



Consolidated financial statements

30th June 2007

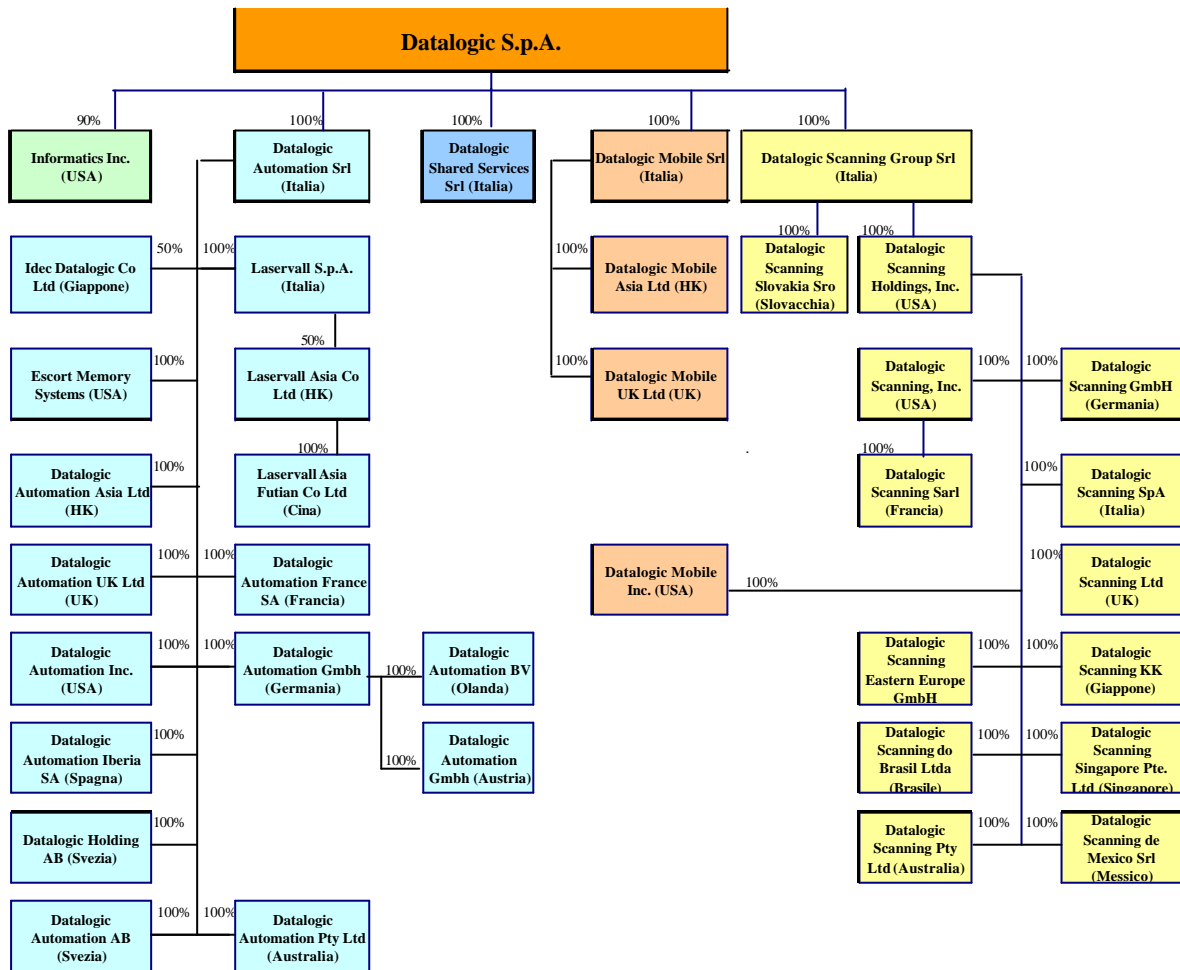


DATALOGIC GROUP

Consolidated financial statements and report for the first half of 2007

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GROUP STRUCTURE



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 2008

DATALOGIC GROUP - NOTES ON THE CONSOLIDATED HALF-YEAR REPORT AT 30 JUNE 2007

MANAGEMENT REPORT

To Our Shareholders,

The report for the period ending 30 June 2007, which we herewith submit to you for review, has been prepared in compliance with the instructions accompanying the Regulations issued by Borsa Italiana S.p.A..

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

OPERATING AND FINANCIAL RESULTS

The following table summarizes the Datalogic Group's key operating and financial highlights in 1H07 (i.e. up to 30 June 2007), in comparison with 1H06:

Datalogic Group	30/06/07	30/06/06	YoY Change	Ch %
(€000)				
Total revenues	198,962	188,939	10,023	5.3%
EBITDA	25,816	15,866	9,950	62.7%
% of total revenues	13.0%	8.4%		
Group net profit/loss	7,908	-2,070	9,978	n.a.
% of total revenue	4.0%	-1.1%		
Net financial position (NFP)	-71,820	-63,023	-8,797	n.a.

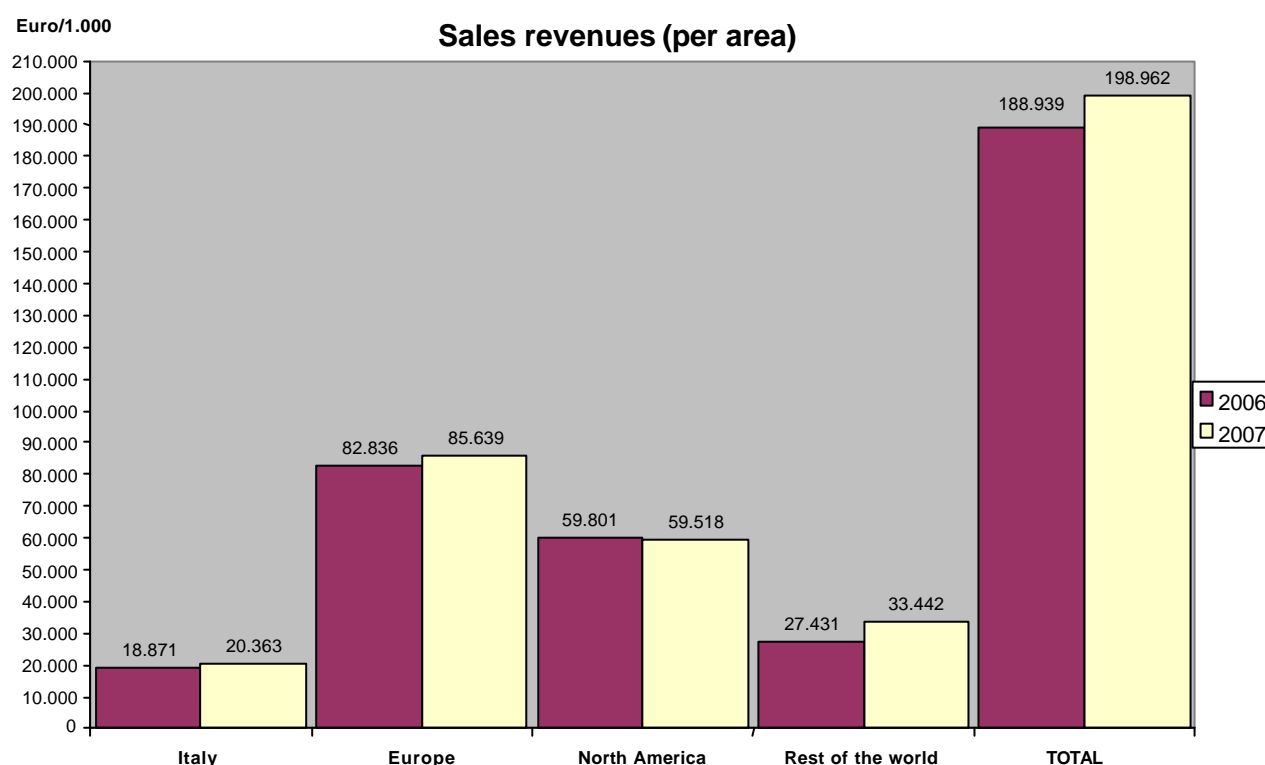
(*) **EBITDA** is a performance indicator not defined under IFRS. However, Datalogic's management uses it to monitor and assess the company's operating performance as it is not influenced by the volatility due to the various valuation criteria used to determine taxable income, by the total amount and 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.**

As up to 30 June 2007 the **Datalogic Group** recorded revenues of **€198.962 million (vs. €188.939 million in the first half of 2006)**, detailed as follows:

- €191.887 million of revenue from the sale of products;
- €7.075 million of revenue from services.

These revenues increased by 5.3% over the same period of the previous year.

Below is the breakdown of sales by geographical area:



All geographical areas have contributed to the increases in sales. Particularly significant is the rise in the “Rest of the world”, made up principally of Asia, which accounted for approximately 17% of revenue for the Datalogic Group and represents one of the most dynamic markets on the world landscape.

Sales in North America, whose volumes were essentially unchanged on a year earlier, were affected by the increased value of the euro with respect to the United State currency (+8% growth in revenue in the local currency).

Group EBITDA was €25.816 million, accounting for 13% of total revenues. This translates to an increase of €9.950 million compared to the same period a year earlier (up 62.7% with respect to the €15.866 million at 30 June 2006).

Group net income at 30 June 2007 was equal to €7.908 million.

The results earned in the second quarter confirm a significant recovery with respect to the same period in 2006, despite the unfavourable performance in foreign currencies. In particular, the Group reported a remarkable increase in profitability in the first half of 2007 which - expressed in terms of EBITDA - increased by approximately five percentage points year-on-year on the first half of 2006.

EVENTS CHARACTERIZING THE HALF-YEAR

On 2 April 2007, the company began work on an important reorganization project involving the creation of three divisions as follows:

- Datalogic Scanning, headquartered in USA, is comprised of two business units: Hand-Held Readers and Stationary Readers - Retail. This results in the consolidation of the two hand-held reader product lines of the Group, which will be harmonized into a cohesive offering. The current line of stationary readers for retail applications will continue as a core offering.
- Datalogic Automation, headquartered in Italy, is comprised of three business units: Unattended Scanning Systems - Industrial, Marking and RFID. This allows Datalogic to leverage its infrastructure for three businesses which share a common market and customer focus.
- Datalogic Mobile, with registered office in Italy, includes a business unit - Mobile Computers - leading to consolidation of the two product lines of Mobile Computers of the Group into a single offer. The three strategic operating divisions are coupled with a Business Development Unit that will continue to be responsible for the organic development of new business platforms in the Group and assessment of merger and acquisition opportunities.

The parent company, Datalogic S.p.A., has maintained its headquarters in Bologna and holds the responsibility of defining the long-term vision, strategy, values and policies and guaranteeing the coordination and control activities for the Group and its companies.

The company Datalogic Share Service, headquartered in Italy, was also created in order to provide administration, human resources, and IT services primarily to Datalogic Automation and Datalogic Mobile.

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)	30/06/07		30/06/06		Ch.	Ch. %
Total revenues	198,962	100.0%	188,939	100.0%	10,023	5.3%
Cost of sales	(109,465)	-55.0%	(105,506)	-55.8%	(3,959)	-3.8%
Gross profit	89,497	45.0%	83,433	44.2%	6,064	7.3%
Other revenues	1,628	0.8%	1,018	0.5%	610	59.9%
Research and development expenses	(13,959)	-7.0%	(13,867)	-7.3%	(92)	0.7%
Distribution expenses	(39,109)	-19.7%	(43,888)	-23.2%	4,779	-10.9%
General & administrative expenses	(14,386)	-7.2%	(14,710)	-7.8%	324	-2.2%
Other operating costs	(3,909)	-2.0%	(2,190)	-1.2%	(1,719)	78.5%
EBITANR	19,762	9.9%	9,796	5.2%	9,966	101.7%
Non-recurring costs and revenues	(1,829)	-0.9%	(5,195)	-2.7%	3,366	-64.8%
Depreciation & amortization due to acquisitions	(2,086)	-1.0%	(2,198)	-1.2%	112	-5.1%
EBIT	15,847	8.0%	2,403	1.3%	13,444	559.5%
Net financial income (expenses)	(2,129)	-1.1%	(2,601)	-1.4%	472	n.a.
Subsidiaries' earnings/(losses)	184	0.1%	(232)	-0.1%	416	n.a.
Foreign exchange earnings/(losses)	(102)	-0.1%	(1,068)	-0.6%	966	n.a.
Pre-tax profit/(loss)	13,800	6.9%	(1,498)	-0.8%	15,298	n.a.
Taxes	(5,793)	-2.9%	(487)	-0.3%	(5,306)	1089.5%
Net profit/(loss) for period	8,007	4.0%	(1,985)	-1.1%	9,992	-503.4%
Minority interests' share of net profit	(99)	0.0%	(85)	0.0%	(14)	16.5%
GROUP NET PROFIT/LOSS	7,908	4.0%	(2,070)	-1.1%	9,978	-482.0%
Depreciation of tangible assets	(3,946)	-2.0%	(4,243)	-2.2%	297	-7.0%
Amortization of intangible assets	(2,108)	-1.1%	(1,827)	-1.0%	(281)	15.4%
EBITDA	25,816	13.0%	15,866	8.4%	9,950	62.7%

In order to assure better representation of the Group's ordinary profitability, we have preferred – in all tables in this section concerning information on operating performance – to show an operating result before the impact of non-recurring costs/income and of depreciation and amortization due to acquisitions, which we have called EBITANR (Earnings before interests, taxes, acquisition and not recurring). To permit comparability with detailed official accounting statements, we have in any case included a further intermediate profit margin (called "Operating result") that includes non-recurring costs/income and depreciation and amortization due to acquisitions and matches figures reported in year-end financial statements.

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

As at 30 June 2007, non-recurring costs (€1.829 million) consisted of the following items:

ITEM	AMOUNT	DESCRIPTION
	(€'000)	
2) Cost of goods sold	(52)	Transformation plan
Total	(52)	
4) R&D expenses	(12)	Transformation plan
Total	(12)	
5) Distribution expenses	(414)	Transformation plan
5) Distribution expenses	(74)	Leaving incentives
Total	(488)	
6) General & administrative expenses	(1,275)	Transformation plan
6) General & administrative expenses	(111)	Recharging expenses incurred for legal action
Total	(1,386)	
7) Other operating expenses	(2)	Transformation plan
7) Other operating expenses	(177)	Recharging expenses incurred for legal action
Total	(179)	
TOTAL NON-RECURRING COSTS	(2,117)	
3) Other operating revenues	288	Recharging expenses incurred for legal action
Total	288	
TOTAL NON-RECURRING REVENUES	288	
NON-RECURRING COSTS AND REVENUES	(1,829)	

Costs relating to the Transformation Plan (that amounted to €1.755 million) were incurred for the study, start-up, and completion of the important reorganization of the Datalogic Group, operating since April, which has led to the setting up of three operating divisions: Datalogic Scanning Inc, Datalogic Automation S.r.l. and Datalogic Mobile S.r.l. These are chiefly represented by consulting (for €1.152 million), travel (€196 thousand) and meetings (for €177 thousand).

Depreciation & amortization due to acquisitions (€2.086 million), included under "General & administrative expenses", is made up as follows:

1. €647 thousand pertaining to Laservall;
2. €301 thousand pertaining to Informatics;
3. €1.138 million pertaining to the PSC Group.

