



# **Consolidated financial statements**

**30th June 2008**



## **DATALOGIC GROUP**

### **Consolidated financial statements and report for the first half of 2008**

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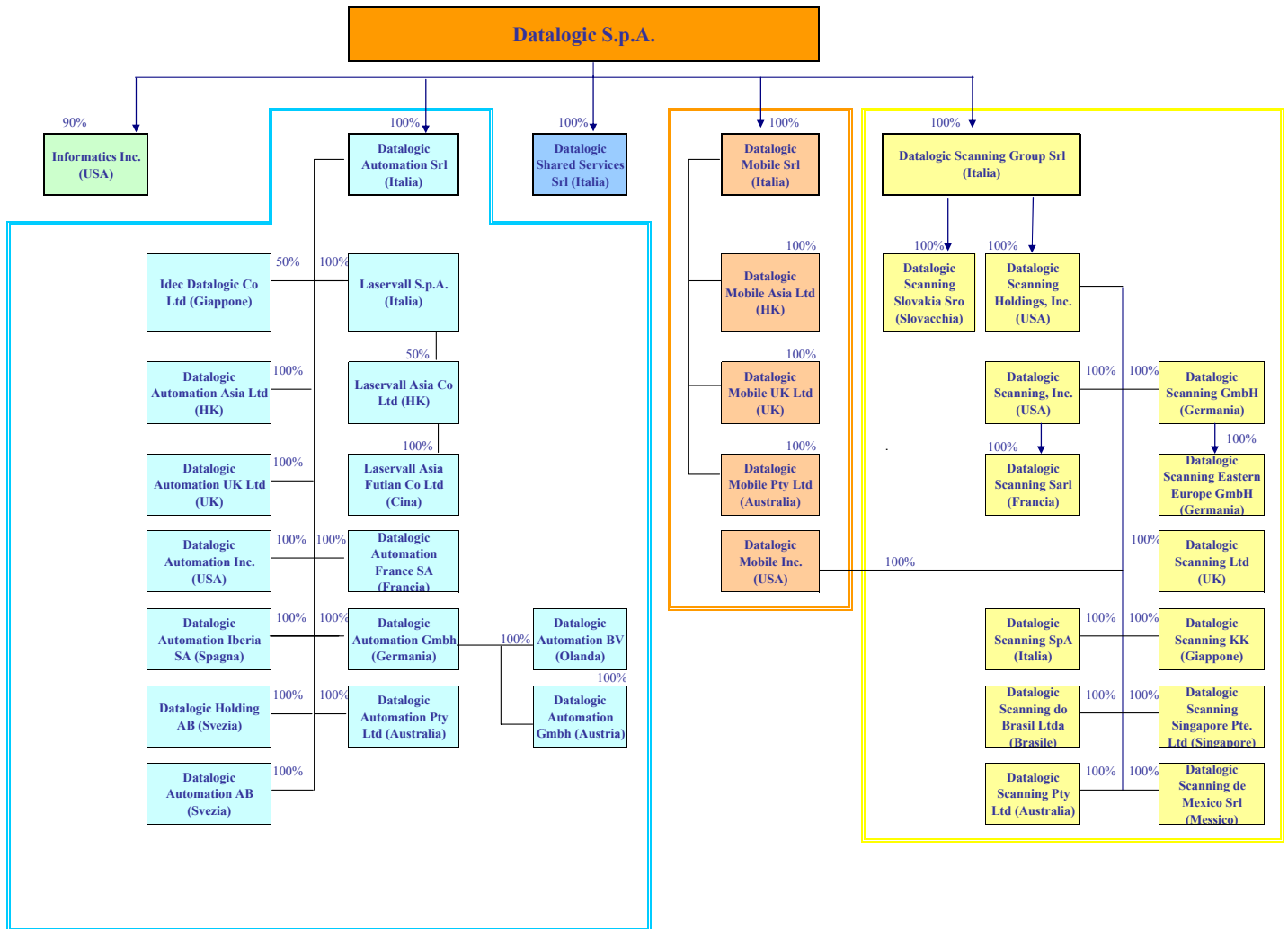
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# GROUP STRUCTURE



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

## COMPOSITION OF CORPORATE GOVERNANCE BODIES

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### **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

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### **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

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### **Independent auditing firm**

PricewaterhouseCoopers SpA

(1) The Board of Directors will remain in office until the shareholders' meeting that approves financial statements for the year ending on December 31st 2008

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

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

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

**DATALOGIC GROUP – INTERIM MANAGEMENT REPORT AT 30 JUNE 2008****REPORT ON OPERATIONS**

To Our Shareholders,

The report for the period ended 30 June 2008, which we herewith submit to you for review, has been prepared in compliance with the instructions accompanying the Regulations issued by Borsa Italiana SpA.

More specifically, consolidated financial statements apply the approach envisaged by the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) adopted by the European Union.

**OPERATING AND FINANCIAL RESULTS**

The following table summarises the Datalogic Group's key operating and financial highlights as at 30 June 2008 compared with the same period of the previous year:

<b>Datalogic Group</b>	<b>30/06/2008</b>	<b>30/06/2007</b>	<b>change</b>	<b>% chg</b>
<b>(€'000)</b>				
Total revenues	193,558	198,962	-5,404	-2.7%
EBITDA (*)	25,361	25,816	-455	-1.8%
% of total revenues	13.1%	13.0%		
Group net profit/loss	11,818	7,908	3,910	49.4%
% of total revenues	6.1%	4.0%		
Net financial position (NFP)	-75,943	-71,820	-4,123	5.7%

(\*) **EBITDA** is a performance indicator not defined under the IFRSs. 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 different measurement criteria used to determine taxable income, by the total amount and nature of the capital involved, or by the related depreciation and amortisation policies. We define it as **profit/loss for the period before depreciation and amortisation, non-recurring costs, financial income and expenses, and income taxes**.

As at 30 June 2008, the **Datalogic Group recorded revenues of €193,558 thousand (vs. €198,962 thousand in the first six months of the previous year)**, detailed as follows:

- €186,704 thousand of revenues from the sale of products;
- €6,854 thousand of revenues from services.

These revenues decreased by roughly 2.7% from the same period of the previous year. At a constant euro-dollar exchange rate from the same period of 2007, there would have been an increase of about 3%.

**Group EBITDA was €25,361 thousand, with a margin on total revenues of 13.1%. The decrease from the same period of the previous year totals €455 thousand** (down 1.8% from the €25,816 thousand at 30 June 2007).

**Group net income at 30 June 2008 came to €11,818 thousand**, for a sharp increase over the €7,908 thousand as at 30 June 2007 (+49.4%).

The reduction in income tax expense, which went from the 42% of pre-tax profit for the first half of 2007 to 24% for the first 6 months of 2008, is due primarily to a couple of items that involved the Group's Italian companies. Specifically:

- the recognition of other revenues in the amount of €1,893 thousand for contributions to research and development spending (of which €1,235 thousand related to the period 1 January 2007 to 31 December 2007 and €658 thousand related to the first 6 months of 2008). These contributions, which were introduced by the 2007 Italian budget law (law 296 of 27 December 2006) for the period 2007-2009, are not to be included in taxable income for either corporate income tax or the Italian regional business tax (IRAP);
- the redemption of the difference between carrying values and fiscal values due to the possibility (available until 31 December 2007) to make non-accounting tax deductions. For more information on the characteristics of this item, see the explanatory notes to the half-yearly financial report (section 21), but it should be noted that the total estimated benefit for this transaction is €1,329 thousand.

**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)	30/06/2008		30/06/2007		chg	% chg
<b>Total revenues</b>	<b>193,558</b>	<b>100.0%</b>	<b>198,962</b>	<b>100.0%</b>	<b>(5,404)</b>	<b>-2.7%</b>
Cost of sales	(106,808)	-55.2%	(109,465)	-55.0%	2,657	-2.4%
<b>Gross profit</b>	<b>86,750</b>	<b>44.8%</b>	<b>89,497</b>	<b>45.0%</b>	<b>(2,747)</b>	<b>-3.1%</b>
Other revenues (*)	2,800	1.4%	1,416	0.7%	1,384	97.7%
Research & development expenses	(12,304)	-6.4%	(13,959)	-7.0%	1,655	-11.9%
Distribution expenses	(38,923)	-20.1%	(39,109)	-19.7%	186	-0.5%
General & administrative expenses	(17,975)	-9.3%	(16,926)	-8.5%	(1,049)	6.2%
Other operating costs (*)	(691)	-0.4%	(1,157)	-0.6%	466	-40.3%
<b>Earnings before interests, taxes, acquisitions, and non-recurring items (EBITANR)</b>	<b>19,657</b>	<b>10.2%</b>	<b>19,762</b>	<b>9.9%</b>	<b>(105)</b>	<b>-0.5%</b>
Non-recurring costs and revenues	0	0.0%	(1,829)	-0.9%	1,829	-100.0%
Depreciation & amortisation due to acquisitions (**)	(1,898)	-1.0%	(2,086)	-1.0%	188	-9.0%
<b>EBIT</b>	<b>17,759</b>	<b>9.2%</b>	<b>15,847</b>	<b>8.0%</b>	<b>1,912</b>	<b>12.1%</b>
Net financial income/(expenses)	(2,500)	-1.3%	(2,129)	-1.1%	(371)	17.4%
Subsidiaries' earnings/(losses)	57	0.0%	184	0.1%	(127)	-69.0%
Foreign exchange earnings/(losses)	237	0.1%	(102)	-0.1%	339	N.A.
<b>Pre-tax profit/(loss)</b>	<b>15,553</b>	<b>8.0%</b>	<b>13,800</b>	<b>6.9%</b>	<b>1,753</b>	<b>12.7%</b>
Taxes	(3,735)	-1.9%	(5,793)	-2.9%	2,058	-35.5%
<b>Net profit/(loss) for period</b>	<b>11,818</b>	<b>6.1%</b>	<b>8,007</b>	<b>4.0%</b>	<b>3,811</b>	<b>47.6%</b>
Minority interests' share of net profit	0	0.0%	(99)	0.0%	99	-100.0%
<b>GROUP NET PROFIT/(LOSS)</b>	<b>11,818</b>	<b>6.1%</b>	<b>7,908</b>	<b>4.0%</b>	<b>3,910</b>	<b>49.4%</b>
Depreciation	(3,632)	-1.9%	(3,946)	-2.0%	314	-8.0%
Amortisation	(2,072)	-1.1%	(2,108)	-1.1%	36	-1.7%
<b>EBITDA</b>	<b>25,361</b>	<b>13.1%</b>	<b>25,816</b>	<b>13.0%</b>	<b>(455)</b>	<b>-1.8%</b>

(\*) Other revenues and other operating costs as at 30 June 2007 have been reclassified for the purposes of comparison with 30 June 2008. For a detail of these reclassifications, see the annexes below.

(\*\*) This item includes extraordinary costs for depreciation and amortisation resulting from the acquisitions of Laservall, Informatics, Datalogic Scanning Inc., and Datalogic Mobile Inc.

In order to assure better representation of the Group's ordinary profitability, we have preferred to show an operating result before the impact of non-recurring costs/income and acquisition-related depreciation and amortisation, which we have called "Earnings before interests, taxes, acquisitions, and non-recurring items" (EBITANR). However, to permit comparability with the detailed official accounting statements, we have included a further intermediate profit figure (EBIT), which includes non-recurring costs/income and depreciation and amortisation due to acquisitions and matches figures reported in the official financial statements.

Depreciation and amortisation due to acquisitions (in the amount of €1,898 thousand) is made up as follows:

1. €648 thousand pertaining to Laservall;
2. €261 thousand pertaining to Informatics;
3. €816 thousand attributable to Datalogic Scanning Inc.;
4. €173 thousand attributable to Datalogic Mobile Inc.

It should also be noted that, as at 30 June 2008, operating costs include €705 thousand in early retirement incentives, which have not been classified among non-recurring costs and revenues in that they are related to normal operations of company management and not to extraordinary events such as corporate reorganisation.

**EBIT came to €17,759 thousand, for a margin on sales of 9.2%, up 12.1% over the same period of the previous year.**

The next two tables compare key operating results achieved in the second quarter of 2008, compared with the same period of 2007 and the first quarter of 2008.

	<b>2Q08</b>		<b>2Q07</b>		<b>chg</b>	<b>% chg</b>
<b>TOTAL REVENUES</b>	97,541	100.0%	94,897	100.0%	2,644	2.8%
<b>EBITDA</b>	13,780	14.1%	11,810	12.4%	1,970	16.7%
<b>EBITANR</b>	10,983	11.3%	8,819	9.3%	2,164	24.5%
<b>EBIT</b>	10,047	10.3%	7,183	7.6%	2,864	39.9%

	<b>2Q08</b>		<b>1Q08</b>		<b>chg</b>	<b>% chg</b>
<b>TOTAL REVENUES</b>	97,541	100.0%	96,017	100.0%	1,524	1.6%
<b>EBITDA</b>	13,780	14.1%	11,581	12.1%	2,199	19.0%
<b>EBITANR</b>	10,983	11.3%	8,674	9.0%	2,309	26.6%
<b>EBIT</b>	10,047	10.3%	7,712	8.0%	2,335	30.3%



## **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 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 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 2007, the Group concluded a restructuring project that, among other things, led to a revision of Datalogic's business segments. For the purposes of disclosure, the business segments through 31 March 2007 were as follows:

**Data Capture:** This is Datalogic's traditional business and includes the development, production and sale of the following products: hand-held readers (HHRs), unattended scanning systems (USSs) for the industrial market, mobile computers (MCs), 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 Group's traditional 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 from April 2007, following the Group's reorganisation, the business segments are now as follows:

**Mobile** – includes the Mobile Computers (MC) product lines;

**Automation** – includes the product lines related to unattended scanning systems (USSs) for the industrial market, products for industrial marking, and radio frequency or RFID readers;

**Scanning** – includes the product lines related to hand-held readers (HHRs) and checkout scanners 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 reorganisation, it has not been possible to reliably reclassify the final figures relating to the first quarter of 2007 based on the new business segments.

