,754 treasury shares.

b) Other reserves

Translation reserve

The translation reserve is generated by the translation into Euro of foreign companies' financial statements. It is negative following the significant depreciation of the US dollar in relation to the Euro. This also explains the change during the period.

Cash-flow hedge reserve

The reserve includes the "fair value" of the derivatives used by the Group to hedge its exposure in currency or on rates net of the deferred tax effects, up to the time at which the underlying asset hedged is entered in the income statement. When this requirement is satisfied, the reserve is repaid to the income statement, to offset the effects generated by the economic entry of the transaction hedged.

c) Profits carried forward

Reserve for treasury stock held

This reserve was set up by the parent company as a result of the buy-back transactions by using profit reserves. As required by the Italian Civil Code, the reserve shows movements corresponding to the purchase and sale of treasury shares during the period.

IAS reserve

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

Retained earnings/ (losses carried forward)

This item includes the equity changes of consolidated companies taking place subsequent to their acquisition.

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

	31 March 2008		31 December 2007	
	Total net equity	Result for the period	Total net equity	Result for the period
Datalogic S.p.A. net equity and profit	164,687	720	171,704	7,840
Difference between consolidated companies' net equity and their carrying value in Datalogic S.p.A.'s statement and the effect of equity-based valuation	6,980	9,714	9,962	23,555
Reversal of dividends	0	(5,785)	0	(9,017)
Laservall acquisition	(4,856)	(324)	(4,532)	(1,295)
Amortization of new Datalogic AB consolidation difference	(239)		(239)	
Elimination of capital gain on sale of business branch	(2,199)	0	(2,199)	(1,980)
Effect of eliminating intercompany transactions	(2,575)	(170)	(2,405)	(560)
Others	(247)	28	(275)	117
Transfer of Know How	(2,392)	357	(2,749)	(2,749)
Minec goodwill impairment	(254)	(51)	(203)	(203)
Deferred income tax	4,225	(193)	4,418	2,375
Group portion of net equity	163,130	4,296	173,482	18,083
Minority interests	0	0	0	0
Total net equity	163,130	4,296	173,482	18,083

NON-CURRENT LIABILITIES**12. Short-/long-term financial payables**

	31/03/2008	31/12/2007
Non-current		
Bank financing and loans and other financiers	91,292	87,845
Financial liabilities	3,314	3,491
<i>of which to associated parties</i>	3,314	3,491
Total	94,606	91,336
Current taxation		
Bank overdrafts (ordinary current accounts)	4	
Bank financing	23,863	26,006
Total	23,867	26,006
Total financial payables	118,473	117,342

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

Bank financing

Bank financing is arranged with maturities up to 2014 and annual average interest of around 5.6%.

The guarantees provided by banks in favor of the group amount to €1.690 million. The parent company has also granted sureties of €73.66 million and letters of patronage of €1.581 million against the use of a credit line by associates.

The main changes with respect to 31 December 2007 are as follows:

Datalogic Automation S.r.l.: incurred a medium- to long-term loan on 24 January 2008 in the amount of €5 million.

Laservall S.p.A: incurred a medium- to long-term stand-by loan on 29 January 2008 in the amount of €5 million.

In relation to the loan of USD 70 million, incurred by Datalogic Scanning Holdings Inc, whose renegotiation ended in April 2008, the company was asked to comply every six months with a set of financial covenants represented by economic and financial parameters and constituted by:

- DCR – *Debit cover ratio*, an indicator of indebtedness calculated by the ratio between net indebtedness and EBITDA ;
- ICR – *Interest cover ratio*, an indicator of the effect of costs on interest payable, calculated by the ratio between EBITDA and interest payable;

- DSCR – *Debt service cover ratio*, an indicator of the effect of financial liabilities, calculated by the ratio between cash flow and total financial liabilities (total interest payable and total portion of principal repaid);
- Capex – *Capital expenditure*, value of investments.

Failure to observe these covenants would entitle the bank to revoke the loan or to renegotiate its terms and conditions. At 31 December 2007, all of these covenants were met.