EBITANR came to €15.847 million, for a margin on sales of 8%, up 559.5% over the same period of the previous year.

The next two tables compare key operating results achieved in the second quarter of 2007 (2Q07) compared with, respectively, 2Q06 and the first quarter of 2007 (1Q07).

	2nd quarter 2007		2nd quarter 2006		Ch.	Ch. %
TOTAL REVENUES	94,897	100.0%	93,691	100.0%	1,206	1.3%
EBITDA	11,810	12.4%	7,880	8.4%	3,930	49.9%
EBITANR	8,819	9.3%	4,763	5.1%	4,056	85.2%
OPERATING RESULT (EBIT)	7,183	7.6%	3,848	4.1%	3,335	86.7%

	2nd quarter 2007		1st quarter 2007		Ch.	Ch. %
TOTAL REVENUES	94,897	100.0%	104,065	100.0%	-9,168	-8.8%
EBITDA	11,810	12.4%	14,006	13.5%	-2,196	-15.7%
EBITANR	8,819	9.3%	10,943	10.5%	-2,124	-19.4%
OPERATING RESULT (EBIT)	7,183	7.6%	8,664	8.3%	-1,481	-17.1%

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 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 components 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 allocable costs and those reasonably allocable.

Business segments

In April of last year, the Group concluded a restructuring project that, among other things, led to a revision of the Datalogic business segments. Calculated for the purposes of disclosure, the business segments at 31 March of this year are 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 (unattended scanning systems) for the industrial market, MC (mobile computers), and checkout scanners for the retail market.

Business Development: this division includes the business areas with the highest potential of development as part of the traditional Datalogic offer (radio frequency readers or RFID and self-scanning solutions) or which represent adjacent areas to the traditional Group areas and constituted by products for industrial marking and product distribution by automatic identification. These two latter business segments are handled by the subsidiaries, Laservall S.p.A. and Informatics Inc.

As of April, following the conclusion of the Group reorganization plan described in the note "Events characterizing the half-year" in the Management Report, the business segments are as follows:

Mobile – includes the Mobile Computer (MC) product lines

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

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

Business Development – includes the remaining product lines, which take in self-scanning and product distribution for automatic identification.

These company segments correspond to the new operating divisions of the Group. Following the significant impact resulting from reorganization, it was not possible to credibly reclassify the final figures relating to the first quarter 2007 and the preceding period, based on the new business segments.

As a result, the segment information was divided up as follows:

- financial data of the new business segments Mobile, Automation, Scanning and Business Development is provided only for the second quarter of the current year;
- supplementing this information are figures for the entire first half of 2007, reclassified based on the previous structure (Data Capture and Business Development) and compared with the results achieved in the first half of 2006 (which are homogeneous), in order to ensure the principle of comparability.

The earnings of the primary segment, reviewed based on the new company structure for the second quarter 2007, are as follows:

	MOBILE	AUTOMATION	BUSINESS DEVELOPMENT	SCANNING	NON-RECURRING COSTS AND REVENUES	Adjustments	CONSOLIDATED TOTAL
(€'000)	2Q	2Q	2Q	2Q	2Q	2Q	2Q
External sales	20,973	17,036	11,330	45,523	35		94,897
Intersegment sales	5	21	-	1,352	137	(1,515)	-
Total sales	20,978	17,057	11,330	46,875	172	(1,515)	94,897
Cost of goods sold	10,916	7,754	5,119	27,394	156		51,339
Intersegment cost of goods sold	1,510		1,587	225	23	(3,345)	-
Gross profit	8,552	9,303	4,624	19,256	(7)	1,830	43,558
% of revenues	40.8%	54.5%	40.8%	41.1%	-4.1%	-120.8%	45.9%
Other attributable revenues	258	199	6	405	13		881
Other intersegment revenues	1,650	168		-	392	(2,210)	-
Allocable operating costs:	8,005	8,870	3,254	14,396	1,798	(659)	35,620
% of revenues	38.2%	52.0%	28.7%	30.7%	1045.3%	43.5%	37.5%
R&D expenses	1,165	1,672	188	3,625	301	-	6,951
Distribution expenses	4,606	4,530	2,350	7,744	31		19,261
Intersegment distribution expenses		(85)		14	66	5	-
G&A expenses	1,247	2,325	366	2,841	312		7,091
Intersegment G&A expenses	868	124	-	-	(65)	(927)	-
Other operating costs	119	254	350	485	1,109		2,317
Other intersegment operating costs		50		(313)		263	-
SEGMENT RESULT	2,455	800	1,376	5,265	(1,356)	279	8,819
% of revenues	11.7%	4.7%	12.1%	11.2%	-814.0%	-18.4%	9.3%
Allocable non-recurring costs/revenues	(30)	2,073		(64)	(290)	(2,292)	(603)
Amortization due to acquisitions	(73)	(323)	(148)	(489)			(1,033)
SECTOR OPERATING INCOME (LOSS)	2,352	2,550	1,228	4,712	(1,646)	(2,013)	7,183
% of revenues	11.21%	14.95%	10.84%	10.05%	-982.56%	132.87%	7.57%
Net financial income (expenses)							(1,060)
Share of associates' profit							110
Income taxes							(2,588)
NET PROFIT/LOSS							3,645
% of revenues							3.84%
Minority interests' share of net profit/loss							(53)
GROUP NET PROFIT/LOSS							3,592
% of revenues							3.79%

The earnings of the primary segment, reported based on the old company structure and compared with the results at 30 June 2006, are as follows:

	Data Capture		Business Development		Adjustments		Consolidated Total	
(€'000)	30/06/07	30/06/06	30/06/07	30/06/06	30/06/07	30/06/06	30/06/07	30/06/06
External sales	158,326	151,794	40,636	37,145			198,962	188,939
Intersegment sales	69	485			(69)	(485)	-	-
Total sales	158,395	152,279	40,636	37,145	(69)	(485)	198,962	188,939
Cost of goods sold	89,644	88,494	19,821	17,012			109,465	105,506
Intersegment cost of goods sold			1,650	485	(1,650)	(485)	-	-
Gross profit	68,751	63,785	19,165	19,648	1,581	-	89,497	83,433
% of revenues	43.4%	41.9%	47.2%	52.9%	-2291.3%	0.0%	45.0%	44.2%
Other attributable revenues	1,495	829	133	189			1,628	1,018
Other intersegment revenues	1,762	192			(1,762)	(192)	-	-
Allocable operating costs:	54,663	58,237	12,162	12,454	(181)	(192)	66,644	70,499
% of revenues	34.5%	38.2%	29.9%	33.5%	262.3%	39.6%	33.5%	37.3%
R&D expenses	11,902	11,741	2,057	2,126			13,959	13,867
Distribution expenses	32,401	37,102	6,820	6,924	(112)	(189)	39,109	43,837
Allocable G&A expenses	8,400	8,022	2,817	3,186	(69)	(3)	11,148	11,205
Other allocable operating costs	1,960	1,372	468	218			2,428	1,590
SEGMENT RESULT	17,345	6,569	7,136	7,383	-	-	24,481	13,952
% of revenues	11.0%	4.3%	17.6%	19.9%	0.0%	0.0%	12.3%	7.4%
Unallocable G&A expenses	-						3,238	3,556
Other unallocable operating costs							1,481	600
EBITANR	17,345	6,569	7,136	7,383	-	-	19,762	9,796
% of revenues	10.95%	4.31%	17.56%	19.88%	0.00%	0.00%	9.93%	5.18%
Allocable non-recurring costs/revenues	(1,829)	(5,195)					(1,829)	(5,195)
Amortization due to acquisitions	(1,138)	(1,226)	(948)	(972)			(2,086)	(2,198)
OPERATING RESULT (EBIT)	14,378	148	6,188	6,411	-	-	15,847	2,403
% of revenues	9.08%	0.10%	15.23%	17.26%	0.00%	0.00%	7.96%	1.27%
Net financial income (expenses)							(2,231)	(3,669)
Share of associates' profit							184	(232)
Income taxes							(5,793)	(487)
NET PROFIT/LOSS							8,007	(1,985)
% of revenues							4.02%	-1.05%
Minority interests' share of net profit/loss							99	85
GROUP NET PROFIT/LOSS							7,908	(2,070)
% of revenues							3.97%	-1.10%

The total cost of goods sold decreased from 55.8% of sales in the same period of 2006 to 55%. The decrease reported is the result of a percentage loss of the cost of sales for the Data Capture division (from 58.11% of sales to 56.6%) and an increase in the cost of sales for the Business Development division (which increased from 47.1% to 52.8%).

Gross profit increased from €83.433 million (at 30 June 2006) to €89.497 million at 30 June 2007, marking an increase of 7.3%.

At 30 June 2007, operating costs allocated to the divisions amount to €66.644 million (posting a 5.5% decrease with respect to €70.499 million reported in the same period in 2006), of which €54.663 million incurred by the Data Capture division (6.1% less than 2006) and €12.162 million relating to the Business Development division (reporting a decrease of 2.3% against the €12.454 million recorded in 2006), gross of "interdivision" operating costs (minus €181 thousand).

In greater detail, the Data Capture division featured:

- a 1.4% increase in research and development costs, which totalled €11.902 million at 30 June 2007, equal to 7.5% of total sales for the division;
- a decrease of 12.6% in distribution expenses, equal to €32.401 million at 30 June 2007, with respect to €37.102 million reported in the same period of 2006. Partially contributing to this decrease was the parent company (at 30 June 2006, €532 thousand in expenses were incurred for the company convention that were not incurred in 2007) and partly to Datalogic Scanning INC (royalties expenses decreased by €2.629 million and personnel costs decreased due to implementation of the restructuring and development plan carried out in 2006);
- a 4.7% increase in allocable G&A costs, which amounted to €8.400 million in first half 2007 vs. €8.022 million reported in first half 2006.

Other allocable operating costs (of €1.960 million) were up by 42.8% compared to 2006. Of this increase, €748 thousand is attributable to the Datalogic Scanning group due to the provision for a long-term management incentives plan, which was not included in 2006.

The other unallocable operating costs are comprised of a €1.481 million provision made by the parent company for a long-term management incentive plan due to mature in 2008.

The Business Development division featured:

- a slight increase in research and development costs, which totalled €2.057 million at 30 June 2007, equal to 5.1% of total sales for the division;
- a decrease in distribution expenses, which came to €6.820 million at 30 June 2007 compared to the €6.924 million reported in the same period of 2006;
- a 11.6% decrease in allocable G&A costs, which amounted to €2.817 million for the period, as compared with the €3.186 million recorded for the same period of the previous year;

Sector results (without accounting for general expenses and other non-allocable operating costs) for the Data Capture division amounted to €17.345 million, posting a significant increase with respect to the €6.569 million reported in 2006.

The Business Development division's segment result totalled €7.136 million, which is essentially in line with the €7.383 million recorded in 2006.

The segment result does not include €3.238 million in G&A costs or €1.481 million for other operating costs, neither of which are allocable.

BALANCE SHEET BY BUSINESS SEGMENT

The balance sheet for the businesses is as follows (the table is shown according to the old structure for the purposes of comparison with comparable figures at 31 December 2006):

	Data Capture		Business Development		Adjustments		Consolidated Total	
(€'000)	30/06/07	31/12/06	30/06/07	31/12/06	30/06/07	31/12/06	30/06/07	31/12/06
Segment assets	295,324	288,167	57,804	54,416	(267)	(327)	352,861	342,256
Interests in subsidiaries booked at equity	710	683	544	427			1,254	1,110
Unallocable assets							88,634	62,894
Total assets	296,034	288,850	58,348	54,843	(267)	(327)	442,749	406,260
Segment liabilities	73,048	76,554	11,093	12,018	(270)	(320)	83,871	88,252
Unallocable liabilities							173,318	131,398
Equity							185,560	186,610
Total liabilities	73,048	76,554	11,093	12,018	(270)	(320)	442,749	406,260
Allocable D&A (net of D&A due to acquisitions)	5,200	10,451	516	1,129			5,716	11,580
Unallocable D&A	-	-					338	623

ANALYSIS OF FINANCIAL AND CAPITAL DATA

At 30 June 2007, the net financial position was a negative €71.820 million, as follows:

Datalogic Group	30/06/07	31/12/06	30/06/06
(€000)			
A. Cash and bank deposits	60,014	30,139	16,442
B. Other liquidity	0	2,811	9,439
<i>b1. Restricted cash (*)</i>	0	2,811	9,439
C. Securities held for trading	366	370	1,876
<i>c1. Current</i>	0	0	4
<i>c2. Non-current</i>	366	370	1,872
D. Cash & Cash equivalents (A) + (B) + (C)	60,380	33,320	27,757
E. Current financial receivables	206	206	206
F. Current bank overdrafts			
G. Current portion of non-current debt	37,702	9,856	58,795
H. Other current financial liabilities	0	0	0
<i>h1. Hedging instruments</i>	0	0	0
I. Current financial debt (F) + (G) + (H)	37,702	9,856	58,795
J. Current financial debt, net (I) - (E) - (D)	(22,884)	(23,670)	30,832
K. Non-current bank borrowing	92,205	79,539	29,689
L. Bonds issued		0	
M. Other non-current liabilities	2,499	2,488	2,502
<i>m1. Financial liabilities vs BoD member</i>	2,499	2,488	2,502
N. Non-current financial debt (K) + (L) + (M)	94,704	82,027	32,191
O. Net financial debt (J) + (N)	71,820	58,357	63,023

The net financial position at 30 June 2007 is negative for €71.820 million and worsened with respect to 31 December 2006 (decreasing by an additional €58.357 million) pursuant to the Group:

- purchasing treasury shares for €12.832 million and sold treasury shares for €8.916 million (treasury shares held in the portfolio, valued at €12.199 million, are not included in the net financial position, which amounted to €4.123 million at 30 June 2006 and €8.283 million at 31 December 2006);
- repaying the residual payable to the seller of PSC Holding for the acquisition of the PSC Group in the amount of €2.494 million;
- paying out dividends totalling €3.805 million.

In addition, tangible and intangible assets acquired in the year, net of disposals and the effect of the exchange rate, amounted to €5.590 million.

Finally, working capital at 30 June 2007 amounted to €81.984 million and reported an increase of €17.104 million with respect to 31 December 2006 (€64.880 million).

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

	30 June 2007	
	Total net equity	Net profit (loss) for the period
Datalogic S.p.A. net equity and profit	182,698	5,989
Difference between consolidated companies' net equity and their carrying value in Datalogic S.p.A.'s statement; effect of equity -based valuation	8,296	13,056
Reversal of dividends	0	(9,017)
Laservall acquisition	(3,884)	(647)
Amortization of new Datalogic AB consolidation difference	(239)	
Elimination of capital gain on sale of business branch	(2,207)	(1,988)
Effect of eliminating intercompany transactions	(2,740)	(895)
Elimination of intercompany profits	78	139
Effect of posting leasing transactions	(69)	(5)
Deferred taxes	3,253	1,210
Elimination of Minec brand	(201)	66
Group portion of net equity	184,985	7,908
Minority interests in net equity	575	99
Total net equity	185,560	8,007

FINANCIAL INCOME AND EXPENSES

Net financial expenses totalled €2.231 million. The drivers of this result were as follows:

(€000)	30/06/07
Financial income/expenses	(1,957)
Net foreign exchange losses	(102)
Bank charges	(189)
Other	17
Total net financial expenses	(2,231)

In addition, we note that earnings of €184 thousand made by companies consolidated at equity were also reported.