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

- financial data pertaining to the new Mobile, Automation, Scanning, and Business Development business segments are provided for the first half of this financial year;
- additionally, financial data pertaining to the first six months of 2008, reclassified on the basis of the previous structure (Data Capture and Business Development), are provided and compared to the results of the same period of 2007 (since they are comparable) in order to ensure comparability.

The financial results of the core business segment for the period January-June 2008, revised as per the new company structure, are as follows:

	Mobile Division	Automation Division	Business Dev. Division	Scanning Division	Datalogic SpA (*)	Adjustments	Datalogic Group
External sales	43,296	35,533	22,130	92,599		0	193,558
Intersegment sales	2,849	495		133	10,150	(13,627)	0
<b>Total revenues</b>	<b>46,145</b>	<b>36,028</b>	<b>22,130</b>	<b>92,732</b>	<b>10,150</b>	<b>(13,627)</b>	<b>193,558</b>
Cost of sales	(25,743)	(18,709)	(11,803)	(54,222)	(2)	3,671	(106,808)
<b>Gross profit</b>	<b>20,402</b>	<b>17,319</b>	<b>10,327</b>	<b>38,510</b>	<b>10,148</b>	<b>(9,956)</b>	<b>86,750</b>
% of revenues	44.2%	48.1%	46.7%	41.5%	100.0%	73.1%	44.8%
Other revenues	513	1,766	121	738	696	(1,034)	2,800
R&D expenses	(2,200)	(3,546)	(411)	(5,885)	(285)	23	(12,304)
Distribution expenses (I)	(10,532)	(8,931)	(4,867)	(19,289)	(1)	4,697	(38,923)
General expenses (I)	(4,515)	(5,130)	(1,581)	(6,398)	(6,411)	6,060	(17,975)
Other operating costs	(129)	(440)	(31)	(439)	(132)	480	(691)
<b>Total operating costs</b>	<b>(17,376)</b>	<b>(18,047)</b>	<b>(6,890)</b>	<b>(32,011)</b>	<b>(6,829)</b>	<b>11,260</b>	<b>(69,893)</b>
% of revenues	-37.7%	-50.1%	-31.1%	-34.5%	-67.3%	-82.6%	-36.1%
<b>EBITANR</b>	<b>3,539</b>	<b>1,038</b>	<b>3,558</b>	<b>7,237</b>	<b>4,015</b>	<b>270</b>	<b>19,657</b>
% of revenues	7.7%	2.9%	16.1%	7.8%	39.6%	-2.0%	10.2%
Non-recurring costs/revenues	0	0	0	0	0	0	0
Depr./Amort. due to acquisitions	(173)	(648)	(261)	(816)	0	0	(1,898)
<b>EBIT</b>	<b>3,366</b>	<b>390</b>	<b>3,297</b>	<b>6,421</b>	<b>4,015</b>	<b>270</b>	<b>17,759</b>
% of revenues	7.3%	1.1%	14.9%	6.9%	39.6%	-2.0%	9.2%
Net financial income (expenses)							(2,263)
Share of associates' net profits							57
Income taxes							(3,735)
<b>Net Profit/Loss</b>							<b>11,818</b>
% of revenues							6.1%
Depreciation & amortisation	(1,297)	(1,359)	(155)	(2,334)	(554)	(5)	(5,704)
<b>EBITDA</b>	<b>4,836</b>	<b>2,397</b>	<b>3,713</b>	<b>9,571</b>	<b>4,569</b>	<b>275</b>	<b>25,361</b>
% of revenues	10.5%	6.7%	16.8%	10.3%	45.0%	-2.0%	13.1%

(\*) This column also includes costs and revenues related to Datalogic Shared Services Srl (of €32 thousand and €19 thousand, respectively), which has not been operational since 10 January 2008 and is currently being liquidated.

The economic results of the primary segments at 30 June 2008, presented according to the previous structure, compared with the results at 30 June 2007, are as follows:

	Data Capture		Business Development		Unallocated costs/revenues		Adjustments		Consolidated Segment	
	30/06/08	30/06/07	30/06/08	30/06/07	30/06/08	30/06/07	30/06/08	30/06/07	30/06/08	30/06/07
External sales	154,761	158,326	38,797	40,636	0				193,558	198,962
Intersegment sales	3,170	69		0			(3,170)	(69)	0	0
<b>Total revenues</b>	<b>157,931</b>	<b>158,395</b>	<b>38,797</b>	<b>40,636</b>	<b>0</b>	<b>0</b>	<b>(3,170)</b>	<b>(69)</b>	<b>193,558</b>	<b>198,962</b>
Cost of sales	(88,885)	(89,644)	(17,923)	(19,821)					(106,808)	(109,465)
Intersegment cost of goods sold			(2,787)	(1,650)			2,787	1,650	0	0
<b>Gross profit</b>	<b>69,046</b>	<b>68,751</b>	<b>18,087</b>	<b>19,165</b>	<b>0</b>	<b>0</b>	<b>(383)</b>	<b>1,581</b>	<b>86,750</b>	<b>89,497</b>
% of revenues	43.7%	43.4%	46.6%	47.2%			12.1%	-2291.3%	44.8%	45.0%
Other revenues	2,341	3,045	689	133			(230)	(1,762)	2,800	1,416
R&D expenses	(10,158)	(11,902)	(2,146)	(2,057)					(12,304)	(13,959)
Distribution expenses	(32,407)	(32,401)	(6,724)	(6,820)			208	112	(38,923)	(39,109)
General expenses	(11,048)	(9,148)	(3,613)	(3,128)	(3,759)	(4,719)	445	69	(17,975)	(16,926)
Other operating costs	(310)	(1,000)	(381)	(157)					(691)	(1,157)
<b>Total operating costs</b>	<b>(53,923)</b>	<b>(54,451)</b>	<b>(12,864)</b>	<b>(12,162)</b>	<b>(3,759)</b>	<b>(4,719)</b>	<b>653</b>	<b>181</b>	<b>(69,893)</b>	<b>(71,151)</b>
% of revenues	-34.1%	-34.4%	-33.2%	-29.9%			-20.6%	-262.3%	-36.1%	-35.8%
<b>EBITANR (*)</b>	<b>17,464</b>	<b>17,345</b>	<b>5,912</b>	<b>7,136</b>	<b>(3,759)</b>	<b>(4,719)</b>	<b>40</b>	<b>0</b>	<b>19,657</b>	<b>19,762</b>
% of revenues	11.1%	11.0%	15.2%	17.6%			-1.3%	0.0%	10.2%	9.9%
Allocable non-recurring (costs)/revenues	0	(1,829)	0	0	0		0		0	(1,829)
Depr./Amort. due to acquisitions	(988)	(1,138)	(910)	(948)	0		0		(1,898)	(2,086)
<b>EBIT</b>	<b>16,476</b>	<b>14,378</b>	<b>5,002</b>	<b>6,188</b>	<b>(3,759)</b>	<b>(4,719)</b>	<b>40</b>	<b>0</b>	<b>17,759</b>	<b>15,847</b>
% of revenues	10.4%	9.1%	12.9%	15.2%			-1.3%	0.0%	9.2%	8.0%
Net financial income (expenses)					(2,263)	(2,231)			(2,263)	(2,231)
Share of associates' profit					57	184			57	184
Income taxes					(3,735)	(5,793)			(3,735)	(5,793)
<b>NET PROFIT/LOSS</b>					<b>(9,700)</b>	<b>(12,559)</b>	<b>40</b>	<b>0</b>	<b>11,818</b>	<b>8,007</b>
% of revenues							-1.3%	0.0%	6.1%	4.0%
Minority interests' share of profit/loss						(99)			0	(99)
<b>GROUP NET PROFIT/LOSS</b>					<b>(9,700)</b>	<b>(12,658)</b>	<b>40</b>	<b>0</b>	<b>11,818</b>	<b>7,908</b>
% of revenues							-1.3%	0.0%	6.1%	4.0%

## BALANCE SHEET BY BUSINESS SEGMENT

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

	Mobile Division		Automation Division		Business Dev. Division		Scanning Division		Datalogic SpA (*)		Adjustments		Datalogic Group	
€'000	Jun-08	Dec-07	Jun-08	Dec-07	Jun-08	Dec-07	Jun-08	Dec-07	Jun-08	Dec-07	Jun-08	Dec-07	Jun-08	Dec-07
Allocable assets	54,320	62,009	62,886	61,701	19,327	20,893	168,197	169,987	31,350	52,309	(11,654)	(42,285)	324,426	324,614
Interests in subsidiaries booked at equity	-	-	1,623	1,472	-	-	3,647	3,905	153,861	153,861	(157,508)	(157,766)	1,623	1,472
Unallocable assets	-	-	-	-	-	-	-	-	-	-	-	-	65,999	86,306
<b>Total assets</b>	<b>54,320</b>	<b>62,009</b>	<b>64,509</b>	<b>63,173</b>	<b>19,327</b>	<b>20,893</b>	<b>171,844</b>	<b>173,892</b>	<b>185,211</b>	<b>206,170</b>	<b>(169,162)</b>	<b>(200,051)</b>	<b>392,048</b>	<b>412,392</b>
Allocable liabilities	25,675	22,363	21,394	24,918	2,982	9,427	36,169	55,375	13,447	13,018	(13,245)	(34,736)	86,422	90,365
Unallocable liabilities	-	-	-	-	-	-	-	-	-	-	-	-	141,740	148,545
Equity	25,348	29,335	40,047	40,352	14,754	9,372	79,716	77,223	160,865	174,283	(156,844)	(157,083)	163,886	173,482
<b>Total liabilities &amp; equity</b>	<b>51,023</b>	<b>51,698</b>	<b>61,441</b>	<b>65,270</b>	<b>17,736</b>	<b>18,799</b>	<b>115,885</b>	<b>132,598</b>	<b>174,312</b>	<b>187,301</b>	<b>(170,089)</b>	<b>(191,819)</b>	<b>392,048</b>	<b>412,392</b>
Dep. & Amort. (net of D&A due to acquisitions)	1,297	N.A.	1,359	N.A.	155	N.A.	2,334	N.A.	554	N.A.	5	N.A.	5,704	3,063

## ANALYSIS OF BALANCE SHEET DATA

At 30 June 2008, net financial position was a net debt balance of €75,943 thousand, as follows:

Datalogic Group	30/06/2008	31/12/2007	30/06/2007
(€'000)			
A. Cash and bank deposits	36,110	54,669	60,014
B. Other liquidity	379	70	0
<i>b1. Restricted cash</i>	379	70	0
C. Securities held for trading	368	368	366
<i>c1. Current</i>		0	0
<i>c2. Non-current</i>	368	368	366
<b>D. Cash &amp; Cash equivalents (A) + (B) + (C)</b>	<b>36,857</b>	<b>55,107</b>	<b>60,380</b>
<b>E. Current financial receivables</b>	163	206	206
F. Other current financial receivables	621	171	0
<i>f1. hedging instruments</i>	621	171	0
G. Bank current accounts payable	1,820	0	
H. Current portion of non-current debt	22,483	26,006	37,702
I. Other current financial liabilities	627	686	0
<i>i1. hedging instruments</i>	627	686	0
<b>J. Current financial debt (G) + (H) + (I)</b>	<b>24,930</b>	<b>26,692</b>	<b>37,702</b>
<b>K. Current financial debt, net (J) - (D) - (E) - (F)</b>	<b>(12,711)</b>	<b>(28,792)</b>	<b>(22,884)</b>
L. Non-current bank borrowings	85,267	87,845	92,205
M. Notes issued		0	0
N. Other non-current liabilities	3,387	3,491	2,499
<i>n1. Financial liabilities to member of the board</i>	3,387	3,491	2,499
<b>O. Non-current financial debt (L) + (M) + (N)</b>	<b>88,654</b>	<b>91,336</b>	<b>94,704</b>
<b>P. Net financial debt (K) + (O)</b>	<b>75,943</b>	<b>62,544</b>	<b>71,820</b>

Net financial position as at 30 June 2008 came to a net debt balance of €75,943 thousand and deteriorated as compared to both 31 December 2007 (net debt of €62,544 thousand) and 30 June 2007 (net debt of €71,820 thousand).

It should be noted that, during the first half of the year, we:

- purchased €12,209 thousand in treasury shares (treasury shares in the amount of €7,016 thousand as at 30 June 2008 are not included in net financial position);
- disbursed the first tranche of the management incentive plan in the amount of roughly €4,900 thousand;
- paid dividends totalling €4,063 thousand.

Investments were also made in the amount of €4,465 thousand.

Net working capital as at 30 June 2008 totalled €81,648 thousand and increased by €14,218 thousand from 31 December 2007 (€67,430 thousand), while declining by €336 thousand from 30 June 2007 (€81,984 thousand).