Financial liabilities

The item “Financial liabilities” was constituted against the option to sell minority shares in Informatics held by a director of the Parent company, (in short, given the characteristics of the put option, the risks and benefits were considered transferred to the parent company and therefore, the transaction was accounted for as a minority acquisition, applying the criteria of the “parent company” according to the matters set forth by the Assirevi OPI 3) and inclusive of the interest accrued and foreign exchange adjustments.

13. Deferred income tax

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

The detail by company of deferred taxes (net balance between assets and liabilities) is as follows:

Deferred taxes, net	31/03/2008	31/12/2007	Change
Datalogic S.p.A	(1,646)	(1,780)	134
Datalogic Share Service	(9)	(9)	-
Informatics	(972)	(1,086)	114
Datalogic Automation S.R.L	(671)	(676)	5
Laservall S.p.A.	(18)	(15)	(3)
DL Automation INC	204	219	(15)
Datalogic Automation France	7	(13)	20
DL Automation Pty	229	288	(59)
DL AutomationUk	69	88	(19)
Datalogic Automation Iberia	5	-	5
Datalogic Automation GmbH	(133)	(148)	15
DL AB Nordic	(12)	(12)	-
Datalogic Automation BV	5	-	5
EMS	-	(15)	15
Datalogic Mobile S.r.l.	(755)	(829)	74
Datalogic Mobile Inc	(152)	-	(152)
Datalogic Mobile GmbH	94	-	94
DL Mobile Pty	48	-	48
DL Mobile Asia	-2	-2	-
Datalogic Scanning Group	(374)	(410)	36
Datalogic Scanning Slovakia	-	110	(110)
Datalogic Scanning Holding Inc	360	982	(622)
Datalogic Scanning Inc	281	-	281
Datalogic Scanning S.p.A	126	126	-
Datalogic Scanning PTY	31	32	(1)
Datalogic Scanning UK LTD	13	14	-1
Total long-term deferred tax liabilities	(3,272)	(3,136)	(136)
Deferred taxes recognized due to effect of consolidation adjustments	(43)	(102)	59
Total long-term deferred tax liabilities	(3,315)	(3,238)	(77)

14. Post-employment benefit obligations

€/000	2008	2007
1 January	6,565	7,624
Amount provisioned in period	359	378
Use	(286)	-463
Receivables from INPS for employee severance indemnity	(293)	
Foreign exchange difference		0
31 March	6,345	7,539

The use refers exclusively to disposals.

15. Provisions for risks and charges

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

	31/03/2008	31/12/2007	Change
Short-term provisions	6,987	4,894	2,093
Long-term provisions	5,206	5,924	(718)
Total provisions	12,193	10,818	1,375

Below we show the changes occurring in the item:

	31/12/2007	Increases	(Uses)	Forex differences	Other changes	31/03/2008
Product warranty provision	4,917	245	(369)	(205)	-	4,588
Provision for legal disputes	-	-	-	-	-	-
Restructuring provision	327	-	(185)	(13)	-	129
Provision for management incentive scheme	4,005	1,597	-	(52)	(66)	5,484
Other provisions	1,569	407	31	(81)	66	1,992
Total reserves for risks and charges	10,818	2,249	(523)	(351)	-	12,193

Product warranty provision represents estimated costs to incur for service work on products sold under a periodical warranty. It totals €4.588 and is deemed sufficient to meet the specific risk concerned. It is attributed to Scanning Group for €2.633 million, for €1.399 million to Mobile Group and for €556 thousand to Automation Group.

The management incentive plan reserve to LT is €4.541 million in the short term.