BUSINESS FORECAST FOR CURRENT YEAR AND SUBSEQUENT EVENTS

In light of the positive results posted during the first half and expectations for the second half of the year, the company forecasts that its operating results will be substantially higher than for 2006 and in line with business plans.

SECONDARY LOCATIONS

As of April, due to the aforementioned reorganization, the parent company no longer has secondary locations.

DATALOGIC S.p.A.
CONSOLIDATED BALANCE SHEET

	Note	30-06-07 Euro/000	31-12-06 Euro/000
ASSETS			
A) NON-CURRENT ASSETS (1+2+3+4+5+6+7+8)		220.781	227.624
1) Tangible non-current assets		50.832	50.380
Land	1	6.640	6.660
Buildings	1	19.239	18.238
Other tangible assets	1	23.740	23.672
Assets in progress and payments on account	1	1.213	1.810
2) Investment property		0	0
3) Intangible non-current assets		147.359	153.652
Goodwill	2	88.209	89.907
Development costs	2	2.571	3.010
Other intangible assets	2	56.579	60.735
4) Equity interests in associate companies	3	1.254	1.110
5) Available-for-sale financial assets (non-current)		1.279	1.241
Equity investments	4	913	871
Treasury stock			
Securities	8	366	370
6) Trade and other receivables		518	503
7) Deferred tax credits	11	19.539	20.738
8) Tax credits		0	0
B) CURRENT ASSETS (8+9+10+11+12+13+14+15)		221.968	176.078
9) Inventories	5	57.633	52.005
Raw & auxiliary materials plus consumables	5	32.013	30.936
Work in progress and semiprocessed goods	5	6.719	6.116
Finished products and goods for resale	5	18.901	14.953
10) Job-order work in progress		0	0
11) Trade and other receivables	6	96.519	83.724
Trade receivables	6	87.470	77.723
Within 12 months		84.928	75.998
After 12 months			
Amounts receivable from associates		2.519	1.725
Amounts receivable from subsidiaries			0
Amounts receivable from parent company		21	0
Amounts receivable from related parties		2	
Other receivables - Accrued income/prepaid expenses	6	9.049	6.001
12) Tax credits	7	7.596	7.193
from associates		4.361	3.810
13) Available-for-sale financial assets (current)	8	206	206
Securities		0	0
Loans to subsidiaries		206	206
14) Hedging instruments			
15) Cash & cash equivalents	8	60.014	32.950
TOTAL ASSETS (A+B)		442.749	403.702

DATALOGIC S.p.A.
CONSOLIDATED BALANCE SHEET

LIABILITIES	Note	30-06-07 Euro/000	31-12-06 Euro/000
A) TOTAL NET EQUITY (1+2+3+4+5)	9	185.560	186.610
1) Share capital		153.105	159.098
2) Reserves		-13.137	-11.057
3) Retained earnings/(losses carried forward)		37.109	33.968
4) Profit/(loss) for period		7.908	4.125
5) Minority interests		575	476
B) NON-CURRENT LIABILITIES (6+7+8+9+10+11)		137.796	122.630
6) Borrowing	10	94.704	82.027
from related parties		2.499	2.488
7) Tax payables		2	0
8) Deferred tax liabilities	11	25.147	26.468
9) Employee severance indemnity and retirement provision	12	7.751	7.624
10) Long-term provisions for risks and expenses	13	10.114	6.433
11) Other non-current liabilities		78	78
C) CURRENT LIABILITIES (12+13+14+15)		119.393	94.462
12) Trade and other payables	14	72.237	74.146
Trade payables	14	47.278	49.204
Within 12 months		47.014	48.760
After 12 months			
Amounts payable to associates			21
Amounts payable to parent company			0
Amounts payable to related parties		264	423
Accrued liabilities and deferred income			
Other current payables	14	24.959	24.942
13) Taxes payable		7.527	6.390
from subsidiaries		2.589	11
14) Short-term provisions for risks and expenses	13	1.927	4.070
15) Hedging instruments			
16) Short-term borrowing	10	37.702	9.856
TOTAL LIABILITIES (A+B+C)		442.749	403.702

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

	Note	30-06-07 Euro/000	30-06-06 Euro/000
1) TOTAL REVENUES	15	198.962	188.939
Revenues from sale of products		191.887	181.961
Revenues from services		7.075	6.978
2) Cost of goods sold	16	109.517	106.598
<i>of which non-recurring (*)</i>	16	52	1.092
GROSS PROFIT (1-2)		89.445	82.341
3) Other operating revenues	17	1.916	1.018
<i>of which non-recurring (*)</i>	17	288	
4) R&D expenses	16	13.971	14.035
<i>of which non-recurring (*)</i>	16	12	168
5) Distribution expenses	16	39.597	45.163
<i>of which non-recurring (*)</i>	16	488	1.275
6) General & administrative expenses	16	17.858	19.568
<i>of which non-recurring (*)</i>	16	1.386	2.660
<i>of which amort. pertaining to acquisitions (*)</i>	16	2.086	2.198
7) Other operating expenses	16	4.088	2.190
<i>of which non-recurring (*)</i>	16	179	
		75.514	80.956
Total operating costs (4+5+6+7)			
OPERATING PROFIT		15.847	2.403
8) Financial income	18	-2.231	-3.669
9) Share of associate companies' profits	3	184	-232
PRE-TAX PROFIT/(LOSS)		13.800	-1.498
Taxes	19	5.793	487
NET PROFIT FOR PERIOD		8.007	-1.985
Minority interests' share of net profit		99	85
GROUP NET PROFIT		7.908	-2.070
Earning per share (Euro)	20	0,1261	0,0339
Diluted earning per share (Euro)	20	0,1259	0,0338

(*) see the management report for the details of non- recurring costs and amort. pertaining to acquisitions

DATALOGIC S.p.A.**CONSOLIDATED CASH FLOW STATEMENT**

	30-06-07	31-12-06
	Euro/000	Euro/000
Pre-tax profit	13.800	9.033
Depreciation & amortisation	8.141	16.548
Employee severance indemnity provision	818	1.506
Employee severance indemnities paid out	-691	-776
Bad debt provisions	5	792
Net financial costs/revenues included foreign exchange	2.231	6.789
Write-down of financial assets	-184	-448
Cash flow from operating before change in working capital	24.120	33.444
Trade receivables	-9.752	1.402
Inventories	-5.628	-493
Other current assets	-3.049	-380
Other medium-/long-term assets	-15	298
Trade payables	-1.926	4.562
Other current liabilities	18	-13.030
Other medium-/long-term liabilities	0	-1.165
Provisions for risks and expenses	1.538	1.584
Trade foreign exchange	-71	-466
Net change in operating assets and liabilities	5.235	25.756
Taxes	-5.179	-31.640
Interests and bank expenses	-2.129	-5.661
Operating cash flow (A)	-2.073	-11.545
(Increase)/decrease in intangible non-current assets net of exchange rate	-951	17.351
(Increase)/decrease in tangible non-current assets net of exchange rate	-4.639	-9.369
Unconsolidated equity investments	-2	139
Investment cash flow (B)	-5.592	8.121
Financing activity		
LT/ST financial receivables	1.147	12.794
LT/ST financial payables and derivatives	40.523	-69.749
Financial exchange rate	-31	-662
Hedging instruments		
Reserves	-1.962	-1.901
Capital increase with issue of new shares		76.596
Dividend distribution	-3.805	-3.489
Finance cash flow (C)	35.872	13.589
Change in net financial position (A+B+C)	28.207	10.165
Short term net financial position at beginning of period	30.139	19.974
Short-term net financial position at end of period	58.346	30.139

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
		Translation reserve	Financial liabilities reserve	Total Other reserves	Retained earnings	Merger surplus	Capital grant reserve	Legal reserve	Treasury share reserve	IFRS reserve	Total			
01.01.2006	90.556	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	76.957			-							-		76.957	
Translation reserve		-7.274		-7.274							-		-7.274	5
Increase in IFRS reserve				-						-237	-237		-237	
Sale of treasury shares	-4.030			-	-4.123				4.123		-		-4.030	
Fair value adjustment				-83							-		-83	
Capital increase charges	-512			-							-		-512	
Extraordinary dividend				-							-		-	
Other changes			-2.502	-2.502	150	-702	702				150		-2.352	335
Net profit as at 30.06.06				-							-	-2.070	-2.070	85
30.06.2006	162.971	-5.726	-2.502	-8.228	14.280	3.730	958	1.870	4.123	8.806	33.767	-2.070	186.436	425

Description	Share capital	Other reserves			Net profit for previous years							Net profit for period	Net equity	Minority Equity
		Translation reserve	Financial liabilities reserve	Total Other reserves	Retained earnings	Merger surplus	Capital grant reserve	Legal reserve	Treasury share reserve	IFRS reserve	Total			
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	221			-							-		221	
Translation reserve		-2.080		-2.080							-		-2.080	
Increase in IFRS reserve				-						62	62		62	
Sale of treasury shares	-6.214			-	2.573	-3.730			3.916		2.759		-3.455	
Fair value adjustment				-							-		-	
Capital increase charges				-							-		-	
Extraordinary dividend				-							-		-	
Other changes				-							-		-	
Net profit as at 30.06.06				-							-	7.908	7.908	99
30.06.2007	153.105	-10.635	-2.502	-13.137	13.204	-	958	1.870	12.199	8.878	37.109	7.908	184.985	575

FOREWORD

Datalogic Group S.p.A. (hereinafter "Datalogic", the "parent company" or the "company") is an Italian corporation. The consolidated half-year report at 30 June 2007 comprises Datalogic S.p.A. and its subsidiaries (hereinafter defined as "the Group") and the relevant share of associates' profits.

The Group is involved in the production and sale of hand-held readers, fixed readers for the industrial market, portable computers, and fixed readers for the retail market.

The Group also produces radio-frequency identification devices or RFID, self-scanning solutions and industrial marking products and product distribution by 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 consolidated half-year report was drafted by the Board of Directors on 10 August 2007.

ACCOUNTING STANDARDS AND POLICIES

(a) Accounting standards

The interim consolidated half-year report at 30 June 2007 in the abridged form (the "Half-Year Report") was drafted in compliance with IAS 34 "*Interim Reports*" supplying the abridged explanatory notes as required by the aforesaid international accounting standards, integrated to provide more information or where deemed necessary. This Half-Year Report should be read together with the consolidated accounting schedules and the respective explanatory notes, presented at 31 December 2006.

(b) Preparation criteria

The accounting policies adopted in this Half-Year Report comply with the policies applied in the consolidated report ended 31 December 2006, to use as reference. However, readers are reminded that, in the later months of 2006 and the first six months of 2007, the process of elaborating and homologating the International Accounting Standards resulted in the revision of some documents and/or the introduction of new documents that will take effect subsequent to closing the 30 June 2007 accounts which, despite having already entered into force, are not mandatory for drafting this Half-Year Report.

The table below shows the new documents or the amendments to existing documents issued in the later months of 2006 and in the first six months of the 2007 financial year and the impact these had on drafting the half-year report in compliance with the instructions of IAS 8:

Document	Title	Description	Date of entry into force	Date expected for application by the company
IFRS 7	Financial Instruments: Disclosures	This new accounting standard replaces IAS 30 - Disclosures in the Financial Statements of Banks and Similar Financial Institutions and disclosures required by IAS 32, which will therefore be renamed Financial Instruments: Disclosure and Presentation Introduces supplementary and more complete information relating to financial instruments	01 January 2007	01 January 2007
Change to IAS 1	Supplementary information relating to the capital structure	Introduces supplementary and more complete information relating to the capital structure	01 January 2007	01 January 2007
IFRIC 7	Applying the Restatement Approach in accordance with IAS 29 Financial Reporting in Hyperinflationary Economies	IFRIC 7 provides guidelines as to how to apply the requirements of IAS 29.	01 March 2006	Not applicable
IFRIC 8	Scope of IFRS 2	The IFRIC 8 supplies clarification and guidelines regarding the scope of application of IFRS 2	01 May 2006	Not applicable
IFRIC 9	Reassessment of Embedded Derivatives	The IFRIC 9 requires an entity to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when the entity first becomes a party to the contract. Subsequent reassessment is prohibited unless there is a change in the terms of the contract.	01 June 2006	Not applicable
IFRIC 10	Interim Financial Reporting and Impairment	IFRIC 10 prohibits impairment losses recognised in an interim period on goodwill, investments in equity instruments and investments in financial assets carried at cost to be reversed at a subsequent balance sheet date	01 November 2006	01 January 2007
IFRIC 13	Customer loyalty programmes	IFRIC 13 forbids recognition of provision for liabilities against a customer loyalty programme. Only in	01 July 2008	Not applicable

		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.		
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.	01 January 2008	01 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 components 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 of last year, the Group concluded a restructuring project that, among other things, led to a revision of the Datalogic business sectors. Calculated for the purposes of disclosure, the business segments at 31 March of this year 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 (unattended scanning systems) for the industrial market, MC (mobile computers), and checkout scanners for the retail market.

Business Development: this division includes the business areas with the highest potential of development as part of the traditional Datalogic offer (radio-frequency identification devices or RFID and self-scanning solutions) or which represent adjacent areas compared to the traditional Group areas and constituted by products for industrial marking and product distribution by automatic identification. These two latter business segments are handled by the subsidiaries, Laservall S.p.A. and Informatics Inc.

As of April, following the conclusion of the Group reorganization plan described in the note "Events characterizing the half-year" in the Management Report, the sectors of activity are as follows:

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

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

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

Business Development – includes the remaining product lines, which include self-scanning and product distribution for automatic identification.

These company segments correspond to the Group's new operating divisions. Following the significant impact resulting from reorganization, it was not possible to credibly reclassify the final figures relating to the first quarter 2007 and the preceding period, based on the new business segments.

As a result, the sector information with respect to the segment by business sector was divided up as follows:

- financial data of the new business segments Mobile, Automation, Scanning and Business Development is provided only for the second quarter of the current year;
- supplementing this information are figures for the entire first half of 2007, reclassified based on the previous structure (Data Capture and Business Development) and compared with the results achieved in the first half of 2006 (which are homogeneous), in order to ensure the principle of comparability.