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

	<b>30 June 2008</b>		<b>31 December 2007</b>	
	<b>Total equity</b>	<b>Period result</b>	<b>Total equity</b>	<b>Period result</b>
<b>Datalogic SpA equity and profit</b>	<b>158,286</b>	<b>2,663</b>	<b>171,704</b>	<b>7,840</b>
Difference between consolidated companies' equity and their carrying value for Datalogic SpA; effect of equity-based valuation	14,178	26,608	9,962	23,555
Reversal of dividends	0	(17,059)	0	(9,017)
Laservall acquisition	(5,180)	(648)	(4,532)	(1,295)
Amortisation of new DL AB consolidation difference	(239)		(239)	
Elimination of capital gain on sale of business branch	(2,199)	0	(2,199)	(1,980)
Effect of eliminating intercompany transactions	(2,774)	(369)	(2,405)	(560)
Other	(384)	(109)	(275)	117
Sale of know-how	(2,035)	714	(2,749)	(2,749)
Impairment of goodwill - Minec	(305)	(102)	(203)	(203)
Deferred taxes	4,538	120	4,418	2,375
<b>Group portion of equity</b>	<b>163,886</b>	<b>11,818</b>	<b>173,482</b>	<b>18,083</b>
<b>Minority interests in equity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total equity</b>	<b>163,886</b>	<b>11,818</b>	<b>173,482</b>	<b>18,083</b>

## **FINANCE INCOME AND EXPENSE**

The net financial expense totalled €2,263 thousand and may be detailed as follows:

<b>(€'000)</b>	<b>30/06/2008</b>	<b>30/06/2007</b>
Financial income/(expenses)	(2,278)	(1,957)
Net foreign exchange differences	237	(102)
Bank charges	(218)	(189)
Other	(4)	17
<b>Total net financial expenses</b>	<b>(2,263)</b>	<b>(2,231)</b>

**BUSINESS FORECAST FOR CURRENT YEAR AND SUBSEQUENT EVENTS****Risk factors and business forecast**

The Group's business is exposed to a variety of financial risks, including: credit risk; liquidity risk; price risk; currency risk; and interest-rate risk.

**Credit risk**

The Group has never had significant losses on receivables (as at 30 June 2008, losses on receivables total €119 thousand) and is not exposed to significant concentrations of sales.

**Liquidity risk**

Management feels that the lines of credit and currently available funds, together with liquidity that will be generated by operations and financing activities, will enable the Datalogic Group to meet its needs of working capital management, as well as of investment and debt repayment, and will also ensure the pursuit of a strategy to create shareholder value through a buy-back plan and dividend policy that are in line with the Group's historical performance.

**Price risk**

The Group operates in a market, electronics manufacturing, that has traditionally been characterised by declining average sales prices. Because of this risk, the Group's strategy has been to increase productivity and the efficiency of the component procurement process (the leading component of product costs), as well as to optimise product costs through specific re-engineering efforts.

The Group is not exposed to significant risk resulting from changes in the cost of raw materials.

**Currency risk**

The Group operates internationally and is exposed to the risk associated with a variety of currencies, particularly the U.S. dollar (for the Group companies located in Europe) and the euro (for companies located in the U.S.). Currency risk includes both transaction risk (direct risk connected with trade activities within the Group and with third parties) and translation risk (associated with the translation of account balances into euros when consolidating financial statements in another currency). The Group has currently hedged the risk of a number of receivables related to intercompany financing.

If it remains above USD 1.50, the euro-dollar exchange rate could result in a decline in Group revenues as compared with expectations (some 35% of revenues are in U.S. dollars and the exchange rate used for the budget was just USD 1.36), but without negative effects on expected profits (a portion of the cost of sales and of operating costs is also expressed in U.S. dollars).

**Interest-rate risk**

The Group is exposed to the interest-rate risk associated with both cash balances and long-term financing. This exposure is primarily related to the euro and dollar areas. Interest-rate risk management seeks to reduce the risk of fluctuations in interest rates on financing so as to reduce financial expense.

Regarding medium to long-term financing (all at variable rates), the Group has interest-rate swaps in place for roughly 50% of this financing as at 30 June 2008. These derivative instruments effectively transform roughly half of the variable-rate financing into fixed-rate financing.

For the current year, given market trends and the various projects under way, the Company feels that it should be possible to achieve greater financial performance than for the prior year and in line with the budget.

**SECONDARY LOCATIONS**

The parent company has no secondary locations.



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

	Note	30-06-08 Euro/000	31-12-07 Euro/000	30-06-07 Euro/000
<b>ASSETS</b>				
<b>A) NON-CURRENT ASSETS</b> (1+2+3+4+5+6+7+8)		<b>193.459</b>	<b>204.401</b>	<b>220.781</b>
<b>1) Tangible non-current assets</b>		<b>48.766</b>	<b>49.244</b>	<b>50.832</b>
Land	1	6.359	6.482	6.640
Buildings	1	18.737	18.605	19.239
Other tangible assets	1	20.725	22.662	23.740
Assets in progress and payments on account	1	2.945	1.495	1.213
<b>2) Investment property</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>3) Intangible non-current assets</b>		<b>126.913</b>	<b>137.270</b>	<b>147.359</b>
Goodwill	2	80.073	84.813	88.209
Development costs	2	1.569	2.023	2.571
Other intangible assets	2	45.271	50.434	56.579
<b>4) Equity interests in associate companies</b>	3	<b>1.623</b>	<b>1.472</b>	<b>1.254</b>
<b>5) Available-for-sale financial assets (non-current)</b>		<b>1.431</b>	<b>1.298</b>	<b>1.279</b>
Equity investments	5	1.063	930	913
Securities	5	368	368	366
<b>6) Trade and other receivables</b>	7	<b>381</b>	<b>345</b>	<b>518</b>
<b>7) Deferred tax credits</b>	13	<b>14.345</b>	<b>14.772</b>	<b>19.539</b>
<b>8) Crediti tributari</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>B) CURRENT ASSETS</b> (8+9+10+11+12+13+14+15)		<b>198.589</b>	<b>207.991</b>	<b>221.968</b>
<b>9) Inventories</b>	8	<b>51.967</b>	<b>51.158</b>	<b>57.633</b>
Raw & auxiliary materials plus consumables	8	25.364	26.577	32.013
Work in progress and semiprocessed goods	8	7.050	5.791	6.719
Finished products and goods for resale	8	19.553	18.790	18.901
<b>10) Job-order work in progress</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>11) Trade and other receivables</b>	6	<b>96.397</b>	<b>92.844</b>	<b>96.519</b>
Trade receivables	7	<b>85.104</b>	<b>82.681</b>	<b>87.470</b>
Within 12 months	7	82.636	81.512	84.928
After 12 months	7		32	
Amounts receivable from associates	7	2.443	1.116	2.519
Amounts receivable from parent company	7	20		21
Amounts receivable from related parties	7	5	21	2
Other receivables - Accrued income/prepaid expenses	7	<b>11.293</b>	<b>10.163</b>	<b>9.049</b>
<b>12) Tax credits</b>	9	<b>12.952</b>	<b>8.873</b>	<b>7.596</b>
from parent company		3.390	4.076	4.361
<b>13) Available-for-sale financial assets (current)</b>	5	<b>163</b>	<b>206</b>	<b>206</b>
Securities		0	0	0
Loans to subsidiaries		163	206	206
<b>14) Hedging instruments</b>	6	<b>621</b>	<b>171</b>	<b>0</b>
<b>15) Cash &amp; cash equivalents</b>	10	<b>36.489</b>	<b>54.739</b>	<b>60.014</b>
<b>TOTAL ASSETS (A+B)</b>		<b>392.048</b>	<b>412.392</b>	<b>442.749</b>

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

<b>LIABILITIES</b>	<b>Note</b>	<b>30-06-08 Euro/000</b>	<b>31-12-07 Euro/000</b>	<b>30-06-07 Euro/000</b>
<b>A) TOTAL NET EQUITY (1+2+3+4+5)</b>	<b>11</b>	<b>163.886</b>	<b>173.482</b>	<b>185.560</b>
1) Share capital	11	137.578	140.347	155.864
2) Reserves	11	-24.311	-19.236	-13.137
3) Retained earnings/(losses carried forward)	11	38.801	34.288	34.350
4 ) Profit/(loss) for period		11.818	18.083	7.908
5) Minority interests		0	0	575
<b>B) NON-CURRENT LIABILITIES (6+7+8+9+10+11)</b>		<b>120.262</b>	<b>121.911</b>	<b>137.796</b>
6) Borrowing	12	88.654	91.336	94.704
<b>from related parties</b>		3.387	3.491	2.499
7) Tax payables		26	0	2
8) Deferred tax liabilities	13	15.194	18.010	25.147
9) Employee severance indemnity and retirement provision	14	6.256	6.565	7.751
10) Long-term provisions for risks and expenses	15	10.110	5.924	10.114
11) Other non-current liabilities		22	76	78
<b>C) CURRENT LIABILITIES (12+13+14+15+16)</b>		<b>107.900</b>	<b>116.999</b>	<b>119.393</b>
12) Trade and other payables	16	66.754	76.333	72.237
Trade payables	16	40.515	45.923	47.278
Within 12 months	16	39.963	45.392	47.014
After 12 months	16			
Amounts payable to associates	16	31	39	
Amounts payable to parent company	16			0
Amounts payable to related parties	16	521	492	264
<b>Accrued liabilities and deferred income</b>				
Other current payables	16	26.239	30.410	24.959
13) Taxes payable		12.914	9.080	7.527
<b>from parent company</b>		4.044	2.702	2.589
14) Short-term provisions for risks and expenses	15	3.302	4.894	1.927
15) Hedging instruments	6	627	686	
16) Short-term borrowing	12	24.303	26.006	37.702
<b>TOTAL LIABILITIES (A+B+C)</b>		<b>392.048</b>	<b>412.392</b>	<b>442.749</b>

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

	Note	30-06-08 Euro/000	30-06-07 Euro/000	31-12-07 Euro/000
<b>1) TOTAL REVENUES</b>	<b>17</b>	<b>193.558</b>	<b>198.962</b>	<b>404.027</b>
Revenues from sale of products		186.704	191.887	389.561
Revenues from services		6.854	7.075	14.466
<b>2) Cost of goods sold</b>	<b>18</b>	<b>106.808</b>	<b>109.517</b>	<b>224.349</b>
<i>of which non-recurring (*)</i>	<b>18</b>	<b>0</b>	<b>52</b>	<b>51</b>
<b>GROSS PROFIT (1-2)</b>		<b>86.750</b>	<b>89.445</b>	<b>179.678</b>
<b>3) Other operating revenues</b>	<b>19</b>	2.800	1.527	2.488
<i>of which non-recurring (*)</i>	<b>19</b>	0	111	211
<b>4) R&amp;D expenses</b>	<b>18</b>	12.304	13.971	25.004
<i>of which non-recurring (*)</i>	<b>18</b>	0	12	12
<b>5) Distribution expenses</b>	<b>18</b>	38.923	39.597	78.570
<i>of which non-recurring (*)</i>	<b>18</b>	0	488	1.067
<b>6) General &amp; administrative expenses</b>	<b>18</b>	19.873	20.398	41.744
<i>of which non-recurring (*)</i>	<b>18</b>		1.386	911
<i>of which amort. pertaining to acquisitions (*)</i>	<b>18</b>	1.898	2.086	4.087
<b>7) Other operating expenses</b>	<b>18</b>	691	1.159	5.764
<i>of which non-recurring (*)</i>	<b>18</b>		2	792
<b>Total operating costs (4+5+6+7)</b>		<b>71.791</b>	<b>75.125</b>	<b>151.082</b>
<b>OPERATING PROFIT</b>		<b>17.759</b>	<b>15.847</b>	<b>31.084</b>
<b>8) Financial income</b>	<b>20</b>	-2.263	-2.231	-4.861
<b>9) Share of associate companies' profits</b>	<b>3</b>	57	184	396
<b>PRE-TAX PROFIT/(LOSS)</b>		<b>15.553</b>	<b>13.800</b>	<b>26.619</b>
<b>Taxes</b>	<b>21</b>	3.735	5.793	8.536
<b>NET PROFIT FOR PERIOD</b>		<b>11.818</b>	<b>8.007</b>	<b>18.083</b>
<b>Minority interests' share of net profit</b>		0	99	0
<b>GROUP NET PROFIT</b>		<b>11.818</b>	<b>7.908</b>	<b>18.083</b>
<b>Earning per share (Euro)</b>	<b>22</b>	<b>0,2028</b>	<b>0,1261</b>	<b>0,2938</b>
<b>Diluted earning per share (Euro)</b>	<b>22</b>	<b>0,2028</b>	<b>0,1259</b>	<b>0,2938</b>

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

	<b>30-06-08</b> <b>Euro/000</b>	<b>30-06-07</b> <b>Euro/000</b>
Pre-tax profit	15.553	13.800
Depreciation & amortisation	7.602	8.141
Employee severance indemnity provision	-309	127
Bad debt provisions	138	5
Net financial costs/revenues included foreign exchange	2.263	2.231
Write-down of financial assets	-57	-184
<b>Cash flow from operating before change in working capital</b>	<b>25.190</b>	<b>24.120</b>
Trade receivables	-2.561	-9.752
Inventories	-809	-5.628
Other current assets	-1.130	-3.049
Other medium-/long-term assets	-36	-15
Trade payables	-5.408	-1.926
Other current liabilities	-4.171	18
Other medium-/long-term liabilities	-54	0
Provisions for risks and expenses	2.594	1.538
Trade foreign exchange	343	-71
Net working capital exchange rate	-621	-71
	<b>13.337</b>	<b>5.164</b>
Taxes	-6.343	-5.179
Taxes exchange rate	30	
Interests and bank expenses	-2.500	-2.129
<b>Operating cash flow (A)</b>	<b>4.524</b>	<b>-2.144</b>
(Increase)/decrease in intangible non-current assets	-526	-951
(Increase)/decrease in tangible non-current assets	-3.712	-4.639
Unconsolidated equity investments	-227	-2
<b>Investment cash flow (B)</b>	<b>-4.465</b>	<b>-5.592</b>
LT/ST financial receivables	-716	1.147
LT/ST financial payables	-6.264	40.523
Financial exchange rate	-106	-31
Purchase treasury share	-12.209	
Reserves	468	-1.962
Dividend distribution	-4.063	-3.805
Financial cash flow exchange rate	2.452	
<b>Finance cash flow (C)</b>	<b>-20.438</b>	<b>35.872</b>
<b>Change in net financial position (A+B+C)</b>	<b>-20.379</b>	<b>28.136</b>
<b>Short term net financial position at beginning of period</b>	<b>54.669</b>	<b>30.139</b>
<b>Short-term net financial position at end of period</b>	<b>34.290</b>	<b>58.275</b>