The heading "Other provisions" mainly consists of:

- €1.048 million for "stock rotation" risk provision relating to the Scanning, Mobile inc and Informatics Group,
- €268 thousand pertaining to the Scanning Group and apportioned for the adaptation to the "Directive 2002/95/EC on the restriction on the use of certain hazardous substances in electric and electronic equipment" incorporated in Italy by Legislative Decree No. 151 of 25 July 2005.
- €350 thousand for a provision against a tax dispute relating to parent company. This provision refers to a dispute in progress relating to the ten-year ILOR exemption set forth by D.P.R. 218/78 (Unified law on actions in Southern Italy), in relation to the former Datasud, for the year 1996. It is noted that, at the date of preparing this report, no updates had emerged in this respect.
- €210 thousand allocated to the manager's leaving incentive.

16. Trade payables and other payables

These are the details of trade and other payables:

	31/03/2008	31/12/2007	Change
Trade payables due within 12 months	45,343	45,392	(49)
Trade payables due after 12 months	-	-	-
Third party trade payables	45,343	45,392	- 49
Payables to associated companies	71	39	32
Idec Datalogic CO. Ltd	40	39	1
Laservall Asia	31	0	31
Payables to associates	433	492	- 59
Datasensor	433	492	-59
Other payables – accrued liabilities and deferred income	24,387	30,486	- 6,099
Total	70,234	76,409	- 6,175
Less: Non-current portion	23	76	- 53
Current portion	70,211	76,333	- 6,122

Trade payables

Related-party payables are due to Datasensor.

Other payables – accrued liabilities and deferred income

The detailed breakdown of this item is as follows:

	31/03/2008	31/12/2007	Change
Other amounts owed	11,254	19,250	(7,996)
Other long-term payables	23	76	(53)
VAT liabilities	4,885	3,430	1,455
Accruals and deferrals	8,225	7,730	495
Total	24,387	30,486	(6,099)

Details of other amounts owed are as follows:

Other current payables	31/03/2008	31/12/2007	Change
Payables to social security institutions	2,142	3,388	(1,246)
Payables to employees	8,540	13,351	(4,811)
Security deposits received	40	40	-
Directors' remuneration payable	105	1,683	(1,578)
Royalty costs yet to be paid	258	272	(14)
Other payables	169	516	(347)
Total	11,254	19,250	(7,996)

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

The decrease in the item "payables to employees" and "payables for director's compensation" is largely attributed to distribution of the management incentive plan.

INFORMATION ON THE INCOME STATEMENT

17. Revenue

	31/03/2008	31/03/2007	Change
Revenue from sale of products	92,103	100,561	(8,458)
Revenue from services	3,914	3,504	410
Total revenue	96,017	104,065	(8,048)

Revenue earned from services decreased by 7.73% year on year.

For greater detail, see the section “Revenue trends and key factors affecting operations” in the Management Report.

Below is the geographical breakdown of revenue in percentage terms:

	31/03/2008	31/03/2007	Change
Revenue - Italy	11%	11%	0%
Elsewhere - EU	46%	42%	4%
Elsewhere - non-EU	43%	47%	-4%

18. Cost of goods sold and operating costs

The table below shows the non-recurring costs and amortizations resulting from acquisitions, given that, following the application of the IFRSs, extraordinary items are no longer shown separately, but are included with operating items.

	31/03/2008	31/03/2007	Change
TOTAL COST OF GOODS SOLD (1)	52,208	58,065	(5,857)
<i>of which non-recurring</i>	-	14	(14)
TOTAL OPERATING COSTS (2)	36,496	38,098	(1,602)
R&D expenses	6,081	7,011	(930)
<i>of which non-recurring</i>	-	4	(4)
Distribution expenses	19,181	20,242	(1,061)
<i>of which non-recurring</i>		380	(380)
General & administrative expenses	10,664	9,293	1,371
<i>of which non-recurring</i>		936	(936)
<i>of which amortization pertaining to acquisitions</i>	962	1,054	(92)
Other operating costs	570	1,552	(982)
<i>of which non-recurring</i>		179	(179)
TOTAL (1+2)	88,704	96,163	(7,459)
<i>of which non-recurring</i>	-	1,513	(1,513)
<i>of which amortization pertaining to acquisitions</i>	962	1,054	(92)

Depreciation & amortization pertaining to acquisitions (amounting to €962 thousand), included in the item "General & administrative expenses" are comprised as follows:

1. €324 thousand pertaining to Laservall,
2. €134 thousand pertaining to Informatics,
3. €416 thousand pertaining to Datalogic Scanning INC PSC Group,
4. €88 thousand pertaining to Datalogic Mobile INC

Note that at 31 March 2008, operating costs include €652 thousand in leaving incentives which have not been classified under the item "non-current costs and revenue" since these are not related to extraordinary restructuring and reorganization operations.