The earnings of the primary sector, reviewed based on the new company structure for the second quarter 2007 are as follows:

	MOBILE	AUTOMATION	Business Development	SCANNING	NON-RECURRING COSTS AND REVENUES	Adjustments	Consolidated Total
(€'000)	2Q	2Q	2Q	2Q	2Q	2Q	2Q
External sales	20,973	17,036	11,330	45,523	35		94,897
Intersegment sales	5	21	-	1,352	137	(1,515)	-
Total sales	20,978	17,057	11,330	46,875	172	(1,515)	94,897
Cost of goods sold	10,916	7,754	5,119	27,394	156		51,339
Intersegment cost of goods sold	1,510		1,587	225	23	(3,345)	-
Gross profit	8,552	9,303	4,624	19,256	(7)	1,830	43,558
% of revenues	40.8%	54.5%	40.8%	41.1%	-4.1%	-120.8%	45.9%
Other attributable revenues	258	199	6	405	13		881
Other intersegment revenues	1,650	168		-	392	(2,210)	-
Allocable operating costs:	8,005	8,870	3,254	(14,396)	1,798	(659)	35,620
% of revenues	38.2%	52.0%	28.7%	30.7%	1045.3%	43.5%	37.5%
R&D expenses	1,165	1,672	188	3,625	301		6,951
Distribution expenses	4,606	4,530	2,350	7,744	31		19,261
Infra-sector distribution expenses		(85)		14	66	5	-
G&A expenses	1,247	2,325	366	2,841	312		7,091
Infra-sector G&A expenses	868	124	-	-	(65)	(927)	-
Other operating costs	119	254	350	485	1,109		2,317
Other infra-sector operating costs		50		(313)		263	-
SEGMENT RESULT	2,455	800	1,376	5,265	(1,356)	279	8,819
% of revenues	11.7%	4.7%	12.1%	11.2%	-814.0%	-18.4%	9.3%
Allocable non-recurring costs/revenues	(30)	2,073		(64)	(290)	(2,292)	(603)
Amortization due to acquisitions	(73)	(323)	(148)	(489)			(1,033)
SECTOR OPERATING INCOME (LOSS)	2,352	2,550	1,228	4,712	(1,646)	(2,013)	7,183
% of revenues	11.21%	14.95%	10.84%	10.05%	-982.56%	132.87%	7.57%
Net financial income (expenses)							(1,060)
Share of associates' profit	-						110
Income taxes							(2,588)
NET PROFIT/LOSS							3,645
% of revenues							3.84%
Minority interests' share of net profit/loss							(53)
GROUP NET PROFIT/LOSS							3,592
% of revenues							3.79%

Primary segment results as up to 30/06/07, compared with those as up to 30/06/06 were as follows:

	Data Capture		Business Development		Adjustments		Consolidated Total	
(€'000)	30/06/07	30/06/06	30/06/07	30/06/06	30/06/07	30/06/06	30/06/07	30/06/06
External sales	158,326	151,794	40,636	37,145			198,962	188,939
Intersegment sales	69	485			(69)	(485)	-	-
Total sales	158,395	152,279	40,636	37,145	(69)	(485)	198,962	188,939
Cost of goods sold	89,644	88,494	19,821	17,012			109,465	105,506
Intersegment cost of goods sold			1,650	485	(1,650)	(485)	-	-
Gross profit	68,751	63,785	19,165	19,648	1,581	-	89,497	83,433
% of revenues	43.4%	41.9%	-47.2%	52.9%	-2291.3%	0.0%	45.0%	44.2%
Other attributable revenues	1,495	829	133	189			1,628	1,018
Other intersegment revenues	1,762	192		-	(1,762)	(192)	-	-
Allocable operating costs:	54,663	58,237	12,162	12,454	(181)	(192)	66,644	70,499
% of revenues	34.5%	38.2%	29.9%	33.5%	262.3%	39.6%	33.5%	37.3%
R&D expenses	11,902	11,741	2,057	2,126			13,959	13,867
Distribution expenses	32,401	37,102	6,820	6,924	(112)	(189)	39,109	43,837
Allocable G&A expenses	8,400	8,022	2,817	3,186	(69)	(3)	11,148	11,205
Other allocable operating costs	1,960	1,372	468	218			2,428	1,590
SEGMENT RESULT	17,345	6,569	7,136	7,383	-	-	24,481	13,952
% of revenues	11.0%	4.3%	17.6%	19.9%	0.0%	0.0%	12.3%	7.4%
Unallocable G&A expenses	-						3,238	3,556
Other unallocable operating costs							1,481	600
EBITANR	17,345	6,569	7,136	7,383	-	-	19,762	9,796
% of revenues	10.95%	4.31%	17.56%	19.88%	0.00%	0.00%	9.93%	5.18%
Allocable non-recurring costs/revenues	(1,829)	(5,195)					(1,829)	(5,195)
Amortization due to acquisitions	(1,138)	(1,226)	(948)	(972)			(2,086)	(2,198)
OPERATING RESULT (EBIT)	14,378	148	6,188	6,411	-	-	15,847	2,403
% of revenues	9.08%	0.10%	15.23%	17.26%	0.00%	0.00%	7.96%	1.27%
Net financial income (expenses)							(2,231)	(3,669)
Share of associates' profit							184	(232)
Income taxes							(5,793)	(487)
NET PROFIT/LOSS							8,007	(1,985)
% of revenues							4.02%	-1.05%
Minority interests' share of net profit/loss							99	85
GROUP NET PROFIT/LOSS							7,908	(2,070)
% of revenues							3.97%	-1.10%

The balance sheet for the businesses is as follows (the table is shown according to the old structure for the purposes of comparison with comparable figures at 31 December 2006):

	Data Capture		Business Development		Adjustments		Consolidated Total	
(€'000)	30/06/07	31/12/06	30/06/07	31/12/06	30/06/07	31/12/06	30/06/07	31/12/06
Segment assets	295,324	288,167	57,804	54,416	(267)	(327)	352,861	342,256
Interests in subsidiaries booked at equity	710	683	544	427			1,254	1,110
Unallocable assets							88,634	62,894
Total assets	296,034	288,850	58,348	54,843	(267)	(327)	442,749	406,260
Segment liabilities	73,048	76,554	11,093	12,018	(270)	(320)	83,871	88,252
Unallocable liabilities							173,318	131,398
Equity							185,560	186,610
Total liabilities	73,048	76,554	11,093	12,018	(270)	(320)	442,749	406,260
Allocable D&A (net of D&A due to acquisitions)	5,200	10,451	516	1,129			5,716	11,580
Unallocable D&A	-	-					338	623

GROUP STRUCTURE

The Company and the Group kept the same structure present at 31 December 2006 until 2 April 2007, the date when a multi-part company restructuring plan was put into effect and the following new companies were formed:

- Datalogic Automation S.r.l.
- Datalogic Mobile S.r.l.
- Datalogic Scanning Group S.r.l.

These companies are 100% subsidiaries of Datalogic S.p.A. and are operating sub-holdings that have been placed at the head of the three divisions which the Group has decided to form, identifiable in the following areas of business:

Mobile – includes the Mobile Computer (MC) product lines

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

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

In addition to these divisions, there is also the **Business Development** division, which includes the remaining product lines, i.e. self-scanning and product distribution by automatic identification.

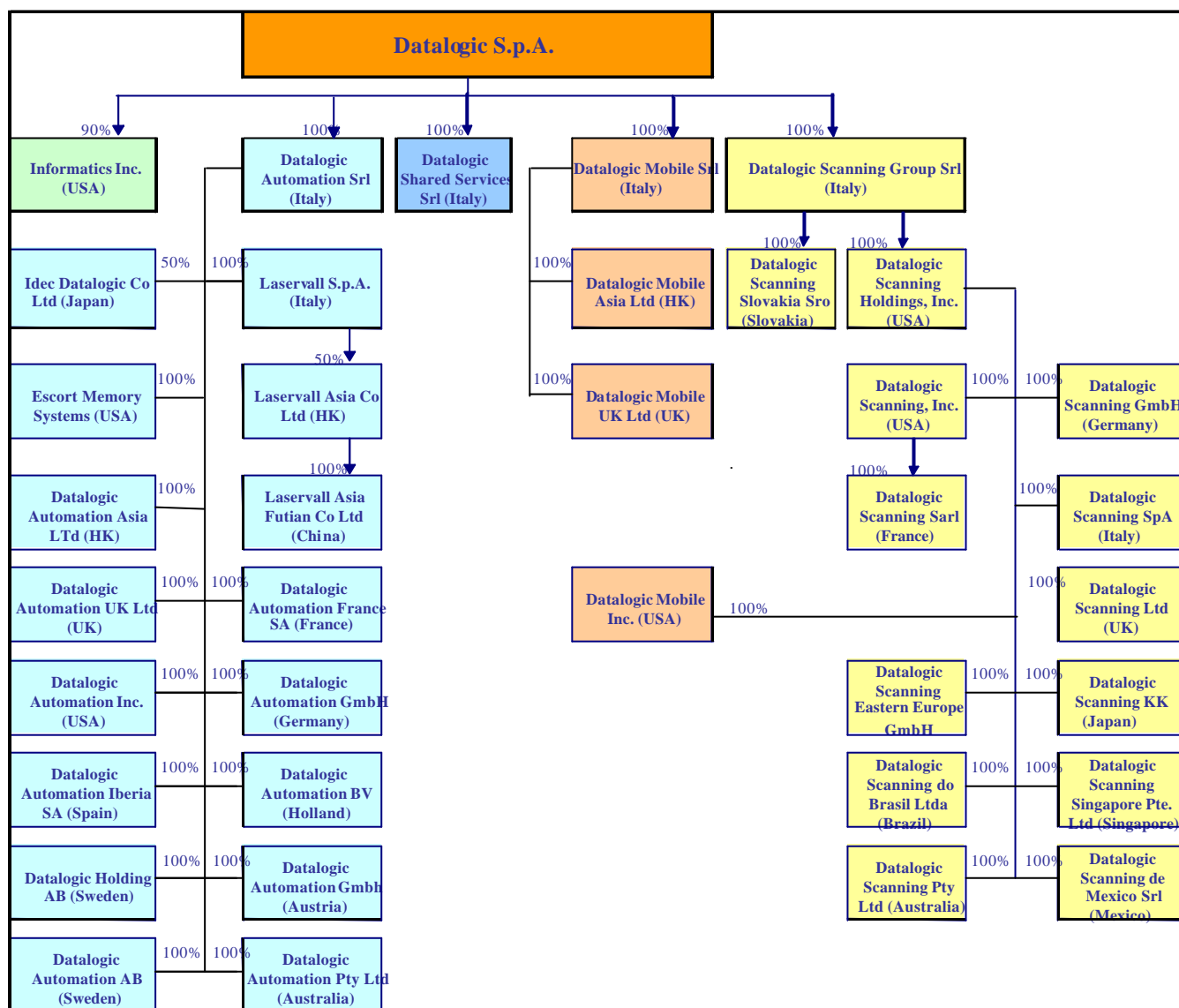
In order to complete the Group restructuring plan, the following new companies were formed:

- Datalogic Mobile UK Ltd and Mobile Asia Ltd, subsidiaries of Datalogic Mobile S.r.l.;
- Datalogic Mobile Inc, a subsidiary of Datalogic Scanning Holding Inc.

The parent company has maintained its offices in Bologna and is responsible for defining the Group's vision, strategy, values and policies and guaranteeing coordination and control activities for the Group and its companies.

Datalogic Shared Services S.r.l., with registered office in Italy, also constituted by the parent company with assignment, handles services (IT administration and personnel management) mainly for Datalogic Automation S.r.l. and Datalogic Mobile S.r.l..

Below is the structure of the Group following the restructuring described above:



The companies consolidated on a line-by-line basis for the period ending 30 June 2007 were as follows:

Company	Registered location	Currency	Share capital	Total equity (€'000)	Profit/loss for the period (€'000)	% ownership	Type of control
Datalogic S.P.A. holding	Lippo di Calderara di Reno (Bo) – Italy	€	33,112,000	182,699	5,989		
Datalogic Shared Services S.r.l.	Lippo di Calderara di Reno (Bo) – Italy	€	20,000	2,449	109	100%	Direct
Informatics	Plano Texas	\$USA	15,100,000	15,038	995	90%	Direct
Datalogic Automation S.r.l.	Lippo di Calderara di Reno (Bo) – Italy	€	10,000,000	31,368	-86	100%	Direct
Datalogic Automation France	Villebon Sur Yvette (Paris) – France	€	2,228,000	3,431	52	100%	Indirect
Datalogic Automation Iberia	Madrid – Spain	€	61,000	612	-83	100%	Indirect
Datalogic Automation Germany GMBH	Erkenbrechtsweiler (Stuttgart) - Germany	€	1,025,000	4,915	1,167	100%	Indirect
Datalogic Automation Austria GMBH	Guntramsdorf - Austria	€	73,000	490	53	100%	Indirect
Datalogic Automation UK Limited	Redbourn (London) – United Kingdom	GBP	3,500,000	5,137	457	100%	Indirect
Datalogic Holding AB	Malmö - Sweden	KRS	1,400,000	1,153	19	100%	Indirect
Datalogic Automation AB	Malmö - Sweden	KRS	200,000	31	-482	100%	Indirect
Datalogic Automation INC	Hebron (Kentucky) – United States	\$USA	1,847,000	1,777	33	100%	Indirect
EMS	Scotts Valley (California) – United States	\$USA	465,030	673	-235	100%	Indirect
Datalogic Automation PTY LTD	Unit 130/45 Gilby Road Mount Waverley Victoria, 3149 Australia	\$AUS	2,300,000	444	-268	100%	Indirect
Datalogic Automation BV	Coltbaan 25, NG Nieuwegein, 3431, The Netherlands	€	18,160	-85	39	100%	Indirect
Laservall S.p.A.	Donnas (AO) - Italy	€	900,000	11,803	2,257	100%	Indirect
Datalogic Automation Asia Limited	Hong Kong - China	HKD	10,000	-12	-13	100%	Indirect
Datalogic Mobile S.r.l.	Lippo di Calderara di Reno (Bo) – Italy	€	10,000,000	16,071	1,636	100%	Direct
Datalogic Mobile Asia	Hong Kong - China	HKD	100,000	131	-30	100%	Indirect
Datalogic Mobile UK LTD	Redbourn (London) – United Kingdom	GBP	15,000	-99	-121	100%	Indirect
Datalogic Mobile INC	Eugene, OR - USA	\$USA	0	4,842	600	100%	Indirect
Datalogic Scanning Group S.r.l.	Lippo di Calderara di Reno (Bo) – Italy	€	10,000,000	90,276	-751	100%	Direct
Datalogic Scanning Slovakia	Zavar - Slovakia	SKK	2,000,000	6,876	6,711	100%	Indirect
Datalogic Scanning Holdings Inc.	Eugene, OR - USA	\$USA	0	81,407	197	100%	Indirect
Datalogic Scanning Inc.		\$USA	0	38,813	612	100%	Indirect

	Eugene, OR - USA					
Datalogic Scanning do Brasil	Sao Paulo, SP - Brazil	USD	0	28	-16	100% Indirect
Datalogic Scanning Mexico	Colonia Cuauhtemoc Federal District - Mexico	€	0	-88	-88	100% Indirect
Datalogic Scanning UK Ltd	Watford- England	GBP	191,510	-1,118	-149	100% Indirect
Datalogic Scanning Sarl	Les Ulis Cedex Paris -France	€	464,970	503	712	100% Indirect
Datalogic Scanning GMBH	Roentgenstra. Darmstadt - Germany	€	742	1,253	375	100% Indirect
Datalogic Scanning S.p.A.	Milan - Italy	€	110,000	481	-126	100% Indirect
Datalogic Scanning PTY	Sydney - Australia	\$	0	232	-138	100% Indirect
Datalogic Scanning Japan	Tokyo - Japan	JPY	151,437,000	40	-118	100% Indirect
Datalogic Scanning Singapore	Singapore	SGD	0	-271	-273	100% Indirect

The companies booked at equity for the period ending 30 June 2007 were as follows:

Company	Registered location	Share capital	Total equity (€'000)	Total profit/loss for the period (€'000)	% ownership Direct and indirect
Idec DatalogicCo. Ltd	Osaka – Japan	Yen 300,000,000	1,296	5	50%
Laservall Asia CO. Ltd	Hong-Kong – China	Hong-Kong \$ 460,000	1,190	335	50%
Laservall Asia (Futian) Co. Ltd	Shenzen – China	Renminbi 2,070,600	277	82	50%
Laservall China Co. Ltd	Shenzen – China	Renminbi 594,120	-2	-60	50%