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

Description	Share capital	Other reserves				Net profit for previous years							Net profit for period	Net equity	Minority Equity
		cash flow hedge reserve	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	-				-	4.125						4.125	-4.125	-	
Dividends	-					-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	-3.455				-	2.573	-3.730			1.157		-		-3.455	
Cash flow hedge adjustment	-	-			-							-		-	
Capital increase charges	-				-							-		-	
Extraordinary dividend	-				-							-		-	
Other changes	-				-							-		-	
Net profit as at 30.06.07	-				-							-	7.908	7.908	99
30.06.2007	155.864	-	-10.635	-2.502	-13.137	13.204	-	958	1.870	9.440	8.878	34.350	7.908	188.790	575

Description	Share capital	Other reserves				Net profit for previous years							Net profit for period	Net equity	Minority Equity
		cash flow hedge reserve	Translation reserve	Financial liabilities reserve	Total Other reserves	Retained earnings	Merger surplus	Capital grant reserve	Legal reserve	Treasury share reserve	IFRS reserve	Total			
01.01.2008	140.347	-515	-18.721	-	-19.236	13.300	-	958	1.870	9.440	8.720	34.288	18.083	173.482	-
Profit allocation	-				-	17.691			392			18.083	-18.083	-	
Dividends	-					-4.063						-4.063		-4.063	
Capital increase	-				-							-		-	
Translation reserve	-		-5.584		-5.584							-		-5.584	
Increase in IFRS reserve	-				-						-26	-26		-26	
Sale of treasury shares	-12.209				-	-				-		-		-12.209	
Cash flow hedge adjustment	-	509			509							-		509	
Capital reduction by means of treasury shares cancellation	-2.813				-							-		-2.813	
Treasury shares cancellation	12.253					-				-9.440		-9.440		2.813	
Other changes	-				-	-41						-41		-41	
Net profit as at 30.06.08	-				-							-	11.818	11.818	
30.06.2008	137.578	-6	-24.305	-	-24.311	26.887	-	958	2.262	-	8.694	38.801	11.818	163.886	-

## **FOREWORD**

Datalogic Group S.p.A. (hereinafter “Datalogic”, the “parent company”, or the “Company”) is an Italian corporation. This consolidated half-yearly financial report at 30 June 2008 includes the half-year figures for the parent company Datalogic S.p.A. and its subsidiaries (hereinafter collectively the “Group”) and the Group’s share in the performance of its associates.

The Group is involved in the production and distribution of handheld barcode scanners, unattended scanning systems for the industrial market, mobile computers, and checkout scanners for the retail market. The Company is also involved in the production of radio frequency identification (RFID) readers, self-scanning solutions, industrial marking products, and products for the distribution of automated identification devices.

The parent company is a joint-stock corporation listed on the Star segment 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 SpA, also based in Bologna, which is in turn controlled by the Volta family.

This consolidated half-yearly financial report was prepared for the approval the Board of Directors on 8 August 2008.

## **ACCOUNTING STANDARDS AND POLICIES**

### **(a) Accounting standards**

The condensed consolidated half-yearly financial statements at 30 June 2008 have been prepared in accordance with IAS 34, “Interim Financial Reporting”, and include the summary notes required by said standard, as well as any additional information deemed necessary in order to provide greater depth of analysis as appropriate. As such, this half-yearly financial report should be considered together with the consolidated financial statements and related notes presented as at 31 December 2007 and prepared in accordance with International Financial Reporting Standards (IFRSs).

### **(b) Preparation criteria**

The accounting policies adopted in this half-yearly financial report comply with the policies applied for the consolidated financial statements for the year ended 31 December 2007, to which the reader is referred for more information. However, it is also necessary to note that, in the latter months of 2007 and the first six months of 2008, the process of elaborating and homologating the International Accounting Standards resulted in the revision of a number of documents and/or the introduction of new documents that will take effect subsequent to closing the 30 June 2008 accounts, which, despite having already entered into force, are not mandatory for drafting this half-yearly report.

These new documents, as well as their interpretations and amendments approved as at 30 June 2008, that are of significance to the Group but not yet in effect for the current year are as follows:

<b>Document</b>	<b>Title</b>	<b>Description and impact for the Company</b>	<b>Date of application by the Company</b>
<b>IFRS 8</b>	<i>Operating Segments</i>	Replaces IAS 14 – <i>Segment Reporting</i> . Requires companies to base segment reporting on the elements that management uses to make operating decisions (internal reporting for performance analysis).	1 January 2009
<b>IAS 23</b>	<i>Borrowing Costs</i>	Removes the option for companies to immediately expense borrowing costs incurred for assets for which it normally takes a certain amount of time to make the asset ready for use or sale.	1 January 2009
<b>IFRS 3</b>	<i>Business Combinations</i>	To be applied in conjunction with the amendments to IAS 27, 28 and 31. This standard deals with business combinations identified for acquisitions made after 1 July 2009. Companies must apply the new requirements related to the recognition of the acquisitions and consequent consolidation.	1 July 2009
<b>IAS 1 (amendment)</b>	Presentation of Financial Statements	The Company needs to improve the process for preparing financial statements based on the reporting requirements of this standard.	1 January 2009
<b>IAS 32 (amendment)</b>	Financial Instruments: Presentation	To be applied in conjunction with the amendment to IAS 1.	1 January 2009
<b>IFRIC 14</b>	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	IFRIC 14 defines the circumstances in which an entity may recognise a pension plan asset; indicates the cases in which a minimum funding obligation may reduce a pension plan asset; and defines how and when a liability should be recognised against a minimum funding requirement.	1 January 2009

## 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 actual intercompany selling prices.

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

### Business segments

In April 2007, the Group concluded a restructuring project which, among other things, led to a revision of Datalogic's business segments. For the purposes of disclosure, the business segments through 31 March 2007 were as follows:

**Data Capture:** This is Datalogic's traditional business and includes the development, production and sale of the following products: hand-held readers (HHRs), unattended scanning systems (USSs) for the industrial market, mobile computers (MCs), 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 Group's traditional 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 from April 2007, following the Group's reorganisation, the business segments are now as follows:

**Mobile** – includes the Mobile Computers (MC) product lines;

**Automation** – includes the product lines related to unattended scanning systems (USSs) for the industrial market, products for industrial marking, and radio frequency or RFID readers.

**Scanning** – includes the product lines related to hand-held readers (HHRs) and checkout scanners 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 reorganisation, it has not been possible to reliably reclassify the final figures relating to the first quarter of 2007 based on the new business segments.

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

- financial data pertaining to the new Mobile, Automation, Scanning, and Business Development business segments are provided for the first half of this financial year;



- additionally, financial data pertaining to the first six months of 2008, reclassified on the basis of the previous structure (Data Capture and Business Development), are provided and compared to the results of the same period of 2007 (since they are comparable) in order to ensure comparability.

The earnings of the primary segment, reviewed based on the new company structure for the second half of 2008, are as follows:

	Mobile Division	Automation Division	Business Dev. Division	Scanning Division	Datalogic SpA (*)	Adjustments	Datalogic Group
External sales	43,296	35,533	22,130	92,599		0	193,558
Intersegment sales	2,849	495		133	10,150	(13,627)	0
<b>Total revenues</b>	<b>46,145</b>	<b>36,028</b>	<b>22,130</b>	<b>92,732</b>	<b>10,150</b>	<b>(13,627)</b>	<b>193,558</b>
Cost of sales	(25,743)	(18,709)	(11,803)	(54,222)	(2)	3,671	(106,808)
<b>Gross profit</b>	<b>20,402</b>	<b>17,319</b>	<b>10,327</b>	<b>38,510</b>	<b>10,148</b>	<b>(9,956)</b>	<b>86,750</b>
% of revenues	44.2%	48.1%	46.7%	41.5%	100.0%	73.1%	44.8%
Other revenues	513	1,766	121	738	696	(1,034)	2,800
R&D expenses	(2,200)	(3,546)	(411)	(5,885)	(285)	23	(12,304)
Distribution expenses	(10,532)	(8,931)	(4,867)	(19,289)	(1)	4,697	(38,923)
General expenses	(4,515)	(5,130)	(1,581)	(6,398)	(6,411)	6,060	(17,975)
Other operating costs	(129)	(440)	(31)	(439)	(132)	480	(691)
<b>Total operating costs</b>	<b>(17,376)</b>	<b>(18,047)</b>	<b>(6,890)</b>	<b>(32,011)</b>	<b>(6,829)</b>	<b>11,260</b>	<b>(69,893)</b>
% of revenues	-37.7%	-50.1%	-31.1%	-34.5%	-67.3%	-82.6%	-36.1%
<b>EBITANR</b>	<b>3,539</b>	<b>1,038</b>	<b>3,558</b>	<b>7,237</b>	<b>4,015</b>	<b>270</b>	<b>19,657</b>
% of revenues	7.7%	2.9%	16.1%	7.8%	39.6%	-2.0%	10.2%
Non-recurring costs/revenues	0	0	0	0	0	0	0
Depr./Amort. due to acquisitions	(173)	(648)	(261)	(816)	0	0	(1,898)
<b>EBIT</b>	<b>3,366</b>	<b>390</b>	<b>3,297</b>	<b>6,421</b>	<b>4,015</b>	<b>270</b>	<b>17,759</b>
% of revenues	7.3%	1.1%	14.9%	6.9%	39.6%	-2.0%	9.2%
Net financial income (expenses)							(2,263)
Share of associates' net profits							57
Income taxes							(3,735)
<b>Net Profit/Loss</b>							<b>11,818</b>
% of revenues							6.1%
Depreciation & amortisation	(1,297)	(1,359)	(155)	(2,334)	(554)	(5)	(5,704)
<b>EBITDA</b>	<b>4,836</b>	<b>2,397</b>	<b>3,713</b>	<b>9,571</b>	<b>4,569</b>	<b>275</b>	<b>25,361</b>
% of revenues	10.5%	6.7%	16.8%	10.3%	45.0%	-2.0%	13.1%

(\*) Includes costs and revenues related to Datalogic Shared Services Srl (of €32 thousand and €19 thousand, respectively), which has not been operational since 10 January 2008 and is currently being liquidated.

The earnings of the primary segment as at 30 June 2008, reported based on the old company structure and compared with the results at 30 June 2007, are as follows:

	<b>Data Capture</b>		<b>Business Development</b>		<b>Unallocated costs/revenues</b>		<b>Adjustments</b>		<b>Consolidated Segment</b>	
	30/06/08	30/06/07	30/06/08	30/06/07	30/06/08	30/06/07	30/06/08	30/06/07	30/06/08	30/06/07
External sales	154,761	158,326	38,797	40,636	0				193,558	198,962
Intersegment sales	3,170	69		0			(3,170)	(69)	0	0
<b>Total revenues</b>	<b>157,931</b>	<b>158,395</b>	<b>38,797</b>	<b>40,636</b>	<b>0</b>	<b>0</b>	<b>(3,170)</b>	<b>(69)</b>	<b>193,558</b>	<b>198,962</b>
Cost of sales	(88,885)	(89,644)	(17,923)	(19,821)					(106,808)	(109,465)
Intersegment cost of goods sold			(2,787)	(1,650)			2,787	1,650	0	0
<b>Gross profit</b>	<b>69,046</b>	<b>68,751</b>	<b>18,087</b>	<b>19,165</b>	<b>0</b>	<b>0</b>	<b>(383)</b>	<b>1,581</b>	<b>86,750</b>	<b>89,497</b>
% of revenues	43.7%	43.4%	46.6%	47.2%			12.1%	-2291.3%	44.8%	45.0%
Other revenues	2,341	3,045	689	133			(230)	(1,762)	2,800	1,416
R&D expenses	(10,158)	(11,902)	(2,146)	(2,057)					(12,304)	(13,959)
Distribution expenses	(32,407)	(32,401)	(6,724)	(6,820)			208	112	(38,923)	(39,109)
General expenses	(11,048)	(9,148)	(3,613)	(3,128)	(3,759)	(4,719)	445	69	(17,975)	(16,926)
Other operating costs	(310)	(1,000)	(381)	(157)		0			(691)	(1,157)
<b>Total operating costs</b>	<b>(53,923)</b>	<b>(54,451)</b>	<b>(12,864)</b>	<b>(12,162)</b>	<b>(3,759)</b>	<b>(4,719)</b>	<b>653</b>	<b>181</b>	<b>(69,893)</b>	<b>(71,151)</b>
% of revenues	-34.1%	-34.4%	-33.2%	-29.9%			-20.6%	-262.3%	-36.1%	-35.8%
<b>EBITANR (*)</b>	<b>17,464</b>	<b>17,345</b>	<b>5,912</b>	<b>7,136</b>	<b>(3,759)</b>	<b>(4,719)</b>	<b>40</b>	<b>0</b>	<b>19,657</b>	<b>19,762</b>
% of revenues	11.1%	11.0%	15.2%	17.6%			-1.3%	0.0%	10.2%	9.9%
Allocable non-recurring (costs)/revenues	0	(1,829)	0	0	0		0		0	(1,829)
Depr./Amort. due to acquisitions	(988)	(1,138)	(910)	(948)	0		0		(1,898)	(2,086)
<b>EBIT</b>	<b>16,476</b>	<b>14,378</b>	<b>5,002</b>	<b>6,188</b>	<b>(3,759)</b>	<b>(4,719)</b>	<b>40</b>	<b>0</b>	<b>17,759</b>	<b>15,847</b>
% of revenues	10.4%	9.1%	12.9%	15.2%			-1.3%	0.0%	9.2%	8.0%
Net financial income (expenses)					(2,263)	(2,231)			(2,263)	(2,231)
Share of associates' profit					57	184			57	184
Income taxes					(3,735)	(5,793)			(3,735)	(5,793)
<b>NET PROFIT/LOSS</b>					<b>(9,700)</b>	<b>(12,559)</b>	<b>40</b>	<b>0</b>	<b>11,818</b>	<b>8,007</b>
% of revenues							-1.3%	0.0%	6.1%	4.0%
minority interests' share of profit/loss						(99)			0	(99)
<b>GROUP NET PROFIT/LOSS</b>					<b>(9,700)</b>	<b>(12,658)</b>	<b>40</b>	<b>0</b>	<b>11,818</b>	<b>7,908</b>
% of revenues							-1.3%	0.0%	6.1%	4.0%