Total cost of goods sold (1)

This item decreased 10% versus the same period of 2007, thus, to a degree more than proportional to the increase in revenues.

Total operating costs (2)

Operating costs, net of the non-current items and amortization relating to acquisitions, have decreased slightly from €35.545 million to €35.534 million, especially due to the revaluation of the Euro against the US dollar.

Research and development expenses, which represent a major company investment, fell from €7.011 million to €6.081 million at 31 March 2008.

Distribution expenses totalled €19.181 million, posting a decrease of €1.061 million against the same period of 2007. This decrease is attributable mainly to the exchange rate; exchange rates being equal, these expenses would be in line with the same period a year earlier.

“General and administrative expenses” amounted to €10.664 million. This item shows an increase of €1.371 million in relation to the same period of 2007 (€2.399 million, net of extraordinary items). This increase pertains largely to:

- classification of the long-term managerial incentive plan in this item (€1.578 million) which at 31 March 2007 had been classified under "Other operating costs"
- costs incurred, in the first three months of 2008, for a legal suit relating to a patent (€370 thousand)
- early retirement incentives of €358 thousand.

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

	31/03/2008	31/03/2007	Change
Capital losses on assets	2	24	(22)
Incidental costs and cancellation of income items	10	9	1
Tax amnesty	-	-	-
Previous years' taxes	-	-	-
Provisions for doubtful accounts	38	52	(14)
Other provisions	-	1,061	(1,061)
Non-income taxes	124	186	(62)
Cost charge backs	382	182	200
Other	14	38	(24)
TOTAL OTHER OPERATING COSTS	570	1,552	(982)

The allocation made to the risk reserve at 31 March 2007 was related to the long-term managerial incentive plan. As mentioned, in 2008 this item had been classified with operating costs (administrative and general costs, distribution expenses and expenses for research and development).

Breakdown of costs by nature

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

	31/03/2008	31/03/2007	Change
Payroll and employee benefit costs	26,355	26,387	(32)
Depreciation and amortization and Impairment	3,869	4,117	(248)
Inventory change	(7,442)	(915)	(6,527)
Purchases	44,700	46,606	(1,906)
Outsourced processing	2,162	1,130	1,032
Repairs	1,119	1,281	(162)
Marketing	1,655	1,746	(91)
Directors' fees	1,565	833	732
Travel & accommodation	1,376	1,319	57
Technical, legal, and tax advisory services	1,784	2,470	(686)
Goods receipt & shipment	3,252	2,837	415
Meetings	92	316	(224)
Other costs	8,217	8,036	181
Total (1+2)	88,704	96,163	-7,459

Marketing expenses amounted to €1.655 million. The main items were as follows: €622 thousand for advertising and sponsorship expenses, €422 thousand for a share of the marketing expenses incurred by commercial partners and €452 thousand for trade-fair expenses.

Expenses related to directors' fees at 31 March 2008 include the long-term incentive plan in favor of the Datalogic S.p.A. management for €1.022 million. Last year, these expenses were classified with other operating costs under the item "Provision to the risk reserve".

Technical, legal and tax advisory services amounted to €1.784 million. The change versus last year, not including extraordinary costs (€796 thousand) would be positive for €110 thousand, explained by the expenses incurred for the legal suit for a patent, amounting to €370 thousand.

Outsourced processing expenses of €2.162 million reported an increase of €1.032 million compared with the same period of 2006. The increase is due mainly to a product whose realization was handled by outsourced suppliers subsequent to 31 March 2007.