BALANCE SHEET INFORMATION - ASSETS

NON-CURRENT ASSETS

1. Tangible non-current assets

	30/06/07	31/12/06	YoY Change
Land	6,640	6,660	(20)
Buildings	19,239	18,238	1,001
Other tangible assets	23,740	23,672	68
Assets in prog. and payments on account	1,213	1,810	(597)
Total	50,832	50,380	452

Below is a breakdown of the movements at 30 June 2006 and at 30 June 2007:

	LAND	BUILDINGS	OTHER TANGIBLE ASSETS	ASSETS IN PROG. AND PAYMENTS ON ACCOUNT	TOTAL
<u>Opening value 01/01/06</u>					
Historical cost	6,457	24,355	52,876	1,837	85,525
(Accumulated depreciation)	-	(5,427)	(29,637)	-	(35,064)
Total	6,457	18,928	23,239	1,837	50,461
<u>Increases 30/06/06</u>					
Investments	-	-	3,077	831	3,908
Amortization reversal	-	532	1,302	-	1,834
Total	-	532	4,379	831	5,742
<u>Decreases 30/06/06</u>					
Divestments	(139)	(1,808)	(1,810)	(504)	(4,261)
Depreciation	-	(159)	(4,083)	-	(4,242)
Writedowns	-	-	-	-	-
Total	(139)	(1,967)	(5,893)	(504)	(8,503)
<u>Reclass. & other changes 30/06/06</u>					
Incoming transfers	-	35	283	-	318
(Outgoing transfers)	-	-	-	-	-
- Change in consolidation area - Slovakia historical cost	-	-	2,094	12	2,106
- Slovakia accumulated deprecn.	-	-	-	-	-
Forex differences historical cost	(59)	(138)	(802)	(118)	(1,117)
Forex differences accum. depreciation	-	5	203	-	208
Closing value 30/06/06					
Historical cost	6,259	22,444	55,718	2,058	86,479
(Accumulated depreciation)	-	(5,049)	(32,215)	-	(37,264)
Total	6,259	17,395	23,503	2,058	49,215

	LAND	BUILDINGS	OTHER TANGIBLE ASSETS	ASSETS IN PROG. AND PAYMENTS ON ACCOUNT	TOTAL
Historical cost	6,660	23,454	58,311	1,810	90,235
(Accumulated depreciation)	-	(5,216)	(34,639)	-	(39,855)
Opening value 01/01/07 Total	6,660	18,238	23,672	1,810	50,380
<u>Increases 30/06/07</u>					
Investments		1,204	4,572	1,821	7,597
Total	-	1,204	4,572	1,821	7,597
<u>Decreases 30/06/07</u>					
Divestments			(571)	(2,387)	(2,958)
Depreciation		(153)	(3,768)		(3,921)
Writedowns			(26)		(26)
Total	-	(153)	(4,365)	(2,387)	(6,905)
<u>Reclass. & other changes 30/06/07</u>					
Forex differences historical cost	(20)	(52)	(292)	(31)	(395)
Forex differences accum. depreciation		2	153		155
Historical cost	6,640	24,606	61,994	1,213	94,453
(Accumulated depreciation)	-	(5,367)	38,254	-	43,621
Closing value 30/06/07 Total	6,640	19,239	23,740	1,213	50,832

Compared to 31 December 2006, the increase in the item "Buildings" is attributed for €1.177 million to capitalization of works done by Laservall S.p.A. on the building located in Sesto Calende, of which €539 thousand were booked to assets in progress at 31 December 2006.

The item "Other tangible assets" at 30 June 2007 chiefly includes the following categories: plant and machinery (€8.355 million), industrial and commercial equipment (€5.746 million), office equipment and furniture (€5.419 million), general plant (€1.897 million), vehicles (€344 million) and maintenance on third-party assets (€1.837 million). Compared to 31 December 2006, the increase in the item owes largely to the category "plant and machinery" for €1.165 million and for €1.320 million to the category "office furniture and electronic equipment".

The balance of the item "Assets in progress and payments on account" is largely attributed to the subsidiaries Datalogic Scanning Inc (€549 thousand) and Datalogic Mobile Inc (€559 thousand) and refers largely to advances for equipment, instruments and moulds relating to normal production activities.

2. Intangible assets

	30/06/07	31/12/06	YoY Change
Goodwill	88,209	89,907	(1,698)
Development costs	2,571	3,010	(439)
Other intangible assets	56,579	60,735	(4,156)
Total	147,359	153,652	(6,293)

Below is the detail of the movements at 30 June 2006 and 30 June 2007:

	Goodwill	Development costs	Other intangible assets	Total
Closing value 01/01/06				
Historical cost	110,701	6,440	98,861	216,002
(Cumulative amortisation)	(7,341)	(2,532)	(9,309)	(19,182)
Total	103,360	3,908	89,552	196,820
Increases 30/06/06				
Increases	19,562	220	2,254	22,036
Amortization reversal				
Other changes	26	4	27	57
Total	19,588	224	2,281	22,093
Decreases 30/06/06				
Decreases	(18,133)		(25,164)	(43,297)
Depreciation		(622)	(3,404)	(4,026)
Other changes			(46)	(46)
Total	(18,133)	(622)	(28,614)	(47,369)
Delta change historical cost	(6,715)	(11)	(5,666)	(12,392)
Delta change allowance for depreciation			187	187
Closing value 30/06/06				
Historical cost	105,441	6,653	70,266	182,360
(Cumulative amortization)	(7,341)	(3,154)	(12,526)	(23,021)
Total	98,100	3,499	57,740	159,339

	Goodwill	Development costs	Other intangible assets	Total
Opening value 01/01/07				
Historical cost	97,248	6,809	76,659	180,716
(Cumulative amortization)	(7,341)	(3,799)	(15,924)	(27,064)
Closing value 31/12/06 Total	89,907	3,010	60,735	153,652
Increases 30/06/07				
Increases	284	48	633	965
Other changes				
Total	284	48	633	965
Decreases 30/06/07				
Decreases			(14)	(14)
Depreciation		(484)	(3,710)	(4,194)
Other changes				
Total		(484)	(3,724)	(4,208)
Delta change historical cost	(1,982)	(5)	(1,191)	(3,178)
Delta change allowance for depreciation		2	126	128
Closing value 30/06/07				
Historical cost	95,550	6,852	76,087	178,489
(Cumulative amortization)	(7,341)	(4,281)	(19,508)	(31,130)
Closing value 30/06/07 Total	88,209	2,571	56,579	147,359

Goodwill, totalling €88,209 thousand, consisted of the following items:

- €1.394 million for consolidation of the Minec Group, in which a 100% interest was acquired on 15 July 2002 by Datalogic Holding AB, in turn owned 100% by the parent company;
- €3.380 million attributed to the parent company and which represents the surplus from the merger originating after incorporation of IdWare S.r.l. which took place in 1998;
- €5.119 million for consolidation of Laservall S.p.A., an interest acquired in third quarter 2004 by the parent company;
- €8.915 million for the consolidation of Informatics Inc. (the change vs. 31/12/06, €9.141 million, is due to the forex effect);
- €69.401 million, determined by consolidation of the PSC Group. The change compared to 31 December 2006 (€70.873 million) is due for €1.715 million to the exchange rate and €243 thousand to capitalization of legal fees related to adjustment of the price defined on 10 February 2007 (and already acknowledged at 31 December 2006).

This goodwill is allocated to the cash generating units represented by the individual companies and/or subgroups to which they refer. As shown in the respective paragraph included in the accounting policies, goodwill was not subject to amortization as from 1 January 2004, in accordance with IFRS 3 and is subject to impairment testing with annual frequency unless there are indicators of value impairment which call for more frequent testing.

In compliance with the procedures defined in the IAS 36, pursuant to the impairment test conducted with reference to 31 December 2006, the Group did not find the need to write down values. At the reference date of this Half-Year Report, there were no indicators of impairment that would have made it necessary to conduct the test.

Development costs, amounting to €2.571 million, are attributable to:

- Datalogic Mobile S.r.l. = €1.076 million,
- Datalogic Automation S.r.l. = €707 thousand,
- Datalogic Scanning Group S.r.l. = €705 thousand,
- Informatics = €83 thousand

and are comprised of specific development projects, capitalized where the conditions laid down by IAS 38 were met and in compliance with the Group policies that call for capitalization only for product development projects characterized by significant innovation.

The heading "Other", at €56.579 million, 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 given in the table below:

€'000	30/06/07	31/12/06	USEFUL LIFE (YEARS)
INTANGIBLE ASSETS ACQUIRED AS PART OF BUSINESS COMBINATION TRANSACTIONS			
<i>Acquisition of the PSC Group (executed 30 November 2006)</i>	32,966	34,955	
PATENTS	27,713	29,186	20
SERVICE AGREEMENT	440	542	4
TRADEMARK	2,445	2,655	10
CLIENT PORTFOLIO	2,368	2,572	10
<i>Laservall S.P.A. acquisition (executed 27 August 2004)</i>	6,501	7,148	
UNPATENTED TECHNOLOGY	3,410	3,836	7
COMMERCIAL STRUCTURE	3,091	3,312	10
<i>Informatics Inc acquisition (executed 28 February 2005)</i>	4,638	4,961	
COMMERCIAL STRUCTURE	4,638	4,961	10
LICENSE AGREEMENT	6,106	6,805	5
Other	6,368	6,866	
TOTAL OTHER INTANGIBLE ASSETS	56,579	60,735	

The item "Other" is mainly comprised of software licenses. The change vs. 31 December 2006 is due to amortization in the half year.

3. Equity investments

Equity investments owned by the Group as at 30 June 2007 were as follows:

	Balance at 01/01/07	Increases	Forex differences	Share of profit	Balance at 30/06/07
Idec Datalogic CO.Ltd	683		(40)	5	648
Laservall Asia CO. Ltd	427			179	606
Total associates	1,110	0	(40)	184	1,254

The change in the item "associates" is due to the Group result achieved by the associated companies Idec Datalogic Co. Ltd, Laservall Asia Co. Ltd and Laservall Asia Futian

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

Other equity investments

As at 30 June 2007 the Group owned the following equity interests in other companies:

	Balance at 01/01/07	Increases	Forex differences	Share of profit	Dividends	Changes	Balance at 30/06/07
Nomisma S.p.A. - Italy	7						7
Caaf Ind. Emilia Romagna - Italy	4						4
Crit S.r.l.	51						51
Consorzio T3 Lab	8						8
Mandarin Capital Management SA	0	42					42
Alien technology	801						801
Total other equity investments	871	42	0	0	0	0	913

The amount of other equity investments consists mainly of the parent company's investment in Alien Technology Corporation, a US company active in radio-frequency identification devices (RFID). It is recognized at cost, which is substantially aligned with fair value determined on the basis of recent transactions involving the company.

The increase in the period is due to an equity investment in Mandarin Capital Management SA, a company in which a member of the Board of Directors holds a shareholding quota.

CURRENT ASSETS**5. Inventories**

	30/06/07	31/12/06	YoY Change
1) Raw and ancillary materials and consumables	32,013	30,936	1,077
2) Work in progress and semi-finished products	6,719	6,116	603
4) Finished products and goods	18,901	14,953	3,948
Total	57,633	52,005	5,628

Inventories are shown net of obsolescence provision that, as at 30 June 2007, amounted to €8,423 thousand (€10,453 thousand at 31 December 2006).

Changes taking place are shown below:

€'000	2006	2007
Cumulative inventory write-down as at 01/01	7,651	10,453
Foreign exchange difference	(308)	(242)
Provisions	1,395	1,781
Uses for disposals	867	(3,569)
Inventory write-down provision at 30/06/06	9,605	8,423

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

	30/06/07	31/12/06	YoY Change
Trade and other receivables	96,519	83,724	12,795
Trade receivables	87,470	77,723	9,747
Trade receivables due within 12 months	84,928	75,998	8,930
Trade receivables due after 12 months	-	-	-
Associate receivables:	2,519	1,725	794
- Idec Datalogic CO.Ltd	275	588	(313)
- Laservall Asia	2,244	1,137	1,107
Receivables from parent company:	21	-	21
- Hydra S.p.A.	21	-	21
Related-party receivables	2	-	2
Other current receivables	9,049	6,001	3,048

Trade receivables

“Trade receivables due within 12 months” as at 30 June 2007 amounted to €84.928 million (net of the provision for doubtful accounts of €1.786 million at 30 June 2007, down compared to the €1.824 at 31 December 2006), posting an increase of 12% with respect to the comparative figure at 31 December 2006.

Associate receivables stem from trade transactions concluded under arm's length conditions.

Other receivables – Accrued income and prepayments

Note that the item “Other receivables – Accrued income and prepayments” includes VAT receivables. For the sake of uniformity, this reclassification was also made in the year 2006 (€1.818 million) decreasing the item "Tax receivables" where it had been classified at 31 December 2006.

The detailed breakdown of this item is as follows:

	30/06/07	31/12/06	YoY Change
Other receivables	2,332	1,611	721
VAT receivables	4,100	1,818	2,282
Accrued income and prepayments	2,617	2,572	45
Total	9,049	6,001	3,048

7. Tax receivables

This item includes the reclassified receivable to the indirect parent company, Hydra, relating to the IRES receivable arising pursuant to participation in the fiscal consolidation. As at 30 June 2007, this receivable amounted to €4.361 million (€3.810 million at 31 December 2006).

8. Cash & cash equivalents

	30/06/07	31/12/06	YoY Change
Bank and post office deposits	59,975	32,918	27,057
Cash and valuables on hand	39	32	7
Cash & cash equivalents	60,014	32,950	27,064

To give a better view of the cash flow statement, cash and cash equivalents are detailed as follows:

	30/06/07	31/12/06	YoY Change
Cash & cash equivalents	60,014	32,950	27,064
Restricted cash		(2,811)	2,811
Ordinary current account overdrafts	-1668	0	(1,668)
Cash & cash equivalents	58,346	30,139	28,207

To comply with the instructions issued in the CONSOB circular no. 15519 dated 28 July 2006, the Group's financial position is reported below:

Datalogic Group	30/06/07	31/12/06	Changes
(€000)			
A. Cash and bank deposits	60,014	30,139	29,875
B. other liquid assets	0	2,811	(2,811)
<i>b1. restricted cash (*)</i>	0	2,811	(2,811)
C. AFS financial assets	366	370	(4)
<i>c1. Current</i>		0	0
<i>c2. Non-current</i>	366	370	(4)
D. Cash and other equivalent assets (A) + (B) + (C)	60,380	33,320	27,060
E. Borrowing	206	206	0
F Negative balance current accounts	0		0
G. Short-term financial payables	37,702	9,856	27,846
H. Other current financial liabilities	0	0	0
<i>h1. financial derivatives</i>	0	0	0
I. Short-term financial liabilities (F) + (G) + (H)	37,702	9,856	27,846
J. Short-term financial position (I) - (E) - (D)	(22,884)	(23,670)	786
K. Short-term financial payables	92,205	79,539	12,666
L. Corporate bonds		0	0
M. Other short-term financial liabilities	2,499	2,488	11
<i>m1. Financial liabilities to members of the B.o.D.</i>	2,499	2,488	11
N. Short-term financial payables (K) + (L) + (M)	94,704	82,027	12,677
O. Net financial position (J) + (N)	71,820	58,357	13,463

The net financial position at 30 June 2007 is negative for €71.820 million and worsened with respect to 31 December 2006 (minus €58.357 million) pursuant to the following events:

- during the year, the Group purchased treasury shares for €12.832 million and sold treasury shares for €8.916 million (treasury shares held in the portfolio, valued at €12.199 million, are not included in the net financial position, which amounted to €4.123 million at 30 June 2006 and €8.283 million at 31 December 2006);
- repayment of the residual payable to the seller of PSC Holding for the acquisition of the PSC Group in the amount of €2,494 thousand;
- payment of dividends totalling €3,805 thousand.