The balance sheet business segment is as follows (presented according to the new structure for the purposes of comparison with comparable figures at 31 December 2007):

	Mobile Division		Automation Division		Business Development Division		Scanning Division		Datalogic SpA (*)		Adjustments		Datalogic Group	
€'000	Jun-08	Dec-07	Jun-08	Dec-07	Jun-08	Dec-07	Jun-08	Dec-07	Jun-08	Dec-07	Jun-08	Dec-07	Jun-08	Dec-07
Allocable assets	54,320	62,009	62,886	61,701	19,327	20,893	168,197	169,987	31,350	52,309	(11,654)	(42,285)	324,426	324,614
Interests in subsidiaries booked at equity	-	-	1,623	1,472	-	-	3,647	3,905	153,861	153,861	(157,508)	(157,766)	1,623	1,472
Unallocable assets													65,999	86,306
<b>Total assets</b>	<b>54,320</b>	<b>62,009</b>	<b>64,509</b>	<b>63,173</b>	<b>19,327</b>	<b>20,893</b>	<b>171,844</b>	<b>173,892</b>	<b>185,211</b>	<b>206,170</b>	<b>(169,162)</b>	<b>(200,051)</b>	<b>392,048</b>	<b>412,392</b>
Allocable liabilities	25,675	22,363	21,394	24,918	2,982	9,427	36,169	55,375	13,447	13,018	(13,245)	(34,736)	86,422	90,365
Unallocable liabilities	-	-	-	-	-	-	-	-	-	-	-	-	141,740	148,545
Equity	25,348	29,335	40,047	40,352	14,754	9,372	79,716	77,223	160,865	174,283	(156,844)	(157,083)	163,886	173,482
<b>Total liabilities &amp; equity</b>	<b>51,023</b>	<b>51,698</b>	<b>61,441</b>	<b>65,270</b>	<b>17,736</b>	<b>18,799</b>	<b>115,885</b>	<b>132,598</b>	<b>174,312</b>	<b>187,301</b>	<b>(170,089)</b>	<b>(191,819)</b>	<b>392,048</b>	<b>412,392</b>
Dep. & Amort. (net of D&A due to acquisitions)	1,297	N.A.	1,359	N.A.	155	N.A.	2,334	N.A.	554	N.A.	5	N.A.	5,704	3,063

(\*) Includes assets and liabilities related to Datalogic Shared Services Srl, which has not been operational since 10 January 2008 and is currently being liquidated.

## GROUP STRUCTURE

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

The companies consolidated on a 100% line-by-line basis as at 30 June 2008 were the following:

Company	Registered office	Share capital 30/06/08	Total equity (€'000) 30/06/08	Profit/loss for the period (€'000) 30/06/08	% ownership
Datalogic SPA Holding	Bologna – Italy	EUR 30,392,175	158,286	2,663	
Datalogic Shared Services Srl	Bologna – Italy	EUR 20,000	2,578	-1	100%
Informatics	Plano, Texas - USA	USD 15,100,000	14,754	1,063	100%
Datalogic Automation Srl	Bologna – Italy	EUR 10,000,000	32,207	4,667	100%
Datalogic Automation France	Paris – France	EUR 2,227,500	3,279	-90	100%
Datalogic Automation Iberia	Madrid – Spain	EUR 60,500	493	-184	100%
Datalogic Automation Germany GMBH	Erkenbrechtsweiler-Germany	EUR 1,025,000	5,067	843	100%
Datalogic Automation Austria GMBH	Guntramsdorf-Austria	EUR 72,673	49	-7	100%
Datalogic Automation UK Limited	Redbourn- England	GBP 3,500,000	4,683	209	100%
Datalogic Holding AB	Malmö - Sweden	KRS 1,400,000	1,092	2	100%
Datalogic Automation AB	Malmö - Sweden	KRS 200,000	-303	-79	100%
Datalogic Automation Inc	Hebron, KY-USA	USD 463,812	3,513	-362	100%
Datalogic Automation Pty Ltd	Mount Waverley (Melbourne)-Australia	AUD 2,300,000	-54	-451	100%
Datalogic Automation BV	Nieuwegein-Netherlands	EUR 18,150	-193	-7	100%
Laservall Spa	Donnas (AO)-Italy	EUR 900,000	12,066	2,249	100%
Datalogic Asia Limited	Hong Kong – China	HKD 10,000	-451	-201	100%
Datalogic Mobile Srl	Bologna – Italy	EUR 10,000,000	24,774	3,910	100%
Datalogic GMBH Mobile (branch)	Erkenbrechtsweiler-Germany	EUR 0	-516	-175	100%
Datalogic Sweden Mobile (branch)	Malmö - Sweden	KRS 0	-47	21	100%
Datalogic France Mobile (branch)	Paris – France	EUR 0	612	434	100%
Datalogic Spagna Mobile (branch)	Madrid – Spain	EUR 0	-174	-64	100%
Datalogic Austria Mobile (branch)	Wiener Neudorf (Vienna)-Austria	EUR 0	-55	18	100%
Datalogic Denmark Mobile (branch)	Horsholm-Denmark	EUR 0	-42	-7	100%
Datalogic Finland Mobile (branch)	Espoo - Finland	EUR 0	-19	-19	100%
Datalogic Mobile Asia	Hong Kong – China	HKD 100,000	150	-21	100%
Datalogic Mobile UK	Redbourn- England	GBP 15,000	-167	85	100%
Datalogic Mobile Inc	Eugene, OR-USA	USD 0,10	4,698	-237	100%
Datalogic Mobile Pty	Mount Waverley (Melbourne)-Australia	AUD 0	-125	-123	100%
Datalogic Scanning Group Srl	Bologna – Italy	EUR 10,000,000	102,482	11,153	100%
Datalogic Scanning Slovakia	Tvrn – Slovakia	SKK 2,000,000	3,875	3,318	100%
Datalogic Scanning Holdings Inc.	Eugene, OR-USA	USD 100	69,056	-890	100%
Datalogic Scanning Inc.	Eugene, OR-USA	USD 10	33,184	1,027	100%
Datalogic Scanning do Brasil	Sao Paulo - Brazil	BRL 159,525	2	-8	100%
Datalogic Scanning Mexico	Colonia Cuauhtemoc-Mexico	USD 0	-247	-72	100%
Datalogic Scanning UK Ltd	Watford-England	GBP 191,510	-853	-126	100%
Datalogic Scanning Srl	Paris-France	EUR 653,015	-218	402	100%
Datalogic Scanning GmbH	Darmstadt-Germany	EUR 306,775	1,599	-101	100%
Datalogic Scanning Iberia (branch)	Madrid - Spain	EUR 0	730	89	100%
Datalogic Scanning Eastern Europe GmbH	Darmstadt-Germany	EUR 30,000	228	23	100%
Datalogic Scanning SpA	Milan-Italy	EUR 110,000	955	134	100%
Datalogic Scanning Pty	Sidney - Australia	AUD 2	585	25	100%
Datalogic Scanning Japan	Tokyo-Japan	JPY 151,437,000	8	-21	100%
Datalogic Scanning Singapore	Singapore	SGD 100,000	19	5	100%
Datalogic Scanning Scandinavia (branch)	Malmö - Sweden	KRS 0	132	120	100%

The consolidated companies booked at equity as at 30 June 2008 were as follows:

Company	Registered office	Share capital	Total equity (€'000)	Total profit/loss for the period (€'000)	% ownership Direct and indirect
Idec Datalogic Co. Ltd.	Osaka– Japas	JPY 300,000,000	1,322	-46	50%
Laservall Asia Co. Ltd.	Hong Kong – China	HKD 460,000	1,924	160	50%

The following are the changes in consolidated companies from 31 December 2007 to 30 June 2008:

- Datalogic Mobile Pty has become operational and has thus become consolidated on a line-item basis;
- The branches Datalogic Scanning Scandinavia and Datalogic Mobile Finland have become operational and are now consolidated on a line-item basis;
- Datalogic Shared Services Srl and DL Automation Handels are being liquidated.

## BALANCE SHEET INFORMATION - ASSETS

NON-CURRENT ASSETS

## 1. Tangible non-current assets

	30/06/2008	31/12/2007	Change
Land	6,359	6,482	(123)
Buildings	18,737	18,605	132
Other tangible assets	20,725	22,662	(1,937)
Assets in progress and payments on account	2,945	1,495	1,450
<b>Total</b>	<b>48,766</b>	<b>49,244</b>	<b>(478)</b>

Below is the detail of the changes as at 30 June 2007 and 30 June 2008:

	Land	Buildings	Other tangible assets	Assets in progress and payments on account	Total
<b>Opening value as at 01/01/07</b>	<b>6,660</b>	<b>18,238</b>	<b>23,672</b>	<b>1,810</b>	<b>50,380</b>
<b><u>Increases 30/06/07</u></b>					
investments		1,204	4,572	1,821	7,597
<b>Total</b>	<b>-</b>	<b>1,204</b>	<b>4,572</b>	<b>1,821</b>	<b>7,597</b>
<b><u>Decreases 30/06/07</u></b>					
divestments			(571)		(571)
depreciation		(153)	(3,768)		(3,921)
impairment			(26)		(26)
<b>Total</b>	<b>-</b>	<b>(153)</b>	<b>(4,365)</b>	<b>-</b>	<b>(4,518)</b>
<b><u>Reclass. &amp; other changes 30/06/07</u></b>					
transfers				(2,387)	(2,387)
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)
<b>Closing value as at 30/06/07</b>	<b>6,640</b>	<b>19,239</b>	<b>23,740</b>	<b>1,213</b>	<b>50,832</b>

	Land	Buildings	Other tangible assets	Assets in progress and payments on account	Total
<b>Opening value as at 01/01/08</b>	<b>6,482</b>	<b>18,605</b>	<b>22,662</b>	<b>1,495</b>	<b>49,244</b>
<b><u>Increases 30/06/08</u></b>					
investments		66	2,026	1,679	3,771
<b><u>Total</u></b>	-	66	2,026	1,679	3,771
<b><u>Decreases 30/06/08</u></b>					
divestments			(39)	(5)	(44)
depreciation		(156)	(3,476)		(3,632)
<b><u>Total</u></b>	-	(156)	(3,515)	(5)	(3,676)
<b><u>Reclass. &amp; other changes 30/06/08</u></b>					
incoming transfers		426			426
(outgoing transfers)			(304)	(126)	(430)
Forex differences historical cost	(123)	(224)	(510)	(98)	(955)
Forex differences accum. depreciation		20	366		386
Historical cost	6,359	24,462	65,005	2,945	98,771
Accumulated depreciation	-	(5,725)	(44,280)	-	(50,005)
<b>Closing value as at 30/06/08</b>	<b>6,359</b>	<b>18,737</b>	<b>20,725</b>	<b>2,945</b>	<b>48,766</b>

Other intangible assets as at 30 June 2008 primarily include the following: plant and equipment (€7,312 thousand); industrial and commercial equipment (€5,251 thousand); office furniture and electronic office equipment (€4,737 thousand); generic production plant (€1,900 thousand); motor vehicles (€221 thousand); and leasehold improvements (€1,196 thousand). The increase as compared to 31 December 2007 is mainly ascribable to the plant and equipment (in the amount of €615 thousand), to industrial and commercial equipment for €714 thousand, and to office furniture and electronic office equipment in the amount of €589 thousand.

The balance of assets in progress and payments on account includes €837 thousand for refurbishing work on the building in Bologna, while the remainder is attributable to payments on account for equipment, instrumentation, and moulds related to routine production.