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

	31/03/2008	31/03/2007	Change
Wages and salaries	19,371	20,773	(1,402)
Social security charges	3,970	4,188	(218)
Staff leaving indemnities	359	378	(19)
Pensions and similar obligations	236	170	66
Managerial incentive plan	748	0	748
Other costs	1,671	878	793
Total	26,355	26,387	(32)

The decrease in the item "wages and salaries" is due mainly to the effects of the exchange rate.

The €652 thousand increase in the item "other costs" pertains to leaving incentives that have not been classified with "non-recurring costs and revenues" as these are not related to extraordinary operations.

19. Other operating revenue

The detailed breakdown of this item is as follows:

	31/03/2008	31/03/2007	Change
Miscellaneous income and revenue	261	274	(13)
Rents	73	56	17
Charge-back of miscellaneous costs	-	288	(288)
Royalties	-	-	-
Capital gains on asset disposals	3	18	(15)
Incidental income and cost cancellation	21	124	(103)
Other	41	2	39
TOTAL OTHER REVENUES	399	762	(363)

20. Net financial income (expense)

	31/03/2008	31/03/2007	Change
Interest expenses on bank current accounts/loans	1,557	1,452	105
Foreign-exchange losses	4,084	1,580	2,504
Bank charges	137	82	55
Other	-	-	-
TOTAL FINANCIAL EXPENSES	5,778	3,114	2,664
Interest income on bank current accounts/loans	447	562	(115)
Foreign-exchange gains	4,126	1,381	2,745
Other	24	-	24
TOTAL FINANCIAL INCOME	4,597	1,943	2,654
NET FINANCIAL INCOME (EXPENSES)	(1,181)	(1,171)	(10)

Total financial expense

The item "Interest expenses on bank current accounts/loans", totalling €1.557 million, pertains mainly to the Scanning Group (€996 thousand) and the parent company (€639 thousand).

The item "Foreign-exchange losses" equal to €4.084 million refers mainly to the Scanning Group (€2.85 million, of which Datalogic Scanning Slovakia for €1.948 million), the parent company (€674 thousand), the Automation Group (€244 thousand) and the Mobile Group (€301 thousand).

Total financial income

Interest income on bank current accounts/loans, in the amount of €447 thousand, is mainly attributable to the Scanning Group (€315 thousand) and to the direct parent company (€225 thousand).

The item "Foreign-exchange gains" amounts to €4.126 million and is due mainly to the Scanning Group (€3.093 million, of which Datalogic Scanning Slovakia for €1.768 million), the parent company (€424 thousand), the Mobile Group (€464 thousand, of which Mobile Srl for €402 thousand).

21. Income taxes

	31/03/2008	31/03/2007
Income taxes	2,776	3,787
Deferred income tax	(415)	(582)
	2,361	3,205

The average tax rate applied is 35.46% (42.35% at 31 March 2007).

22. Earnings/loss per share

Basic earnings/loss per share

Base earnings per share at 31 March 2008 were calculated based on a net group profit of €4.296 million (€4.316 million in net profit at 31 March 2007) divided by the weighted average number of ordinary shares at 31 March 2008 equal to 58,675,165 (62,568,519 at 31 March 2007).

	31/03/2008	31/03/2007
Group profit/(loss) for period	4,296,000	4,316,000
Average number of shares at 31 March	58,675,165	62,568,519
Base earnings/loss per share	0.0732	0.0690