In addition, tangible and intangible assets acquired in the year, net of disposals and the effect of the exchange rate, amounted to €5.590 million.

Finally, working capital at 30 June 2007 amounted to €81.984 million and reported an increase of €17.104 million with respect to 31 December 2006 (€64.880 million).

These facts have more than compensated for the cash flow generated by operating activities. For more information, see the cash flow statement.

INFORMATION ON THE BALANCE SHEET - NET EQUITY AND LIABILITIES

9. Net equity

Details of net equity are shown below; movements during the period are presented in a separate table.

(€'000)	30/06/07	31/12/06
Share capital	33,112	33,072
Share premium reserve	128,069	127,888
Demerger reserve	1,680	4,439
Reserve for the purchase of treasury shares	(9,756)	(6,301)
Share capital	153,105	159,098
Translation reserve	(10,635)	(8,555)
Reserve for financial liabilities	(2,502)	(2,502)
Other reserves	(13,137)	(11,057)
Retained earnings	37,109	33,968
Net profit (loss) for the period	7,908	4,125
Earnings carried forward	45,017	38,093
Total Group net equity	184,985	186,134
Total minority interests in net equity	575	476

a) Share capital

Changes to the company share capital at 30 June 2006 and 30 June 2007 are detailed below (amounts in thousands of Euro):

	Number of shares	Share capital	Share premium reserve	Treasury shares	Demerger reserve	Total
01-Jan-06	12,378,100	25,746	58,490	1,881	4,439	90,556
Number of shares at 31 December 2005 post-split	49,512,400					
Capital increase from issue of new shares	13,863,472	7,209	69,387			76,596
Capital increase for exercise of stock options	125,600	66	295			361
Purchase of treasury shares	(704,207)			(4,123)		(4,123)
Exercise of rejected options and purchase of treasury shares	-			93		93
Capital increase expenses	-		(512)			(512)
30-Jun-06	62,797,265	33,021	127,660	(2,149)	4,439	162,971

	Number of shares	Share capital	Share premium reserve	Treasury shares	Demerger reserve	Total
01-Jan-07	62,193,472	33,072	127,888	(6,301)	4,439	159,098
Capital increase for exercise of stock options	76,800	40	181			221
Purchase of treasury shares	(2,027,863)			(12,832)	(2,759)	(15,591)
Sale of treasury shares	1,500,000			9,514		9,514
Costs for the purchase of treasury shares	-			(137)		(137)
30-Jun-07	61,742,409	33,112	128,069	(9,756)	1,680	153,105

Ordinary shares

At 30 June 2007, the total number of ordinary shares was 63,677,472, of which 1,935,063 are held as treasury shares. Therefore, the total value of shares in circulation at that date amounted to €61,742,409. The shares have a nominal value of €0.52 per unit and are completely paid up.

Treasury shares

In the first half of 2007, the Group acquired 2,027,863 treasury shares and sold 1,500,000, earning a capital gain, net of the fiscal effect, of €598 thousand, which was accounted for as a change in net equity.

Demerger reserve

This reserve was set up pursuant to the split of the parent company, executed on 2 January 1998 into I.E.S. S.p.A (the demerged company, now known as Datasensor) and Datalogic S.p.A. (the beneficiary company). € 2,759 million of the reserve was used in the first half of 2007 to set up a "Treasury share reserve", as required by Italian law.

b) Other reserves

Allowance for financial liabilities

A member of the Board of Directors has signed a put option with the parent company (which in turn has a call option) on a 10% interest in Informatics Inc., held by the parent company at 90%.

In accordance with IAS 32.23, this transaction is recognized as a financial liability. In conjunction with the financial liability, a negative equity reserve was recorded in the amount of €2.502 million, which is equal to the estimated fair value of the minority share as of the option's exercise date (2009). The minority shares of equity and net profit have been kept on the accounts given that it is felt that the minority shareholder has maintained the risks and benefits of the minority interest itself.

Translation reserve

The translation reserve is generated from the translation into euros of foreign companies' financial statements. This reserve is currently negative pursuant to the significant loss in value of the US dollar compared to the Euro. This currency devaluation explains the change in the period.

c) Profits carried forward**Reserve for treasury shares**

This reserve was constituted by the parent company following buy-back transactions through the use of 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.

Reserve for gain on cancellation and untaxed capital grant reserve

Profit reserves were set up following the merger into Datalogic S.p.A. of Datasud, which took place in 2004, and were used in the first half of 2007 to set up the "reserve for treasury shares in the portfolio", in accordance with Italian law, for €3.730 million.

IFRS transition reserve

This is the reserve created upon first-time adoption of international accounting standards as at 1 January 2004 (consolidated year-end accounts as at 31/12/2003) as per IFRS 1.

Retained earnings/ (losses carried forward)

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

Dividends

In the first half year, during profit allocation, dividends were paid out for €3.805 million, equal to €0.06 per share.

d) Minority interests

Minority interests amount to €575 thousand and relate to 10% of Informatics Inc.

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

	30 June 2007		31 December 2006	
	Total net equity	Net profit (loss) for the period	Total net equity	Net profit (loss) for the period
Datalogic S.p.A. net equity and profit	182,698	5,989	183,690	(310)
Difference between consolidated companies' net equity and their carrying value in Datalogic S.p.A.'s statement; effect of equity-based valuation	8,296	13,056	8,017	11,733
Reversal of dividends	0	(9,017)	0	(5,379)
Laservall acquisition	(3,884)	(647)	(3,237)	(1,295)
Amortization of new Datalogic AB consolidation difference	(239)		(239)	
Elimination of capital gain on sale of business branch	(2,207)	(1,988)	(208)	
Effect of eliminating intercompany transactions	(2,740)	(895)	(3,519)	(1,116)
Other	(192)	200	(413)	(340)
Deferred taxes	3,253	1,210	2,043	832
Group portion of net equity	184,985	7,908	186,134	4,125
Minority interests in net equity	575	99	476	141
Total net equity	185,560	8,007	186,610	4,266

NON-CURRENT LIABILITIES**10. Short-/long-term financial payables**

	30/06/07	31/12/06	YoY Change
current account overdrafts	1,668		1,668
bank loans & mortgages and other financial institutions	128,239	89,395	38,844
financial liabilities	2,499	2,488	11
Total financial payables	132,406	91,883	40,523

Financial payables are shown in detail below:

30/06/07	Within 12 months	After 12 months	Beyond 5 years	Total
Bank borrowing				
current account overdrafts	1,668			1,668
bank loans & mortgages and other financial institutions	36,034	64,041	28,164	128,239
Other financial liabilities				
Miscellaneous		2,499		2,499
Total	37,702	66,540	28,164	132,406

The main changes with respect to 31 December 2006 are as follows:

Parent company

- a short-term stand-by loan on 28 March 2007 in the amount of €20 million.

Datalogic Slovakia

- a medium to long-term stand-by loan on 28 March 2007 in the amount of €20 million.

Note that in relation to the loan of US \$70 million opened by Datalogic Scanning Holdings Inc, currently in the process of renegotiation, the company was asked to comply with some financial agreements represented by economic and financial parameters and made up of:

- debt cover ratio (DCR), which is calculated as the ratio of EBITDA to net debt;
- interest cover ratio (ICR), which is calculated as the ratio of EBITDA to interest charges;
- debt service cover ratio (DSCR), which is calculated as the ratio of cash flow to total financial debt (total interest charges and total repaid principal amounts);
- capital expenditure (Capex), investment value.

Failure to observe these covenants would allow the bank to revoke the loan or to renegotiate its terms and conditions. As at 30 June 2007, all of these covenants have been observed.

The item “miscellaneous” relates to the put option on a minority interest in Informatics held by a director of the parent company, as mentioned in section 11 (Other reserves) and includes interest accruing and exchange-rate adjustment.

11. Deferred taxes

Deferred tax assets and liabilities stem from both (a) positive items already 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,

Deferred tax assets and liabilities, for the individual Group companies, are summarized below on the basis of the temporary differences that generated them:

Deferred tax assets	Prior years' losses	Exchange rate adjustment	Operations deriving from acquisitions	Provisions	Asset write-downs	Other	Deferred taxes recognized due to effect of consolidation adjustments	Total
30/06/07	4,491	29	4,961	3,079	3,634	2,205	1,140	19,539
31/12/06	5,227	158	5,087	2,961	4,459	2,054	792	20,738

Deferred tax liabilities	Depreciation & amortization	Operations deriving from acquisitions	Reserve for prior year losses	Provisions	Other	IFRS reserves	Deferred taxes recognized due to effect of consolidation adjustments	Total
30/06/07	3,512	14,480	0	0	170	4,433	2,552	25,147
31/12/06	3734	14955	0	0	629	4,430	2,720	26,468

12. Post-employment benefit obligations

Changes in this liability during the period were as follows:

€'000	2006	2007
01/01	6,894	7,624
Amount provisioned in period	771	818
Utilization	-220	(691)
30/06	7,445	7,751

The utilization is made up largely of €94 thousand for advances and €597 thousand for disposals.

Note that the actuarial valuations necessary to determine the reserves for employee benefits are normally processed at the time of drafting the annual report. In this regard, note that the Datalogic Group has not measured the accounting effects arising from changes made to the rules regarding employee benefits obligations ("TFR") under Law 296 issued 27 December 2006 ("Finance Act 2007") and subsequent decrees and regulations issued in the early months of 2007. Specifically, the Group has not yet taken steps to make a detailed determination of the reserve accrued at 31 December 2006 and the resulting curtailment according to paragraph 109 of the IAS 19 for the following reasons:

- most of the employees made their decisions regarding allocation of the employee benefits reserve later in the period;
- the archives are currently being updated and it will only be possible to make precise actuarial elaborations in the coming months;
- the new regime for employee benefits according to IFRS and the method of calculation to adopt for defining the aforementioned curtailment have been defined but not yet formally communicated by the competent authorities.

As a result, the effect of the curtailment has not been determined at the date of this Half-Year Report. However, based on the generalized estimates, curtailment is not expected to have a significant effect on Group results.

13. Long-term provisions for risks and expenses

The total of the "risks and expenses" item is split as follows:

	30/06/07	31/12/06	YoY Change
Short-term provisions	1,927	4,070	(2,143)
Long-term provisions	10,114	6,433	3,681
Total provisions	12,041	10,503	1,538

Below we show the changes occurring in the item:

	31/12/06	Increases	(Utilization)	Other	Forex differences	30/06/07
Product warranty provision	4,488	373	(76)	29	(79)	4,735
Provision for legal disputes	114	200	(41)			273
Restructuring provision	446		(370)		(7)	69
Provision for management incentive scheme	2,797	2,535			(59)	5,273
Other	2,658	1,530	(2,451)		(46)	1,691
Total provisions	10,503	4,638	(2,938)	29	(191)	12,041

The product warranty provision covers the estimated cost of repairing products sold under warranty; it amounts to €4.735 million and is considered sufficient in relation to the specific risk it covers. It is mainly

attributable to the PSC Group (€3.398 million, of which €2.725 million long-term), to the parent company (€950 thousand) and to Laservall S.p.A. (€350 thousand).

The heading "Other" mainly consists of:

- €1.014 million for the risk reserve for stock rotation relating to the PSC Group; this reserve has undergone an increase with respect to 31 December 2006 equal to €1.434 million and was used for €2.153 million;
- €86 thousand attributable to the PSC Group and provisioned for compliance with directive 2002/95/EC, i.e. the "Directive on restrictions of use of some hazardous substances in electric and electronic equipment", enacted in Italian law by Legislative Decree no. 151 of 27/7/2005;
- €350 thousand for provisions made on 31 December 2006 against a tax dispute relating to the parent company. This provision refers to a dispute in progress regarding the ten-year ILOR tax exemption, as provided for by D.P.R. 218/78 (Italian Consolidated Act on Actions in Southern Italy) regarding the former Datasud, for the financial year 2006. At the date of preparation of this half-year report, there were no updates available on the dispute in progress. For more information, please see the comments reported in the explanatory note to the consolidated financial statements, at 31 December 2006.

CURRENT LIABILITIES**14. Trade and other payables**

These are the details of trade and other payables:

	30/06/07	31/12/06	YoY Change
Trade and other payables	72,237	74,146	(1,909)
Trade payables	47,278	49,204	(1,926)
Trade payables due within 12 months	47,014	48,760	(1,746)
Trade payables due after 12 months			-
Due to associates	-	21	(21)
Idec Datalogic CO.Ltd	-	18	(18)
Laservall Asia	-	3	(3)
Due to ultimate parent company	-		-
Related-party payables	264	423	(159)
Other current payables	24,959	24,942	17

Trade payables

Related-party payables are due to Datasensor.

Other payables - Accrued liabilities and deferred income

Note that the item "Other payables – accrued liabilities and deferred income" includes VAT payables. For the sake of uniformity, this reclassification was also made in the year 2006 (€1.300 million) decreasing the item "tax receivables" where it had been classified at 31 December 2006.

The detailed breakdown of this item is as follows:

	30/06/07	31/12/06	YoY Change
Other current payables	14,372	16,782	(2,410)
VAT payables	2,487	1,300	1,187
Accrued liabilities and deferred income	8,100	6,860	1,240
Total	24,959	24,942	17

The detail of other payables is as follows:

Other current payables	30/06/07	31/12/06	YoY Change
Due to pension and social security agencies	2,278	2,693	(415)
Due to employees	10,706	8,377	2,329
Security deposits received	40	2,526	(2,486)
Directors' remuneration due	360	600	(240)
Royalty costs yet to be paid	-	355	(355)
Other payables	988	2,231	(1,243)
Total	14,372	16,782	(2,410)

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

The item “Security deposits received” decreased following the repayment of the residual payable to the seller of PSC Holding for the acquisition of the PSC Group (€2.494 million).

The decline in other payables is primarily attributable to the PSC Group as a result of the payment of payables for stock rotation.

INFORMATION ON THE INCOME STATEMENT

15. Revenues

	30/06/07	30/06/06	YoY Change
Revenues from sale of products	191,887	181,961	9,926
Revenues for services	7,075	6,978	97
Total revenues	198,962	188,939	10,023

Total revenues increased by more than 5% over the previous year.

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

Below is the geographical breakdown of revenues in percentage terms:

	30/06/07	30/06/06	YoY Change
Italy	10%	10%	0%
Elsewhere - EU	43%	44%	-1%
Elsewhere - non-EU	47%	46%	1%

16. 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 among operating items.