## 2. Intangible assets

	30/06/2008	31/12/2007	Change
Goodwill	80,073	84,813	(4,740)
Development costs	1,569	2,023	(454)
Other	45,271	50,434	(5,163)
<b>Total</b>	<b>126,913</b>	<b>137,270</b>	<b>(10,357)</b>

Below is the detail of the changes as at 30 June 2007 and 30 June 2008:

	Goodwill	Development costs	Other	Total
<b>Opening value as at 01/01/07</b>	<b>89,907</b>	<b>3,010</b>	<b>60,735</b>	<b>153,652</b>
<b><u>Increases 30/06/07</u></b>				
increases	284	48	633	965
<b>Total</b>	<b>284</b>	<b>48</b>	<b>633</b>	<b>965</b>
<b><u>Decreases 30/06/07</u></b>				
decreases			(14)	(14)
amortisation		(484)	(3,710)	(4,194)
<b>Total</b>		<b>(484)</b>	<b>(3,724)</b>	<b>(4,208)</b>
forex differences historical cost	(1,982)	(5)	(1,191)	(3,178)
forex differences accum. amortisation		2	126	128
<b><u>Closing value as at 30/06/07</u></b>				
historical cost	95,550	6,852	76,087	178,489
(amortisation)	(7,341)	(4,281)	(19,508)	(31,130)
<b>Closing value as at 30/06/07</b>	<b>88,209</b>	<b>2,571</b>	<b>56,579</b>	<b>147,359</b>

	Goodwill	Development costs	Other	Total
<b>Opening value as at 01/01/08</b>	<b>84,813</b>	<b>2,023</b>	<b>50,434</b>	<b>137,270</b>
<b><u>Increases 30/06/08</u></b>				
increases			484	484
<b>Total</b>			<b>484</b>	<b>484</b>
<b><u>Decreases 30/06/08</u></b>				
amortisation		(451)	(3,417)	(3,868)
impairment	(102)			(102)
<b>Total</b>	<b>(102)</b>	<b>(451)</b>	<b>(3,417)</b>	<b>(3,970)</b>
forex differences historical cost	(4,638)	(14)	(2,743)	(7,395)
forex differences accum. amortisation		11	513	524
<b><u>Closing value as at 30/06/08</u></b>				
historical cost	87,414	6,839	70,891	165,144
(amortisation)	(7,341)	(5,270)	(25,620)	(38,231)
<b>Closing value as at 30/06/08</b>	<b>80,073</b>	<b>1,569</b>	<b>45,271</b>	<b>126,913</b>



Goodwill, totalling €80,073 thousand, consisted of the following items:

- €1,089 thousand following the consolidation of the Minec Group, which, on 15 July 2002, became a wholly-owned subsidiary of Datalogic AB, which is, in turn, a wholly-owned subsidiary of the parent company. In 2008, the goodwill for this group suffered an impairment loss of €102 thousand (€203 thousand as at 31 December 2007, which was carried forward, given that the conditions from the impairment test done as at 31 December 2007 were still in effect, and debited to general and administrative expenses. For its classification by nature of expense, the impairment loss has been included among depreciation, amortisation and impairment;
- €3,380 thousand, ascribable to Mobile S.r.l., consisting of the merger loss originated from the merger of IdWare S.r.l. in 1998;
- €5,119 thousand caused by consolidation of Laservall S.p.A., an equity interest acquired during the third quarter of 2004 by the direct parent company;
- €10,754 thousand for the consolidation of Informatics Inc. (the change of €11,296 thousand from 31 December 2007 is due solely to foreign exchange effects);
- €59,731 thousand resulting from the consolidation of the former PSC Group (for the purposes of impairment, this goodwill has been allocated to two different cash generating units (CGUs): Datalogic Scanning Inc. in the amount of roughly USD 78.5 million; and Datalogic Mobile Inc. in the amount of roughly USD 12.5 million). The change from 31 December 2007 (€63,827 thousand) is due solely to foreign exchange effects.

The goodwill has been allocated to the cash generating units corresponding to the individual companies and/or sub-groups to which they pertain. As highlighted in the section on accounting standards and policies from the annual report as at 31 December 2007, goodwill is no longer amortised as of 1 January 2004 in compliance with IFRS 3, but is subject to an impairment test each year unless loss indicators seem to require impairment tests more frequently.

The financial values of the CGUs associated with each of the items of goodwill being tested have been calculated using the discounted cash flow method based on the cash flows expressed in the business plans for each CGU, which are discounted using the weighted-average cost of capital (WACC) as demanded by the company's lenders and investors, both in terms of risk and debt capital.

As at 31 December 2007, the date of the most recent impairment tests, no impairment losses were found to be necessary. For this half-yearly financial report, no impairment tests have been conducted, given that no trigger events were encountered.

Development costs, amounting to €1,569 thousand, include:

- €666 thousand for Datalogic Mobile Srl;
- €432 thousand for Datalogic Automation Srl;
- €446 thousand for Datalogic Scanning Group Srl;
- €25 thousand for Informatics;

and consisted of specific development projects which were capitalised as they comply with the requirements set forth in IAS 38 and the Group policies which only provide for the capitalisation of significantly innovative product development projects.

Other intangible assets, totalling €45,271 thousand, consist 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 reported in the table below:

€'000	30/06/2008	31/12/2007	30/06/2007	USEFUL LIFE (YEARS)
<b>INTANGIBLE ASSETS ACQUIRED THROUGH BUSINESS COMBINATIONS</b>				
<b><i>Acquisition of PSC Group (on 30 November 2006)</i></b>	<b>26,322</b>	<b>29,216</b>	<b>32,966</b>	
PATENTS	22,458	24,737	27,713	20
SERVICE AGREEMENTS	226	323	440	4
TRADEMARK	1,848	2,111	2,445	10
CUSTOMER PORTFOLIO	1,790	2,045	2,368	10
<b><i>Acquisition of Laservall SpA (on 27 August 2004)</i></b>	<b>5,208</b>	<b>5,855</b>	<b>6,501</b>	
UNPATENTED TECHNOLOGIES	2,558	2,984	3,410	7
COMMERCIAL STRUCTURE	2,650	2,871	3,091	10
<b><i>Acquisition of Informatics Inc. (on 28 February 2005)</i></b>	<b>3,383</b>	<b>3,894</b>	<b>4,638</b>	
COMMERCIAL STRUCTURE	3,383	3,894	4,638	10
<b><i>License agreement</i></b>	<b>4,741</b>	<b>5,423</b>	<b>6,106</b>	<b>5</b>
<b><i>Other</i></b>	<b>5,617</b>	<b>6,046</b>	<b>6,368</b>	
<b>TOTAL OTHER INTANGIBLE ASSETS</b>	<b>45,271</b>	<b>50,434</b>	<b>56,579</b>	

The "Other" line item above mainly consists of software licenses. The change against 31 December 2007 is ascribable to amortisation for the period.

### 3. Investments in associates

Equity investments held by the Group as at 30 June 2008 were as follows:

	31/12/2007	Increases	Forex differences	Share of profit	30/06/08
Idec Datalogic Co. Ltd.	690		(6)	(23)	661
Laservall Asia Co. Ltd	782	100		80	962
<b>Total associates</b>	<b>1,472</b>	<b>100</b>	<b>(6)</b>	<b>57</b>	<b>1,623</b>

The change in associates is explained by the Group's share of the earnings of Idec Datalogic Co. Ltd. and Laservall Asia Co. Ltd (including the earnings of its subsidiaries) and the €100 thousand increase by Laservall SpA in its investment in Laservall Asia, which remains, nonetheless, a 50% stake.

### 4. Financial instruments by category

30 June 08	Borrowings and receivables	Hedging derivatives	Available for sale (AFS)	Total
<b>Non-current financial assets</b>	<b>381</b>	<b>-</b>	<b>1,431</b>	<b>1,812</b>
Available-for-sale financial assets (5)			1,431	1,431
Other receivables – accrued income & prepayments (7)	381			381
<b>Current financial assets</b>	<b>133,049</b>	<b>-</b>	<b>621</b>	<b>133,670</b>
Trade receivables (7)	85,104			85,104
Other receivables – accrued income & prepayments (7)	11,293			11,293
Available-for-sale financial assets (5)	163			163
Derivatives (6)			621	621
Cash and cash equivalents (10)	36,489			36,489
<b>TOTAL</b>	<b>133,430</b>	<b>-</b>	<b>2,052</b>	<b>135,482</b>

30 June 08	Hedging derivatives	Other financial liabilities	Total
<b>Non-current financial liabilities</b>		<b>88,676</b>	<b>88,676</b>
Financial liabilities (12)		88,654	88,654
Other liabilities (16)		22	22
<b>Current financial liabilities</b>	<b>627</b>	<b>91,057</b>	<b>91,684</b>
Trade payables (16)		40,515	40,515
Other liabilities (16)		26,239	26,239
Derivatives (6)	627		627
Short-term borrowings (12)		24,303	24,303
<b>Total financial liabilities</b>	<b>627</b>	<b>179,733</b>	<b>180,360</b>

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

Available-for-sale financial assets include the following items:

	30 June 08	31 Dec. 07	30 June 07
<b>Financial assets with subsidiaries</b>	<b>163</b>	<b>206</b>	<b>206</b>
<b>Securities</b>	<b>368</b>	<b>368</b>	<b>366</b>
Government bonds	360	360	360
Other securities	8	8	6
<b>Other equity investments</b>	<b>1,063</b>	<b>930</b>	<b>913</b>
	<b>1,594</b>	<b>1,504</b>	<b>1,485</b>

Changes are as follows:

	30 June 08	30 June 07
<b>Balance at 01/01</b>	<b>1,504</b>	<b>1,447</b>
Foreign exchange differences	(43)	
Increases	133	59
Decreases		(2)
<b>Balance at 30/06</b>	<b>1,594</b>	<b>1,504</b>
Less: non-current portion	1,431	1,298
<b>Current portion</b>	<b>163</b>	<b>206</b>

As at 30 June 2008, the Group held the following equity interests in other companies:

	31/12/2007	Increases	Forex differences	Share of profit	Dividends	Changes	30/06/2008	30/06/2007
<b>Other companies</b>								
<i>NOMISMA SpA Italia</i>	7						7	7
<i>Caaf Ind. Emilia Romagna Italia</i>	4						4	4
<i>Crit srl</i>	51						51	51
<i>Consorzio T3 Lab</i>	8						8	8
<i>Mandarin Capital Management SA</i>	59	133					192	42
<i>Alien Technology</i>	801						801	801
<b>Total equity investments</b>	<b>930</b>	<b>133</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,063</b>	<b>913</b>

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 (RFID) devices. This investment is measured at cost, which currently represents the best estimate of its fair value.

The increase for the period is due to a subscription by the fund Mandarin Capital Management SA.

## 6. Derivative financial instruments

	30 June 08		31 Dec. 07	
	Assets	Liabilities	Assets	Liabilities
Interest rate swaps (on borrowings in EUR)	621		171	
Interest rate swaps (on borrowings in USD)		627	-	686
<b>Total</b>	<b>621</b>	<b>627</b>	<b>171</b>	<b>- 686</b>

The interest rate swaps are connected with medium and long-term borrowings and have the same amortisation schedule as the underlying position being hedged. The fair value of these contracts is recognised in a specific equity reserve in accordance with IAS 39, given that they are instruments hedging future cash flows and that all of the prerequisites of said standard for the application of hedge accounting have been met.

As at 30 June 2008, the notional value of the interest rate swaps was €30 million and USD 33.25 million.

## 7. Trade and other receivables

### Trade and other receivables – Current

	30/06/2008	31/12/2007	Change
Trade receivables with third parties	83,880	83,090	790
Less provision for doubtful accounts	1,244	1,546	- 302
<b>Net trade receivables with third parties</b>	<b>82,636</b>	<b>81,544</b>	<b>1,092</b>
<b>Receivable from affiliates</b>	<b>2,443</b>	<b>1,116</b>	<b>1,327</b>
Idec Datalogic Co. Ltd.	338	268	70
Laservall Asia	2,105	848	1,257
<b>Receivable from parent company</b>	<b>20</b>	<b>-</b>	<b>20</b>
Hydra	20		20
<b>Related-party receivables</b>	<b>5</b>	<b>21</b>	<b>- 16</b>
Datasensor	5	21	- 16
<b>Other receivables – accrued income &amp; prepayments</b>	<b>11,674</b>	<b>10,508</b>	<b>1,166</b>
<b>Total</b>	<b>96,778</b>	<b>93,189</b>	<b>3,589</b>
Less: non-current portion	381	377	4
<b>Current portion</b>	<b>96,397</b>	<b>92,812</b>	<b>3,585</b>

### Trade receivables

Trade receivables as at 30 June 2008 amounted to €82,636 thousand (net of the provision for doubtful accounts of €1,244 thousand at 30 June 2008, as compared to the €1,546 thousand at 31 December 2007), posting an increase of 1.3% from 31 December 2007. The decline in the provision for doubtful accounts was due to the cancellation of a receivable that was written down in prior years.

Amounts receivable from affiliates stem from trade transactions concluded under arm's length conditions.

### Other receivables – accrued income & prepayments

The detail of “other receivables – accrued income and prepayments” is as follows:

	30/06/2008	31/12/2007	Change
Other current receivables	2,530	1,662	868
Other non-current receivables	381	345	36
VAT tax credit	6,292	6,245	47
Accrued income and prepayments	2,471	2,256	215
<b>Total</b>	<b>11,674</b>	<b>10,508</b>	<b>1,166</b>

The increase in other current receivables includes €503 thousand paid by the direct parent company to the inland revenue office for a notice of tax assessment received in January 2008, against which the company has filed an appeal.

The other asset categories included in trade and other receivables did not decline.

## 8. Inventories

	30/06/2008	31/12/2007	Change
Raw & auxiliary materials plus consumables	25,364	26,577	(1,213)
Work in progress and semi-processed goods	7,050	5,791	1,259
Finished products and goods for resale	19,553	18,790	763
<b>Total</b>	<b>51,967</b>	<b>51,158</b>	<b>809</b>

Inventories are shown net of an obsolescence provision that, at 30 June 2008, amounted to €7,697 thousand (€8,423 thousand as at 30 June 2007).

Changes are shown below:

€'000	2008	2007
<b>1 January</b>	<b>7,045</b>	<b>10,453</b>
Foreign exchange difference	(261)	(242)
Provisions	2,189	1,781
Release for scrapping and other uses	(1,276)	(3,569)
<b>30 June</b>	<b>7,697</b>	<b>8,423</b>

## 9. Taxes receivable

This item includes the credit towards the ultimate parent company, Hydra, related to corporate income tax (IRES) as a result of joining the tax consolidation scheme. As at 30 June 2008, this receivable amounted to €3,390 million (€4,076 million at 31 December 2007).