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

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

€/000	31 March 2008									
RELATED PARTIES	Idec DI Co. Ltd.	Hydra	Datasensor	MSP Imm	Fondo Mandarin *	John O'Brien	Studio Associato Caruso *	Tamburi Investment Partners S.p.A.	Laservall Asia	TOTAL
Equity investments					79					79
DL S.p.A.					79					79
Trade accounts receivable	376	22	4	0	0	0	0	0	1,713	2,115
DL S.p.A.		22								22
DI Automation S.r.l.	376									376
DI MOBILE S.r.l.			4							4
Laservall									1,713	1,713
Receivables pursuant to tax consolidation	0	4,467	0	0	0	0	0	0	0	4,467
DL S.p.A.		3,135								3,135
DI Automation S.r.l.		1,332								1,332
Laservall										0
Liabilities pursuant to tax consolidation	0	3,969	0	0	0	0	0	0	0	3,969
DI Mobile S.r.l.		2,984								2,984
Laservall		949								949
DL S.p.A.										0
DI Scanning Group S.r.l.		36								36
Trade accounts payable	40	0	433	0	0	0	49	0	31	553
DL S.p.A.	10						43			53
DI Automation S.r.l.	30		433							463
DI MOBILE S.r.l.							3			3
Laservall							3		31	34
Financial payables	0	0	0	0	0	3,314	0	0	0	3,314
DL S.p.A.						3,314				3,314
Sales costs / services	0	0	443	4	0	0	49	10	0	506
DL S.p.A.				4			43	10		57
DI Automation S.r.l.			442							442
DI Mobile S.r.l.			1				3			4
Laservall							3			3
Sales revenue	371	20	2	0	0	0	0	0	1,934	2,327
DL S.p.A.		20								20
DI Automation S.r.l.	371									371
DI Mobile S.r.l.			2							2
Laservall									1,934	1,934

Transactions with Datalogic Group companies

Idec Datalogic Co. Ltd, a Japanese company in which DL Automation S.r.l. holds an equity investment of 50%, buys products and components from Datalogic for resale in the Far East.

At 31 March 2008, DL Automation S.r.l. sold products and components valued at €371 thousand to Idec and holds trade receivables of €376 thousand in its respect. These transactions were executed at conditions comparable to those of other affiliates.

Laservall S.p.A. holds commercial receivables equal to €1.713 million with Laservall Asia and sold to Laservall Asia products and services and components for €1.934 million.

Transactions with companies controlled by shareholders

Transactions with Datasensor S.p.A., a subsidiary controlled by the reference shareholders of the parent company, refer mainly to purchase of components from DL Automation S.r.l. (€442 thousand); DL Automation S.r.l. also holds commercial payables toward Datasensor S.p.A. equal to €433 thousand.

DL Automation S.r.l. has tax consolidation receivables equal to €1.332 million with Hydra.

DL Mobile S.r.l. holds payables to Hydra arising from tax consolidation for €2.984 million.

Laversall S.p.A. holds payables to Hydra arising from tax consolidation for €949 thousand.

The relationships of the Parent Company with the ultimate parent company (Hydra S.p.A.) mainly refer to the receivable from tax consolidation for €3.135 million and for rents (€22 thousand).

The companies have joined the tax consolidation as consolidated companies (Hydra S.p.A. is the consolidating company).

Transactions with companies controlled by members of the Board of Directors

Based on the requirements of IAS 32.23, the Group discloses that the item “financial liabilities” includes €3.314 million relating to a PUT option signed by the Director John O’Brien with the parent company (Call option).

The parent company has a €79 thousand interest in Fondo Mandarin Capital Management SA (a company controlled by a member of the Board of Directors).

Transactions with Studio Associato Caruso (headed by the director Pier Paolo Caruso) mainly concern consultancy. DL S.p.A. has costs for services amounting to €43 thousand and payables of the same amount.

DL MOBILE S.r.l. reports costs for services toward Studio Associato Caruso for €3 thousand and payables of the same amount.

Laservall S.p.A. reports costs for services toward Studio Associato Caruso for €3 thousand and payables for the same amount.

Transactions with Tamburi Investment Partners S.p.A. (headed by the Director Giovanni Tamburi) concern consultancy. DL S.p.A. reports costs for services for €10 thousand.

NUMBER OF EMPLOYEES

	31/03/2008
Automation Group	455
Mobile Group	396
Shared Services S.r.l.	
DL S.p.A.	18
Scanning Group	888
Informatics	106
	1,863

At 31 March 2007, the number of employees totalled 1,734. Since the reorganization began on 2 April 2007, it is not possible to split this data in a non-uniform way at 2008.