	30/06/07	30/06/06	YoY Change
TOTAL COST OF GOODS SOLD (1)	109,517	106,598	2,919
<i>of which non-recurring</i>	<i>52</i>	<i>1,092</i>	<i>(1,040)</i>
TOTAL OPERATING COSTS (2)	75,514	80,956	(5,442)
R&D expenses	13,971	14,035	(64)
<i>of which non-recurring</i>	<i>12</i>	<i>168</i>	<i>(156)</i>
Distribution expenses	39,597	45,163	(5,566)
<i>of which non-recurring</i>	<i>488</i>	<i>1,275</i>	<i>(787)</i>
General & administrative expenses	17,858	19,568	(1,710)
<i>of which non-recurring</i>	<i>1,386</i>	<i>2,660</i>	<i>(1,274)</i>
<i>of which amortization pertaining to acquisitions</i>	<i>2,086</i>	<i>2,198</i>	<i>(112)</i>
Other operating costs	4,088	2,190	1,898
<i>of which non-recurring</i>	<i>179</i>	<i>179</i>	<i>179</i>
TOTAL (1+2)	185,031	187,554	(2,523)
<i>of which non-recurring</i>	<i>2,117</i>	<i>5,195</i>	<i>(3,078)</i>
<i>of which amortization pertaining to acquisitions</i>	<i>2,086</i>	<i>2,198</i>	<i>(112)</i>

Below is a detail of the non-recurring costs and revenues:

ITEM	AMOUNT	DESCRIPTION
	(€'000)	
2) Cost of goods sold	(52)	Transformation plan
Total	(52)	
4) R&D expenses	(12)	Transformation plan
Total	(12)	
5) Distribution expenses	(414)	Transformation plan
5) Distribution expenses	(74)	Leaving incentives
Total	(488)	
6) General & administrative expenses	(1,275)	Transformation plan
6) General & administrative expenses	(111)	Recharging expenses incurred for legal action
Total	(1,386)	
7) Other operating expenses	(2)	Transformation plan
7) Other operating expenses	(177)	Recharging expenses incurred for legal action
Total	(179)	
TOTAL NON-RECURRING COSTS	(2,117)	
3) Other operating revenue	288	Recharging expenses incurred for legal action
Total	288	
TOTAL NON-RECURRING REVENUE	288	
TOTAL NON-RECURRING COSTS/REVENUE	(1,829)	

For more details on the transformation plan implemented by the Group, see paragraph "GROUP STRUCTURE"

Total cost of goods sold (1)

This item increased by 3% compared with the same period in 2006, therefore causing the percentage on revenue to decrease by more than a percent.

Total operating costs (2)

Operating costs net of non-recurring items and amortizations related to acquisitions went from €74.655 million to €71.363 million, for a decline of more than 4%.

Note that "R&D expenses", which represents an important company investment, has increased from €13.867 million, net of non-recurring items, to €13.959 million at 30 June 2007.

"Distribution costs" totalled €39.597 million, for a decrease of €5.566 million from the same period of 2006. This decrease owes to:

- the decrease in royalties expenses for Datalogic Scanning INC (€2.629 million) pursuant to the contract redefinition with a major supplier;
- costs incurred for the company convention which was held in February 2006 (equal to €532 thousand) and not held again in 2007;
- the reduction in personnel costs, especially due to implementation of the restructuring and development plan of the PSC Group, which took place in 2006.

"General and administrative expenses" amounted to €17.858 million, down €1.710 million over the same period of 2006 due primarily to the reduction in non-recurring costs (€1.274 million) and amortizations resulting from acquisitions (€112 thousand).

The detailed breakdown of "Other operating costs" was as follows:

	30/06/07	30/06/06	YoY Change
Capital losses on assets	105	165	(60)
Incidental costs and cancellation of income items	30	154	(124)
Provisions for doubtful accounts	5	511	(506)
Other provisions	2,682	687	1,995
Non-income taxes	409	488	(79)
Other	857	185	672
TOTAL OTHER OPERATING COSTS	4,088	2,190	1,898

"Other provisions", equal to €2.682 million, is due for €2.540 million to a long-term incentive plan reserved for top management of Group companies.

The item "Other" includes €288 thousand in relation to legal fees incurred pursuant to the adjustment to the price relating to acquisition of the PSC Group, which was contracted last February 2007.

Breakdown of costs by nature

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

	30/06/07	30/06/06	YoY Change
Payroll & employee benefits	52,415	52,855	(440)
Depreciation & amortization	8,141	8,268	(127)
Inventory change	(6,785)	(5,190)	(1,595)
Purchases	89,818	88,421	1,397
Subcontracted work	2,418	1,516	902
Repairs	2,138	2,139	(1)
Marketing	3,355	3,225	130
Directors' remuneration	1,700	3,257	(1,557)
Travel & accommodation	2,889	3,230	(341)
Technical, legal, and tax advisory services	4,004	4,119	(115)
Goods receipt & shipment	5,989	5,572	417
Meetings	521	788	(267)
Other payroll costs	18,428	19,354	(926)
Total (COGS + operating costs)	185,031	187,554	(2,523)

Marketing expenses totaled €3.355 million. Key items were the following: €2.027 million for advertising and sponsorships, €712 thousand for contributing to marketing costs incurred by commercial partners and €616 thousand for trade fair costs.

Advisory service costs totalled €4.004 million, €1.152 million of which is related to costs incurred for the transformation plan.

Costs of shipping and receiving goods amounted to €5.989 million, up €417 thousand with respect to the same period in 2006.

Costs of outsourcing amounted to €2.418 million reporting an increase of €902 thousand compared to the same period in 2006.

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

	30/06/07	30/06/06	YoY Change
Wages and salaries	41,188	40,175	1,013
Social security charges	8,417	8,676	(259)
Post-employment benefits	818	771	47
Retirement and similar benefits	278	146	132
Other payroll costs	1,714	3,087	(1,373)
Total	52,415	52,855	(440)

The item “Other payroll costs” decreased by €1.373 million, since at 30 June 2006 €1.543 million were allocated to the company restructuring reserve with a view to reorganizing the PSC Group.

17. Other operating revenues

The detailed breakdown of this item is as follows:

	30/06/07	30/06/06	YoY Change
Miscellaneous income and revenue	956	378	578
Rent income	126	102	24
Charge-back of miscellaneous costs	389	-	389
Royalties	39	-	39
Capital gains on asset disposals	137	297	(160)
Operating grants	-	23	(23)
Incidental income and cost cancellation	269	99	170
Other	-	119	(119)
TOTAL OTHER REVENUES	1,916	1,018	898

The item “Miscellaneous income and revenue” includes €112 million for a request for VAT refund of the parent company against the limited ability to deduct VAT on vehicles.

18. Net financial income (expenses)

	30/06/07	30/06/06	YoY Change
Interest expenses on bank current accounts/loans	3,164	2,218	946
Foreign exchange losses	2,347	4,068	(1,721)
Bank charges	189	400	(211)
Other	26	542	(516)
TOTAL FINANCIAL EXPENSES	5,726	(7,228)	(1,502)
Interest income on bank current accounts/loans	1,207	259	948
Foreign exchange gains	2,245	3,000	(755)
Other	43	300	(257)
TOTAL FINANCIAL INCOME	3,495	3,559	(64)
NET FINANCIAL INCOME (EXPENSES)	(2,231)	(3,669)	1,438

Total financial expenses

The item “Interest expenses on bank current accounts and loans”, totalling €3.164 million, pertains mainly to the Scanning Group (€2.141 million), the parent company (€787 million) and Informatics (€181 million).

The item “Foreign exchange losses” amounts to €2.347 million and is attributed mainly to the Scanning Division (€1.706 million, of which Datalogic Slovakia for €921 million) and the parent company (€422 million).

The breakdown of the parent company’s foreign exchange losses is as follows:

- €291 thousand in foreign-exchange losses on commercial transactions, of which €27 thousand refers to retranslation at period-end exchange rates;
- €130 thousand in foreign exchange losses relating to loans and current accounts in foreign currency for alignment with the end-of-period exchange rate;
- €1 thousand for forward hedging transactions.

The item “Bank charges” reports a value of €189 thousand and includes €91 thousand attributed to the Scanning Division, €41 thousand to the parent company, €47 thousand to the Automation Division, and €10 thousand to the Mobile Division.

Total financial income

Interest income on bank current accounts/loans, in the amount of €1.207 million, is mainly attributable to the Scanning Division (€549 thousand) and to the direct parent company (€562 thousand).

The item “Foreign exchange gains” shows a value of €2.245 million and is attributed mainly to the Scanning Division (€1.617 million, of which Datalogic Slovakia for €719 thousand) and the parent company (€413 thousand).

The breakdown of the parent company’s foreign exchange gains is as follows:

- €313 thousand in foreign-exchange gains on commercial transactions, of which €101 thousand refers to retranslation at period-end exchange rates;
- €68 thousand in foreign-exchange gains relating to loans and current accounts in foreign currency for alignment with the end-of-period exchange rate;
- €32 thousand for hedging transactions.

19. Taxes

	30/06/07	30/06/06
Income taxes	9,090	4,041
Deferred taxes	(3,297)	(3,554)
	5,793	487

The average tax rate was 41.98%.

Note that at the date of drafting this interim report, there were no updates available on the dispute in progress regarding the ten-year ILOR tax exemption, as provided by D.P.R. 218/78 (Italian Consolidated Act on Actions in Southern Italy) regarding the former Datasud, for the financial year 2006. For more information, please see the comments in the explanatory notes to the consolidated Annual Report at 31 December 2006.

20. Earnings/loss per share

Basic earnings/loss per share

Basic earnings per share at 30 June 2007 were calculated on the basis of net Group income of €7.141 million (against a loss of €2.070 million at 30 June 2006) divided by the weighted average number of ordinary shares at 30 June 2007, equal to 62,720,063 (61,004,170 at 30 June 2006).

	30/06/07	30/06/06
Group profit/(loss) for period	7,908,000	-2,070,000
Average number of shares at 30 June	62,720,063	61,004,170
Basic earnings/loss per share	0.1261	-0.0339

Diluted earnings/loss per share

Diluted earnings per share at 30 June 2007 were calculated based on net income of €7.141 million (against a loss of €2.070 million at 30 June 2006) divided by the weighted average number of ordinary shares at 30 June 2007, equal to 62,826,369 (61,217,614 at 30 June 2006) while also considering the effect of the future exercise of stock options, calculated as follows:

	30/06/07	30/06/06
Group profit/(loss) for period	7,908,000	-2,070,000
Average number of shares at 30 June	62,720,063	61,004,170
Effect of future exercise of stock options	106,306	213,444
Diluted average number of shares at 30 June	62,826,369	61,217,614
Diluted earnings/loss per share	0.1259	-0.0338

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	30 June 2007							
RELATED PARTIES	Idec DI Co. Ltd.	Hydra	Datasensor	Nebulaxis Inc.*	Fondo Mandarin *	John O'Brien	Laservall Asia	Total
Equity investments					42			42
Trade receivables	275	21	2	0	0	0	2,244	2,542
DL S.p.A	11	4						15
DI Automation S.r.l.	264							264
DI Mobile S.r.l.			2					2
DI Shared Services S.r.l.		17						17
Laservall							2,244	2,244
Receivables under fiscal consolidation	0	4,361	0	0	0	0	0	4,361
DL S.p.A.		4,073						4,073
DI Scanning Group S.r.l.		288						288
Payables under fiscal consolidation	0	2,589	0	0	0	0	0	2,589
DI Automation S.r.l.		69						69
DI Mobile S.r.l.		1,047						1,047
DI Shared Services S.r.l.		118						118
Laservall		1,355						1,355
Trade payables	0	0	264	0	0	0	0	264
DI Automation S.r.l.			261					261
DI Scanning Group S.r.l.			3					3
Financial receivables	0	0	0	0	0	0	206	206
Laservall							206	206
Financial payables	0	0	0	0	0	2,499	0	2,499
DL S.p.A.						2,499		2,499
Sales / service costs	0	2	440	33	0	0	0	475
DL S.p.A.		2	216	33				251
DI Automation S.r.l.			218					218
DI Shared Services S.r.l.			3					3
DI Scanning Group S.r.l.			3					3
Commercial revenues	1,077	34	3	0	0	0	0	1,114
DL S.p.A.	692	20	2					714
DI Automation S.r.l.	385							385
DI Mobile S.r.l.			1					1
DI Shared Services S.r.l.		14						14

*) Transactions with companies belonging to members of the Board of Directors

Transactions with Datalogic Group companies

Idec Datalogic Co. Ltd, a Japanese company in which the ultimate parent company owns a 50% stake, purchases products and components from Datalogic for resale in the Far Eastern region.

As at 30 June 2007, the indirect parent company sold products and components in the value of approximately €692 thousand to Idec and has trade receivables from Idec that amount to €11 thousand. Furthermore, DL Automation S.r.l. sold products and components in the value of approximately €385

thousand to Idec and has trade receivables from Idec that amount to €264 thousand. These transactions were executed at conditions comparable to those of other affiliates.

Laservall S.p.A. holds trade receivables equal to €2.244 million from Laservall Asia and financial receivables for €206 thousand.

Transactions with companies belonging to shareholders

Relations with Datasensor S.p.A., a company controlled by the reference shareholders of the indirect parent company, refer mainly to the purchase of components by the parent company (€216 thousand), DL Automation S.r.l. (€218 thousand), DL Shared Services S.r.l. (€3 thousand), DL Scanning Group S.r.l. (€3 thousand) and distribution by some Group companies, of small quantities of Datasensor products.

Relations with Datasensor S.p.A. also refer to trade receivables from DL Mobile S.r.l. (€2 thousand), trade payables of DL Automation S.r.l. (€261 thousand) and DL Scanning Group (€3 thousand), and commercial revenue of DL S.p.A. and DL Mobile S.r.l. of an immaterial value.

Relations between the parent company and the indirect parent company (Hydra S.p.A.) mainly refer to receivables relating to IRES for €4.073 million and €288 thousand is the IRES receivable owed by DL Scanning Group S.r.l. to Hydra S.p.A..

The companies joined the fiscal consolidation, as consolidated companies (Hydra S.p.A. is the consolidator).

The following companies have an IRES payable to Hydra S.p.A.: Laservall (€1.355 million), DL Mobile S.r.l. (€1.047 million), DL Shared Services S.r.l. (€118 thousand) and DL Automation S.r.l. (€69 thousand).

Transactions with companies belonging to members of the Board of Directors

The company Nebulaxis (belonging to board member John O'Brien) has had relations of an immaterial value with the parent company.

It should be noted that under the heading "financial liabilities" are posted, in accordance with IAS 32.23, €2.499 million pertaining to a PUT option signed by the director John O'Brien with the parent company (which therefore has a call option) on his minority stake of 10% in Informatics Inc. This liability is offset by a negative reserve of €2.502 million (net of interest accruing and exchange-rate adjustment).

The parent company holds a shareholding valued at €42 thousand in Mandarin Capital Management SA (a company controlled by a member of the Board of Directors).

Chairman of the Board of Directors
Romano Volta

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

Subject: Quarterly Report at 30th June 2007

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 30 June 2007 corresponds to the outcomes, books and accounts.

Datalogic S.p.A.