## 10. Cash and cash equivalents

For cash flow statement purposes, cash and cash equivalents are detailed as follows:

	30/06/2008	31/12/2007	Change
Carrying value of cash and cash equivalents	36,489	54,739	(18,250)
Restricted cash	(379)	(70)	(309)
Ordinary current accounts payable	(1,820)	-	(1,820)
<b>Cash and cash equivalents as per cash flow statement</b>	<b>34,290</b>	<b>54,669</b>	<b>(20,379)</b>

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

<b>Datalogic Group</b>	30/06/2008	31/12/2007	30/06/2007
<b>(€'000)</b>			
A. Cash and bank deposits	36,110	54,669	60,014
B. Other liquidity	379	70	0
<i>b1. Restricted cash</i>	379	70	0
C. Securities held for trading	368	368	366
<i>c1. Current</i>	0	0	0
<i>c2. Non-current</i>	368	368	366
<b>D. Cash &amp; Cash equivalents (A) + (B) + (C)</b>	<b>36,857</b>	<b>55,107</b>	<b>60,380</b>
<b>E. Current financial receivables</b>	163	206	206
F. Other current financial receivables	621	171	0
<i>f1. hedging instruments</i>	621	171	0
G. Bank current accounts payable	1,820	0	0
H. Current portion of non-current debt	22,483	26,006	37,702
I. Other current financial liabilities	627	686	0
<i>i1. hedging instruments</i>	627	686	0
<b>J. Current financial debt (G) + (H) + (I)</b>	<b>24,930</b>	<b>26,692</b>	<b>37,702</b>
<b>K. Current financial debt, net (J) - (D) - (E) - (F)</b>	<b>(12,711)</b>	<b>(28,792)</b>	<b>(22,884)</b>
L. Non-current bank borrowings	85,267	87,845	92,205
M. Notes issued	0	0	0
N. Other non-current liabilities	3,387	3,491	2,499
<i>n1. Financial liabilities to member of the board</i>	3,387	3,491	2,499
<b>O. Non-current financial debt (L) + (M) + (N)</b>	<b>88,654</b>	<b>91,336</b>	<b>94,704</b>
<b>P. Net financial debt (K) + (O)</b>	<b>75,943</b>	<b>62,544</b>	<b>71,820</b>



## INFORMATION ON THE BALANCE SHEET - EQUITY AND LIABILITIES

### 11. Equity

Details of equity are shown below, with changes for the period shown in a separate table.

(€'000)	30/06/2008	31/12/2007
Share capital	30,392	33,205
Share premium reserve	101,951	114,141
Extraordinary share-cancellation reserve	2,813	0
Treasury shares held	(4,594)	(25,788)
Treasury share reserve	7,016	18,789
<b>Share capital</b>	<b>137,578</b>	<b>140,347</b>
Cash-flow hedge reserve	(6)	(515)
Translation reserve	(24,305)	(18,721)
<b>Other reserves</b>	<b>(24,311)</b>	<b>(19,236)</b>
<b>Retained earnings</b>	<b>38,801</b>	<b>34,288</b>
Earnings carried forward	26,887	13,300
Capital grant reserve	958	958
Legal reserve	2,262	1,870
Treasury share reserve	0	9,440
IFRS transition reserve	8,694	8,720
<b>Net profit (loss) for the period</b>	<b>11,818</b>	<b>18,083</b>
<b>Retained earnings</b>	<b>50,619</b>	<b>52,371</b>
<b>Total Group equity</b>	<b>163,886</b>	<b>173,482</b>
<b>Total minority interest in equity</b>	<b>0</b>	<b>0</b>

#### a) Share capital

Changes in share capital at 30 June 2007 and at 30 June 2008 are shown below (in thousands of euros):

	Number of shares	Share capital	Share premium reserve	Treasury shares	Demerger reserve	Treasury share reserve	Total
<b>1 Jan. 07</b>	<b>62,193,472</b>	<b>33,072</b>	<b>127,888</b>	<b>(6,301)</b>	<b>4,439</b>		<b>159,098</b>
Capital increase from issue of new shares	-						0
Capital increase for exercise of stock options	76,800	40	181				221
Purchase of treasury shares	(2,027,863)			(12,832)	(2,759)	2,759	(12,832)
Sale of treasury shares	1,500,000			9,514			9,514
Costs for the purchase of treasury shares	-			(137)			(137)
Capital increase expenses	-						0
<b>30 June 07</b>	<b>61,742,409</b>	<b>33,112</b>	<b>128,069</b>	<b>(9,756)</b>	<b>1,680</b>	<b>2,759</b>	<b>155,864</b>

	Number of shares	Share capital	Extraordinary share-cancellation reserve	Share premium reserve	Treasury shares	Treasury share reserve	Total
<b>1 Jan. 08</b>	<b>59,348,688</b>	<b>33,205</b>	<b>0</b>	<b>114,141</b>	<b>(25,788)</b>	<b>18,789</b>	<b>140,347</b>
Capital increase for exercise of stock options	0	0		0			0
Reduction in capital due to cancellation of treasury shares	(5,409,981)	(2,813)					(2,813)
Purchase of treasury shares	(2,079,892)			(12,190)	(12,190)	12,190	(12,190)
Sale of treasury shares							0
Cancellation of treasury shares	5,409,981		2,813	0	33,403	(23,963)	12,253
Costs for the purchase of treasury shares					(19)		(19)
Capital increase expenses							0
<b>30 June 08</b>	<b>57,268,796</b>	<b>30,392</b>	<b>2,813</b>	<b>101,951</b>	<b>(4,594)</b>	<b>7,016</b>	<b>137,578</b>

On 20 February, the shareholders of Datalogic S.p.A. met in an extraordinary session to approve a reduction in share capital by cancelling 5,409,981 treasury shares (equal to 8.472% of share capital) held by the Company.

This transaction, which was executed on 27 May 2008, led to a reduction in capital for a par value of €2,813,190.12 and freed up unavailable treasury share reserves in the amount of €33,403,391.87.

The reserves made available and used for the purpose of this cancellation totalled €23,963 thousand in capital reserves and €9,440 thousand in earnings reserves. The transaction was done in compliance with the aforementioned shareholder resolution.

In conjunction with the cancellation, as approved by the shareholders, an extraordinary share-cancellation reserve in the amount of €2,813 thousand was established by using the share premium reserve, thereby remaining within the share capital reserves.

### Ordinary shares

At 30 June 2008, the total number of ordinary shares was 58,446,491, of which 1,177,695 were held as treasury shares. Therefore, the total number of shares in circulation at that date totalled 57,268,796. These shares have a par value of €0.52 each, and all shares issued are fully paid in.

### Treasury shares

The treasury share item with a negative balance of €4,594 thousand includes purchases of treasury shares in the amount of €7,016 thousand, which have been recognised net of gains and charges realised following the sale of treasury shares and related tax effects (a positive €2,422 thousand). During the first half of 2008, the Group bought 2,079,892 treasury shares and cancelled 5,409,981.

For these purchases, in accordance with Article 2453 of the Italian civil code, capital reserves (through the treasury share reserve) in the amount of €7,016 thousand have been made unavailable.

**b) Other reserves****Translation reserve**

The translation reserve is generated from the translation into euros of foreign companies' financial statements. The negative amount is the result of the significant depreciation of the US dollar against the euro. This also explains the change in the period.

**Cash-flow hedge reserve**

This reserve includes the fair value of derivatives used by the Group to hedge interest-rate risk net of deferred tax effects, up to the time the underlying financial instrument being hedged is posted to the income statement. At such time, the reserve is released to the income statement, offsetting all economic effects generated by the transaction which has been hedged.

**c) Retained earnings****Reserve for treasury shares held**

This reserve was used in its entirety for the purpose of cancelling treasury shares.

**IFRS transition reserve**

This reserve was created upon first-time adoption of International Accounting Standards on 1 January 2004 (for the consolidated accounts at 31 December 2003) in accordance with IFRS 1.

**Retained earnings/ (losses carried forward)**

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

**Dividends**

On 2 May 2008 (coupon date of 28 April 2008), an ordinary dividend of €0.07 per share (€0.06 for the first half of 2007) was paid for a total of €4,063 thousand.

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

	<b>30 June 2008</b>		<b>31 December 2007</b>	
	<b>Total equity</b>	<b>Period result</b>	<b>Total equity</b>	<b>Period result</b>
<b>Datalogic SpA equity and profit</b>	<b>158,286</b>	<b>2,663</b>	<b>171,704</b>	<b>7,840</b>
Difference between consolidated companies' equity and their carrying value for Datalogic SpA; effect of equity-based valuation	14,178	26,608	9,962	23,555
Reversal of dividends	0	(17,059)	0	(9,017)
Laservall acquisition	(5,180)	(648)	(4,532)	(1,295)
Amortisation of new DL AB consolidation difference	(239)		(239)	
Elimination of capital gain on sale of business branch	(2,199)	0	(2,199)	(1,980)
Effect of eliminating intercompany transactions	(2,774)	(369)	(2,405)	(560)
Other	(384)	(109)	(275)	117
Sale of know-how	(2,035)	714	(2,749)	(2,749)
Impairment of goodwill – Minec	(305)	(102)	(203)	(203)
Deferred taxes	4,538	120	4,418	2,375
<b>Group portion of equity</b>	<b>163,886</b>	<b>11,818</b>	<b>173,482</b>	<b>18,083</b>
<b>Minority interests in equity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total equity</b>	<b>163,886</b>	<b>11,818</b>	<b>173,482</b>	<b>18,083</b>

**NON-CURRENT LIABILITIES****12. Short/long-term borrowings**

€'000	30/06/2008	31/12/2007
<b>Non-current</b>		
Bank loans & mortgages and other lenders	85,267	87,845
Financial liabilities	3,387	3,491
<i>of which with related parties</i>	3,387	3,491
<b>Total</b>	<b>88,654</b>	<b>91,336</b>
<b>Current</b>		
Bank overdraft (ordinary current accounts)	1,820	
Bank borrowings	22,483	26,006
<b>Total financial payables</b>	<b>24,303</b>	<b>26,006</b>
<b>Total financial payables</b>	<b>112,957</b>	<b>117,342</b>

**Bank borrowings**

Below is the detail of the changes in the item "Bank loans & mortgages and other lenders" as at 30 June 2007 and 30 June 2008:

€'000	2008	2007
<b>1 January</b>	<b>113,851</b>	<b>91,883</b>
Foreign exchange differences	(3,418)	(1,580)
Increases for new mortgages	19,908	40,000
Early repayment	(17,231)	
Decreases for loan payments	(5,360)	(2,064)
<b>30 June</b>	<b>107,750</b>	<b>128,239</b>

Bank borrowings have due dates through 2014 and an approximate average annual interest rate of 5.6%. Guarantees given to banks on behalf of the Group total €1,690 thousand. The parent company has also issued sureties in the amount of €73,867 thousand, as well as patronage letters in the amount of €1,586 thousand, for borrowings by subsidiaries.

Increases from 31 December 2007 are as follows:

**Datalogic Automation Srl:** a medium to long-term loan on 24 January 2008 in the amount of €5 million.

**Laservall Spa:** a medium to long-term loan on 29 January 2008 in the amount of €5 million.

**Datalogic SpA:** a hot-money contract in the amount of €8 million.

**Scanning Holding Inc.:** a revolving loan in the amount of €1,908 thousand.

The decrease for early repayment is related to the following:

- the medium/long-term loan for Datalogic Scanning Holding, which was renegotiated in April 2008; this repayment was made with funds received from the dispute with the seller PSC (see the explanatory notes for December 2007);
- the full payment of the stand-by financing (€14 million) by Datalogic SpA.

With regard to a USD 70 million loan for Datalogic Scanning Holdings Inc, the company was required to abide, on a half-yearly basis, by a number of financial covenants based on financial indicators consisting of:

- a debt cover ratio (DCR), which is calculated as the ratio of EBITDA to net debt;
- an interest cover ratio (ICR), which is an indicator of the weight of interest expense, calculated as the ratio between EBITDA and interest expense;
- debt service cover ratio (DSCR), which is calculated as the ratio of cash flows to total financial debt (total interest expense and principle paid);
- capital expenditure (capex).

Failure to comply with these covenants will entitle the bank to revoke the loan and renegotiate its terms and conditions. At 31 June 2008, all of the financial covenants above had been met.

With regard to three other loans (Datalogic SpA in the amount of €20 million, Laservall SpA in the amount of €5 million, and Datalogic Automation Srl in the amount of €5 million), the companies are required to respect a number of covenants related to the financial statements of Datalogic SpA, including gross debt and equity or, in the event of exceeding the covenants, the ratio of the two.

### **Financial liabilities**

Financial liabilities include the put option on a minority interest in Informatics held by a member of the parent company's board (essentially, given the characteristics of this option, it has been deemed that the risks and benefits have been transferred to the parent company, so the transaction has been recognised as an acquisition of a minority interest, and the criteria of parent company has been applied in accordance with Assirevi's preliminary interpretation OPI 3 as a contra-account to goodwill) and includes all interest accrued and foreign exchange adjustment.