Chairman of the Board of Directors

Signed by Romano Volta

DECLARATION ART. 154 BIS, PARAGRAPH 2, D.LGS. N. 58/1998

Subject: Quarterly Report at 31st March 2008

The undersigned Dott. Marco Rondelli, manager in control of drawing up of social documents of the company Datalogic S.p.A.

attests

in accordance with what reported in the second paragraph of art. 154 bis, part IV, title III, head II, section V-bis, of Legislative Decree 24 February 1998, n. 58 that, basis on his own acquaintance, the Quarterly Report at 31 March 2008 corresponds to the outcomes, books and accounts.

Datalogic S.p.A.



(Marco Rondelli)

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DATALOGIC S.p.A.**CONSOLIDATED BALANCE SHEET**

	31-03-07 Euro/000	Riclassifiche Euro/000	31-03-07 Euro/000
ASSETS			
A) NON-CURRENT ASSETS (1+2+3+4+5+6+7+8)	224.061	0	224.061
1) Tangible non-current assets	50.945	0	50.945
Land	6.637		6.637
Buildings	19.178		19.178
Plant & machinery	7.835		7.835
Other tangible assets	16.181		16.181
Assets in progress and payments on account	1.114		1.114
2) Investment property	0	0	0
3) Intangible non-current assets	150.828	0	150.828
Goodwill	89.283		89.283
Development costs	2.814		2.814
Other intangible assets	58.731		58.731
4) Equity interests in associate companies	1.222		1.222
5) Available-for-sale financial assets (non-current)	1.241	0	1.241
Equity investments	871		871
Treasury stock			
Securities	370		370
6) Trade and other receivables	534		534
7) Deferred tax credits	19.179		19.179
8) Tax credits	112	0	112
B) CURRENT ASSETS (8+9+10+11+12+13+14+15)	225.777	0	225.777
9) Inventories	52.815	0	52.815
Raw & auxiliary materials plus consumables	32.314		32.314
Work in progress and semiprocessed goods	6.552		6.552
Finished products and goods for resale	13.949		13.949
10) Job-order work in progress	0	0	0
11) Trade and other receivables	91.618	-1.268	90.350
Trade receivables	87.096	-3.702	83.394
Within 12 months	81.373		81.373
After 12 months			0
Amounts receivable from associates	2.021		2.021
Amounts receivable from subsidiaries			0
Amounts receivable from parent company	3.702	-3.702	0
Amounts receivable from related parties			0
Other receivables - Accrued income/prepaid expenses		6.956	6.956
Other receivables	1.514	-1.514	0
Accrued income/prepaid expenses	3.008	-3.008	0
12) Tax credits	5.956	1.268	7.224
of which from parent company		3.702	3.702
13) Available-for-sale financial assets (current)	206	0	206
Securities	0		0
Loans to subsidiaries	206		206
14) Hedging instruments			
15) Cash & cash equivalents	75.182		75.182
TOTAL ASSETS (A+B)	449.838	0	449.838

DATALOGIC S.p.A.**CONSOLIDATED BALANCE SHEET**

LIABILITIES	31-03-07 Euro/000	Riclassifiche Euro/000	31-03-07 Euro/000
A) TOTAL NET EQUITY (1+2+3+4+5)	197.693	0	197.693
1) Share capital	166.596	0	166.596
2) Reserves	-11.822	0	-11.822
3) Retained earnings/(losses carried forward)	38.081	0	38.081
4) Profit/(loss) for period	4.316		4.316
5) Minority interests	522		522
B) NON-CURRENT LIABILITIES (6+7+8+9+10+11)	140.914	0	140.914
6) Borrowing	99.940		99.940
7) Tax payables			0
8) Deferred tax liabilities	25.666		25.666
9) Employee severance indemnity and retirement provision	7.539		7.539
10) Long-term provisions for risks and expenses	6.918		6.918
11) Other non-current liabilities	851		851
C) CURRENT LIABILITIES (12+13+14+15+16)	111.231	0	111.231
12) Trade and other payables	68.213	2.950	71.163
Trade payables	48.431	-11	48.420
Within 12 months	48.226		48.226
After 12 months			0
Amounts payable to associates			0
Amounts payable to parent company	11	-11	0
Amounts payable to related parties	194		194
Other current payables - accrued liabilities and deferred income		22.743	22.743
Accrued liabilities and deferred income	7.119	-7.119	0
Other current payables	12.663	-12.663	0
13) Taxes payable	9.877	-2.950	6.927
of which from parent company		11	11
14) Short-term provisions for risks and expenses	3.208		3.208
15) Hedging instruments			0
16) Short-term borrowing	29.933		29.933
TOTAL LIABILITIES (A+B+C)	449.838	0	449.838