(Marco Rondelli)

Datalogic S.p.A.
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Capitale sociale 33.045.413,44 euro i.v.
Codice Fiscale e Partita I.V.A. 01835711209
E.E.C. id. Code IT01835711209

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

ASSETS	31-12-06 Euro/000	Riclassifiche Euro/000	31-12-06 Euro/000
A) NON-CURRENT ASSETS (1+2+3+4+5+6+7+8)	227.624	0 0	227.624
1) Tangible non-current assets	50.380	0	50.380
Land	6.660		6.660
Buildings	18.238		18.238
Other tangible assets	23.672		23.672
Assets in progress and payments on account	1.810		1.810
2) Investment property	0	0	0
3) Intangible non-current assets	153.652	0	153.652
Goodwill	89.907		89.907
Development costs	3.010		3.010
Other intangible assets	60.735		60.735
4) Equity interests in associate companies	1.110		1.110
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	503		503
7) Deferred tax credits	20.738		20.738
8) Tax credits	0		0
B) CURRENT ASSETS (8+9+10+11+12+13+14+15)	176.078	0	176.078
9) Inventories	52.005	0	52.005
Raw & auxiliary materials plus consumables	30.936		30.936
Work in progress and semiprocessed goods	6.116		6.116
Finished products and goods for resale	14.953		14.953
10) Job-order work in progress	0	0	0
11) Trade and other receivables	85.716	-1.992	83.724
Trade receivables	81.533	-3.810	77.723
Within 12 months	75.998		75.998
After 12 months		0	0
Amounts receivable from associates	1.725		1.725
Amounts receivable from subsidiaries	0		0
Amounts receivable from parent company	3.810	-3.810	0
Amounts receivable from related parties			0
Other receivables	1.611	4.390	6.001
Accrued income/prepaid expenses	2.572	-2.572	0
12) Tax credits	5.201	1.992	7.193
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	32.950		32.950
TOTAL ASSETS (A+B)	403.702	0	403.702

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

LIABILITIES	31-12-06 Euro/000	Riclassifiche Euro/000	31-12-06 Euro/000
A) TOTAL NET EQUITY (1+2+3+4+5)	186.610	0	186.610
1) Share capital	159.098	0	159.098
2) Reserves	-11.057		-11.057
3) Retained earnings/(losses carried forward)	33.968	0	33.968
4) Profit/(loss) for period	4.125		4.125
5) Minority interests	476		476
B) NON-CURRENT LIABILITIES (6+7+8+9+10+11)	122.630	0	122.630
6) Borrowing	82.027		82.027
7) Tax payables	0		0
8) Deferred tax liabilities	26.468		26.468
9) Employee severance indemnity and retirement provision	7.624		7.624
10) Long-term provisions for risks and expenses	5.786	647	6.433
11) Other non-current liabilities	725	-647	78
C) CURRENT LIABILITIES (12+13+14+15)	94.462	0	94.462
12) Trade and other payables	72.857	1.289	74.146
Trade payables	49.215	-11	49.204
Within 12 months	48.760		48.760
After 12 months		0	0
Amounts payable to associates	21		21
Amounts payable to parent company	11	-11	0
Amounts payable to related parties	423		423
Accrued liabilities and deferred income	6.860	18.082	24.942
Other current payables	16.782	-16.782	0
13) Taxes payable	7.679	-1.289	6.390
14) Short-term provisions for risks and expenses	4.070		4.070
15) Hedging instruments			0
16) Short-term borrowing	9.856		9.856
TOTAL LIABILITIES (A+B+C)	403.702	0	403.702

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

	Note	30-06-07 Euro/000	31-12-06 Euro/000
ASSETS			
A) NON-CURRENT ASSETS (1+2+3+4+5+6+7+8)		171.070	194.835
1) Tangible non-current assets		17.206	26.704
Land		3.738	3.738
Buildings		11.521	11.575
Other tangible assets		1.870	11.169
Assets in progress and payments on account		77	222
2) Investment property		0	0
3) Intangible non-current assets		1.306	19.391
Goodwill		0	4.175
Development costs		0	2.881
Other intangible assets		1.306	12.335
4) Equity interests in associate companies		150.268	144.820
5) Available-for-sale financial assets (non-current)		1.274	1.232
Equity investments		913	871
Treasury stock			
Securities		361	361
6) Trade and other receivables		32	33
7) Deferred tax credits		984	2.655
8) Tax credits		0	0
B) CURRENT ASSETS (8+9+10+11+12+13+14+15)		89.438	66.763
9) Inventories		0	11.314
Raw & auxiliary materials plus consumables		0	5.835
Work in progress and semiprocessed goods		0	2.477
Finished products and goods for resale		0	3.002
10) Job-order work in progress		0	0
11) Trade and other receivables		30.597	32.567
Trade receivables		9.787	31.193
Within 12 months		2.892	13.836
After 12 months			
Amounts receivable from associates		11	588
Amounts receivable from subsidiaries		6.880	16.734
Amounts receivable from parent company		4	34
Amounts receivable from related parties		0	1
Other receivables		20.810	1.374
Amounts from related parties		19.373	0
12) Tax credits		5.004	5.117
Amounts from parent company		4.073	3.776
13) Available-for-sale financial assets (current)		16.176	7.026
Securities		0	0
Loans to subsidiaries		16.176	7.026
14) Hedging instruments			
15) Cash & cash equivalents		37.661	10.739
TOTAL ASSETS (A+B)		260.508	261.598

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

LIABILITIES	Note	30-06-07 Euro/000	31-12-06 Euro/000
A) TOTAL NET EQUITY (1+2+3+4+5)		182.698	183.689
1) Share capital		153.105	159.098
2) Reserves		-2.501	-2.501
3) Retained earnings/(losses carried forward)		26.105	27.402
4) Profit/(loss) for period		5.989	-310
5) Minority interests			
B) NON-CURRENT LIABILITIES (6+7+8+9+10+11)		27.586	40.730
6) Borrowing		20.878	23.146
7) Tax payables		0	0
8) Deferred tax liabilities		2.606	6.753
9) Employee severance indemnity and retirement provision		292	6.830
10) Long-term provisions for risks and expenses		3.810	4.001
11) Other non-current liabilities		0	0
C) CURRENT LIABILITIES (12+13+14+15)		50.224	37.179
12) Trade and other payables		7.666	28.610
Trade payables		4.336	21.693
Within 12 months		3.091	14.740
After 12 months			
Amounts payable to associates		1.245	6.526
Amounts payable to parent company			4
Amounts payable to related parties		0	423
Accrued liabilities and deferred income			
Other current payables		3.330	6.917
Amounts payable to associates		1.715	
13) Taxes payable		645	2.227
Amounts payable to parent company		0	0
14) Short-term provisions for risks and expenses		0	0
15) Hedging instruments		0	0
16) Short-term borrowing		41.913	6.342
TOTAL LIABILITIES (A+B+C)		260.508	261.598

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

	Note	30-06-07 Euro/000	30-06-06 Euro/000
1) TOTAL REVENUES		26.318	56.990
Revenues from sale of products		24.397	55.731
Revenues from services		1.921	1.259
2) Cost of goods sold <i>of which non-recurring (*)</i>		16.548	39.101
GROSS PROFIT (1-2)		9.770	17.889
3) Other operating revenues <i>of which non-recurring (*)</i>		2.468	2.701
4) R&D expenses <i>of which non-recurring (*)</i>		3.165	6.016
5) Distribution expenses <i>of which non-recurring (*)</i>		3.002	6.167
6) General & administrative expenses <i>of which non-recurring (*)</i> <i>of which amort. pertaining to acquisitions (*)</i>		6.448 1.000 2.045	8.885 2.495 1.154
7) Other operating expenses <i>of which non-recurring (*)</i>			
Total operating costs (4+5+6+7)		14.660	22.222
OPERATING PROFIT		-2.422	-1.632
8) Financial income		8.555	2.561
9) Share of associate companies' profits		0	0
PRE-TAX PROFIT/(LOSS)		6.133	929
Taxes		144	-363
NET PROFIT FOR PERIOD		5.989	1.292
Minority interests' share of net profit		0	0
GROUP NET PROFIT		5.989	1.292
Earning per share (Euro)		0,0955	0,0194
Diluted earning per share (Euro)		0,0953	0,0193

(*) see the management report for the details of non- recurring costs and amort. pertaining to acquisitions

DATALOGIC S.p.A.**CONSOLIDATED CASH FLOW STATEMENT**

	30-06-07 Euro/000	31-12-06 Euro/000
Pre-tax profit	6.133	-341
Depreciation & amortisation	1.862	5.828
Employee severance indemnity provision	349	1.237
Employee severance indemnities paid out	-489	-574
Bad debt provisions	-6.398	
Net financial costs/revenues included foreign exchange	0	0
Write-down of financial assets	-8.555	-2.223
Cash flow from operating before change in working capital	-7.098	3.927
Trade receivables		
Inventories	21.406	-442
Other current assets	11.314	4.835
Other medium-/long-term assets	-19.436	-429
Trade payables		0
Other current liabilities	-17.357	-614
Other medium-/long-term liabilities	-3.588	-3.642
Provisions for risks and expenses		0
	-191	1.840
Trade foreign exchange	22	262
Net change in operating assets and liabilities	-14.928	5.737
Taxes	-4.089	-151
Interests and bank expenses	8.564	2.623
Operating cash flow (A)	-10.453	8.209
(Increase)/decrease in intangible non-current assets net of exchange rate	17.089	-10.383
(Increase)/decrease in tangible non-current assets net of exchange rate	8.633	-2.888
Unconsolidated equity investments	-5.490	
Investment cash flow (B)	20.232	-13.271
Financing activity		
LT/ST financial receivables	-9.150	
LT/ST financial payables and derivatives	29.678	24.027
Financial exchange rate	-31	-662
Hedging instruments		-9.050
Reserves	-3.174	62.359
Capital increase with issue of new shares		
Dividend distribution	-3.805	-3.489
Finance cash flow (C)	13.518	73.185
Change in net financial position (A+B+C)	23.297	68.123
Short term net financial position at beginning of period	7.007	-61.116
Short-term net financial position at end of period	30.304	7.007

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
		Translation reserve	Financial liabilities reserve	Total Other reserves	Retained earnings	Merger surplus	Capital grant reserve	Legal reserve	Treasury share reserve	IFRS reserve	Total		
01.01.2006	90.556	131	-	131	6.584	4.432	256	1.399	-	8.358	21.029	9.924	121.640
Profit allocation				-	5.963			471			6.434	-9.924	-3.490
Capital increase	76.960			-							-		76.960
Increase in IFRS reserve				-							-		-
Sale of treasury shares	-4.030			-	-4.123				4.123		-		-4.030
Fair value adjustment		-135		-135							-		-135
Capital increase charges	-512			-							-		-512
Extraordinary dividend				-							-		-
Other changes			-2.502	-2.502		-702	702				-		-2.502
Net profit as at 30.06.06				-							-	1.292	1.292
30.06.2006	162974	-4	-2.502	-2506	8.425	3.729	958	1.870	4.123	8.358	27.463	1.292	189.223

Description	Share capital	Other reserves			Net profit for previous years							Net profit for period	Net equity
		Translation reserve	Financial liabilities reserve	Total Other reserves	Retained earnings	Merger surplus	Capital grant reserve	Legal reserve	Treasury share reserve	IFRS reserve	Total		
01.01.2007	159.098	-	-2.501	-2.501	4.199	3.730	958	1.870	8.283	8.363	27.403	-310	183.690
Profit allocation				-	-310						-310	310	-
Capital increase	221			-							-		221
Increase in IFRS reserve				-						60	60		60
Sale of treasury shares	-6.214			-	2.571	-3.730			3.916		2.757		-3.457
Dividends				-	-3.805						-3.805		-3.805
Net profit as at 30.06.06				-							-	5.989	5.989
30.06.2007	153.105	-	-2.501	-2.501	2.655	-	958	1.870	12.199	8.423	26.105	5.989	182.698

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

ASSETS	31-12-06 Euro/000	Riclassifiche Euro/000	31-12-06 Euro/000
A) NON-CURRENT ASSETS (1+2+3+4+5+6+7+8)	194.835	0	194.835
1) Tangible non-current assets	26.704	0	26.704
Land	3.738		3.738
Buildings	11.575		11.575
Plant & machinery	2.143	-2.143	0
Other tangible assets	9.026	2.143	11.169
Assets in progress and payments on account	222		222
2) Investment property	0	0	0
3) Intangible non-current assets	19.391	0	19.391
Goodwill	4.175		4.175
Development costs	2.881		2.881
Other intangible assets	12.335		12.335
4) Equity interests in associate companies	144.820		144.820
5) Available-for-sale financial assets (non-current)	1.232	0	1.232
Equity investments	871		871
Treasury stock			
Securities	361		361
6) Trade and other receivables	33		33
7) Deferred tax credits	2.655		2.655
8) Tax credits	0		0
B) CURRENT ASSETS (8+9+10+11+12+13+14+15)	66.763	0	66.763
9) Inventories	11.314	0	11.314
Raw & auxiliary materials plus consumables	5.835		5.835
Work in progress and semiprocessed goods	2.477		2.477
Finished products and goods for resale	3.002		3.002
10) Job-order work in progress	0	0	0
11) Trade and other receivables	35.930	-3.363	32.567
Trade receivables	34.969	-3.776	31.193
Within 12 months	13.836		13.836
After 12 months		0	0
Amounts receivable from associates	588		588
Amounts receivable from subsidiaries	16.734		16.734
Amounts receivable from parent company	3.810	-3.776	34
Amounts receivable from related parties	1		1
Other receivables	763	611	1.374
Accrued income and prepaid expenses	198	-198	0
12) Tax credits	1.754	3.363	5.117
13) Available-for-sale financial assets (current)	7.026	0	7.026
Securities	0		0
Loans to subsidiaries	7.026		7.026
14) Hedging instruments			
15) Cash & cash equivalents	10.739		10.739
TOTAL ASSETS (A+B)	261.598	0	261.598

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

LIABILITIES	Note	31-12-06 Euro/000	Riclassifiche Euro/000	31-12-06 Euro/000
A) TOTAL NET EQUITY (1+2+3+4+5)		183.689	0	183.689
1) Share capital		159.098	0	159.098
2) Reserves		-2.501		-2.501
3) Retained earnings/(losses carried forward)		27.402	0	27.402
4) Profit/(loss) for period		-310		-310
5) Minority interests				0
B) NON-CURRENT LIABILITIES (6+7+8+9+10+11)		40.730	0	40.730
6) Borrowing		23.146		23.146
7) Tax payables		0		0
8) Deferred tax liabilities		6.753		6.753
9) Employee severance indemnity and retirement provision		6.830		6.830
10) Long-term provisions for risks and expenses		4.001		4.001
11) Other non-current liabilities		0		0
C) CURRENT LIABILITIES (12+13+14+15)		37.179	0	37.179
12) Trade and other payables		28.610	0	28.610
Trade payables		21.693	0	21.693
Within 12 months		14.740		14.740
After 12 months		0		0
Amounts payable to associates		6.526		6.526
Amounts payable to parent company		4		4
Amounts payable to related parties		423		423
Accrued liabilities and deferred income		5.663	1.254	6.917
Other current payables		1.254	-1.254	0
13) Taxes payable		2.227		2.227
14) Short-term provisions for risks and expenses		0		0
15) Hedging instruments		0		0
16) Short-term borrowing		6.342		6.342
TOTAL LIABILITIES (A+B+C)		261.598	0	261.598