ANNEX 3 - Reclassified Consolidated Profit & Loss at 31/03/2007

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

	31-03-07 Euro/000	Riclassifiche Euro/000	31-03-07 Euro/000
1) TOTAL REVENUES	104.065	0	104.065
Revenues from sale of products	100.561		100.561
Revenues from services	3.504		3.504
2) Cost of goods sold <i>of which non-recurring (*)</i>	58.065 14		58.065 14
GROSS PROFIT (1-2)	46.000	0	46.000
3) Other operating revenues <i>of which non-recurring (*)</i>	966 288	-204	762 288
4) R&D expenses <i>of which non-recurring (*)</i>	7.011 4		7.011 4
5) Distribution expenses <i>of which non-recurring (*)</i>	20.242 380		20.242 380
6) General & administrative expenses <i>of which non-recurring (*)</i> <i>of which amort. pertaining to acquisitions (*)</i>	9.293 936 1.054		9.293 936 1.054
7) Other operating expenses <i>of which non-recurring (*)</i>	1.756 179	-204	1.552 179
Total operating costs (4+5+6+7)	38.302	-204	38.098
OPERATING PROFIT	8.664	0	8.664
8) Financial income	-1.171		-1.171
9) Share of associate companies' profits	74		74
PRE-TAX PROFIT/(LOSS)	7.567	0	7.567
Taxes	3.205		3.205
NET PROFIT FOR PERIOD	4.362	0	4.362
Minority interests' share of net profit	46		46
GROUP NET PROFIT	4.316	0	4.316
Earning per share (Euro)	0,0690		0,0690
Diluted earning per share (Euro)	0,0688		0,0688

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

	Note	31-12-07 Euro/000	Riclassifiche Euro/000	31-12-07 Euro/000
1) TOTAL REVENUES	17	404.027		404.027
Revenues from sale of products		389.561		389.561
Revenues from services		14.466		14.466
2) Cost of goods sold	18	224.349		224.349
<i>of which non-recurring (*)</i>	18	51		51
GROSS PROFIT (1-2)		179.678		179.678
3) Other operating revenues	19	3.121	-456	2.665
<i>of which non-recurring (*)</i>	19	388		388
4) R&D expenses	18	25.004		25.004
<i>of which non-recurring (*)</i>	18	12		12
5) Distribution expenses	18	78.570		78.570
<i>of which non-recurring (*)</i>	18	1.067		1.067
6) General & administrative expenses	18	41.744		41.744
<i>of which non-recurring (*)</i>	18	911		911
<i>of which amort. pertaining to acquisitions (*)</i>	18	4.087		4.087
7) Other operating expenses	18	6.397	-456	5.941
<i>of which non-recurring (*)</i>	18	969		969
Total operating costs (4+5+6+7)		151.715	-456	151.259
OPERATING PROFIT		31.084		31.084
8) Financial income	20	-4.861		-4.861
9) Share of associate companies' profits	3	396		396
PRE-TAX PROFIT/(LOSS)		26.619		26.619
Taxes	21	8.536		8.536
NET PROFIT FOR PERIOD		18.083		18.083
Minority interests' share of net profit		0		0
GROUP NET PROFIT		18.083	0	18.083
Earning per share (Euro)	22	0,2938		0,2938
Diluted earning per share (Euro)	22	0,2938		0,2938