### **13. Deferred taxes**

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

The detail of deferred taxes (balance between assets and liabilities) by company is shown below:

<b>Net deferred taxes</b>	<b>30/06/2008</b>	<b>31/12/2007</b>	<b>Change</b>
Datalogic SpA	(628)	(1,780)	1,152
Datalogic Share Service	(9)	(9)	-
Informatics	(937)	(1,086)	149
Datalogic Automation srl	(90)	(676)	586
Laservall S.p.A.	216	(15)	231
DL Automation Inc.	204	219	(15)
Datalogic Automation France	(10)	(13)	3
DL Automation Pty	(25)	288	(313)
DL Automation UK	(27)	88	(115)
Datalogic Automation GmbH	(79)	(148)	69
DL Ab Nordic	(12)	(12)	-
Datalogic Automation BV	10	-	10
EMS		(15)	15
Datalogic Mobile srl	(447)	(829)	382
Datalogic Mobile Inc	27		27
Datalogic Mobile GmbH	105	-	105
DL Mobile Pty	53		53
DL Mobile Asia	(2)	(2)	-
Datalogic Scanning Group	(281)	(410)	129
Datalogic Scanning Slovakia	158	110	48
Datalogic Scanning Holding Inc	362	982	(620)
Datalogic Scanning Inc	434	-	434
Datalogic Scanning SPA	126	126	-
Datalogic Scanning Pty	31	32	(1)
Datalogic Scanning UK Ltd.	13	14	(1)
Datalogic Scanning GmbH	(44)		(44)
<b>Total long-term net deferred taxes</b>	<b>(852)</b>	<b>(3,136)</b>	<b>2,284</b>
<b>Deferred taxes recognised due to effect of consolidation adjustments</b>	<b>3</b>	<b>(102)</b>	<b>105</b>
<b>Total long-term net deferred taxes</b>	<b>(849)</b>	<b>(3,238)</b>	<b>2,389</b>

The temporary differences leading to recognition of deferred tax assets and liabilities are summarised, by individual group company, in the following tables:

<b>Deferred tax assets</b>	<b>Losses</b>	<b>Exchange rate adjustment</b>	<b>Operations deriving from acquisitions</b>	<b>Provisions</b>	<b>Asset write-downs</b>	<b>Other</b>	<b>Deferred taxes recognised due to effect of consolidation adjustments</b>	<b>Total</b>
<b>30/06/2008</b>	71	119	3,573	2,669	3,153	3,047	1,712	<b>14,345</b>
<b>31/12/2007</b>	526	108	3,364	2,984	2,226	3,731	1,834	<b>14,772</b>

<b>Deferred tax liabilities</b>	<b>Depreciation &amp; amortisation</b>	<b>Operations deriving from acquisitions</b>	<b>Reserve for previous losses</b>	<b>Provisions</b>	<b>Other</b>	<b>IFRS reserves</b>	<b>Deferred taxes recognised due to effect of consolidation adjustments</b>	<b>Total</b>
<b>30/06/2008</b>	3,568	8,793	0	0	821	300	1,712	<b>15,194</b>
<b>31/12/2007</b>	6,029	8,966	-	96	668	315	1,936	<b>18,010</b>

The decline in deferred tax liabilities is attributable primarily to the redemption of the difference between accounting and fiscal values resulting from the option, available as of 31 December 2007, to make non-accounting tax deductions, which resulted in a release of deferred tax liabilities in the amount of €2,160 thousand. For more information on the characteristics of this transaction, see the notes to the half-yearly financial report (section 21).

#### 14. Post-employment benefits

€'000	30/06/2008	31/12/2007
1 January	6,565	7,624
Amount provisioned in period	807	818
Utilisation	(618)	-691
Social security receivable for post-employment benefits	(498)	0
30 June	6,256	7,751

The utilisation is primarily due to €546 thousand from resignations and €72 thousand for advances.

#### 15. Provisions for risks and charges

A breakdown of the total provisions for risks and charges is as follows:

	30/06/2008	31/12/2007	Change
Short-term provisions	10,110	4,894	5,216
Long-term provisions	3,302	5,924	(2,622)
<b>Total provisions</b>	<b>13,412</b>	<b>10,818</b>	<b>2,594</b>

Below is the detail of the changes in this item as at 30 June 2007 and 30 June 2008:

	31/12/2006	Increases	(Utilisation)	Other	Forex differences	30/06/2007
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
<b>Total provisions</b>	<b>10,503</b>	<b>4,638</b>	<b>(2,938)</b>	<b>29</b>	<b>(191)</b>	<b>12,041</b>



	<b>31/12/2007</b>	<b>Increases</b>	<b>(Utilisation)</b>	<b>Forex differences</b>	<b>Other changes</b>	<b>30/06/2008</b>
Product warranty provision	4,917	150	(311)	(163)	(35)	4,558
Restructuring provision	327	-	(241)	(22)	-	64
Provision for management incentive scheme	4,005	2,722	-	(56)	(66)	6,605
Other	1,569	598	32	(80)	66	2,185
<b>Total provisions</b>	<b>10,818</b>	<b>3,470</b>	<b>(520)</b>	<b>(321)</b>	<b>(35)</b>	<b>13,412</b>

The product warranty provision covers the estimated costs incurred to provide support services for products sold under warranty. It amounts to €4,558 thousand (of which €1,678 thousand long term) and is considered sufficient in relation to the specific risk it covers. It includes €2,800 thousand for the Scanning division, €1,202 thousand for the Mobile division, and €556 thousand for the Automation division.

Of the provision for the management incentive scheme, €1,609 thousand is long term.

The item "Other" mainly consists of:

- €1,303 thousand for a stock rotation provision for the Scanning division, Mobile Inc and Informatics (of which €15 thousand long term);
- €284 thousand attributable to the Scanning division and provisioned for compliance with Directive 2002/95/EC on the restriction of the use of certain hazardous substances in electrical and electronic equipment, as enacted in Italian law by Legislative Decree no. 151 of 25 May 2005;
- €350 thousand for a legal dispute related provision related to the parent company. This provision refers to existing litigation on the ten-year ILOR tax exemption, as provided by Italian Presidential Decree no. 218/78 (the unified act on government grants in Southern Italy), related to Datasud, for the 1996 financial year. It should be noted that, as at the date of preparing this financial report, no relevant updates were notified with respect to said dispute;
- €210 thousand for the early retirement incentive for a company manager.

## 16. Trade and other payables

The following is a breakdown of trade and other payables:

	30/06/2008	31/12/2007	Change
Trade payables due within 12 months	39,963	45,392	(5,429)
Trade payables due beyond 12 months	-	-	-
<b>Trade payables with third parties</b>	<b>39,963</b>	<b>45,392</b>	<b>(5,429)</b>
<b>Payable to affiliates</b>	<b>31</b>	<b>39</b>	<b>(8)</b>
Idec Datalogic Co. Ltd.	31	39	(8)
<b>Related-party payables</b>	<b>521</b>	<b>492</b>	<b>29</b>
Datasensor	521	492	29
<b>Other payables – accrued liabilities &amp; deferred income</b>	<b>26,261</b>	<b>30,486</b>	<b>(4,225)</b>
<b>Total</b>	<b>66,776</b>	<b>76,409</b>	<b>(9,633)</b>
Less: non-current portion	22	76	(54)
<b>Current portion</b>	<b>66,754</b>	<b>76,333</b>	<b>- 9,579</b>

### Trade payables

Related-party payables are related to Datasensor.

### Other payables – accrued liabilities & deferred income

The detailed breakdown of this item is as follows:

	30/06/2008	31/12/2007	Change
Other current payables	12,895	19,250	(6,355)
Other non-current payables	22	76	(54)
VAT payable	4,345	3,430	915
Accrued liabilities and deferred income	8,999	7,730	1,269
<b>Total</b>	<b>26,261</b>	<b>30,486</b>	<b>(4,225)</b>

The detailed breakdown of other payables is as follows:

	30/06/2008	31/12/2007	Change
<b>Other current payables</b>			
Due to pension and social security agencies	2,510	3,388	(878)
Due to employees	9,486	13,351	(3,865)
Security deposits received	40	40	-
Directors' remuneration due	91	1,683	(1,592)
Royalties yet to be paid	268	272	(4)
Other payables	500	516	(16)
<b>Total</b>	<b>12,895</b>	<b>19,250</b>	<b>(6,355)</b>

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

The decline in amounts due to employees and in directors' remuneration due is primarily attributable to the disbursement of management incentives.

The increase in accrued liabilities and deferred income is related primarily to deferred income related to a new maintenance contract.

## INFORMATION ON THE INCOME STATEMENT

### 17. Revenues

	30/06/2008	30/06/2007	Change
Revenues from sale of products	186,704	191,887	(5,183)
Revenues for services	6,854	7,075	(221)
<b>Total Revenues</b>	<b>193,558</b>	<b>198,962</b>	<b>(5,404)</b>

Revenues from sales and services decreased by 2.7% year on year.

At a constant euro-dollar exchange rate from the first half of 2007, there would have been an increase of about 3%.

The percent geographical breakdown of revenues is as follows:

	30/06/2008	30/06/2007	Change
Italy	11%	10%	1%
Other EU	45%	43%	2%
Non-EU	44%	47%	-2%

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

	30/06/2008	30/06/2007	Change
<b>TOTAL COST OF GOODS SOLD (1)</b>	<b>106,808</b>	<b>109,517</b>	<b>(2,709)</b>
<i>of which non-recurring</i>	-	52	(52)
<b>TOTAL OPERATING COSTS (2)</b>	<b>71,791</b>	<b>75,125</b>	<b>(3,334)</b>
Research and development expenses	12,304	13,971	(1,667)
<i>of which non-recurring</i>	-	12	(12)
Distribution expenses	38,923	39,597	(674)
<i>of which non-recurring</i>	-	488	(488)
General & administrative expenses	19,873	20,398	(525)
<i>of which non-recurring</i>	-	1,386	(1,386)
<i>of which depreciation and amortisation pertaining to acquisitions</i>	1,898	2,086	(188)
Other operating costs	691	1,159	(468)
<i>of which non-recurring</i>	-	2	(2)
<b>TOTAL (1+2)</b>	<b>178,599</b>	<b>184,642</b>	<b>(6,043)</b>
<i>of which non-recurring costs</i>	-	1,940	(1,940)
<i>of which depreciation and amortisation pertaining to acquisitions</i>	1,898	2,086	(188)

Depreciation and amortisation due to acquisitions (€1,898 thousand), included under "general & administrative expenses", is made up as follows:

1. €648 thousand pertaining to Laservall;
2. €261 thousand pertaining to Informatics;
3. €816 thousand pertaining to Datalogic Scanning Inc.;
4. €173 thousand pertaining to Datalogic Mobile Inc.

It should also be noted that, as at 30 June 2008, operating costs include €705 thousand in early retirement incentives, which have not been classified among non-recurring costs and revenues in that they are related to normal operations of company management and not to extraordinary events such as corporate reorganisation.

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

This item fell by 2.47% from the same period of 2007, which is essentially in line with the decline in revenues.

#### **Total operating costs (2)**

Operating costs net of non-recurring items and depreciation and amortisation related to acquisitions declined from €71,151 thousand to €69,893 thousand. In particular, the following items decreased:

- research and development expenses went from €13,971 thousand to €12,304 thousand at 30 June 2008;
- distribution expenses, which total €38,923 thousand, decreased by roughly €674 thousand compared to 30 June 2007 (down €186 thousand net of extraordinary costs).

For both of the aforementioned cost categories, the decline was due primarily to the strengthening of the euro against the dollar.

"General and administrative expenses" amounted to €19,873 thousand. This item, net of extraordinary items, increased by €1,049 thousand over the same period of 2007. This increase was due primarily to the following:

- legal costs incurred in relation to patents (€529 thousand);
- early retirement incentives in the amount of €357 thousand.

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

	<b>30/06/2008</b>	<b>30/06/2007</b>	<b>Change</b>
Capital losses on assets	13	105	(92)
Incidental costs and cancellation of income items	171	30	141
Provisions for doubtful accounts	119	5	114
Other provisions	-	142	(142)
Non-income taxes	362	409	(47)
Expense reimbursements	24		24
Other	2	468	(466)
<b>TOTAL OTHER OPERATING COSTS</b>	<b>691</b>	<b>1,159</b>	<b>(468)</b>

### **Breakdown of costs by nature**

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

	<b>30/06/2008</b>	<b>30/06/2007</b>	<b>Change</b>
Payroll & employee benefits	52,390	53,650	(1,260)
Depreciation, amortisation and impairment	7,602	8,141	(539)
Inventory change	(2,897)	(6,785)	3,888
Purchases	79,968	89,818	(9,850)
Subcontracted work	3,977	2,418	1,559
Repairs	2,147	2,138	9
Marketing	3,207	3,355	(148)
Directors' remuneration	2,441	3,005	(564)
Travel & accommodation	2,850	2,889	(39)
Technical, legal, and tax advisory services	3,523	4,004	(481)
Goods receipt & shipment	6,269	5,989	280
Meetings	495	521	(26)
Other payroll costs	16,627	15,499	1,128
<b>Total (1+2)</b>	<b>178,599</b>	<b>184,642</b>	<b>-6,043</b>

Marketing costs totalled €3,207 thousand. The main components of this item are as follows: €771 million for advertising and sponsorships; €872 thousand for contributing to marketing costs incurred by commercial partners; and €644 thousand for trade-fair costs.

Directors' remuneration as at 30 June 2008 includes the Datalogic SpA long-term management incentives plan in the amount of €1,474 thousand (€1,305 thousand at 30 June 2007).

Costs for technical, legal, and tax advisory services totalled €3,523 thousand. The decline from the same period of 2007 is largely due to costs incurred during the first six months of the prior year for significant Group reorganisation efforts (i.e. the “Transformation Plan”) in the amount of €1,152 thousand.

Net of this effect, the increase as at June 2008 would be €671 thousand due to the legal costs incurred in relation to patents, in the amount of €529 thousand.

Costs for subcontracted work came to €3,977 thousand and increased by €1,559 thousand as compared to the same period of 2007. This increase was due primarily to the creation of a product that was entrusted to an external supplier after 31 March 2007.

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

	<b>30/06/2008</b>	<b>30/06/2007</b>	<b>Change</b>
Wages and salaries	39,050	41,188	(2,138)
Social security charges	7,865	8,417	(552)
Post-employment benefits	807	818	(11)
Retirement and similar benefits	382	278	104
Management incentive plan	1,481	1,235	246
Other costs	2,805	1,714	1,091
<i>of which early retirement incentives</i>	705	0	705
<b>Total</b>	<b>52,390</b>	<b>53,650</b>	<b>(1,260)</b>

The decrease in wages and salaries was due primarily to exchange-rate differences.

The increase in other costs includes €705 thousand in early retirement incentives, which have not been classified among non-recurring costs and revenues in that they are related to normal operations of company management and not to extraordinary events such as corporate reorganisation.

## **19. Other operating revenues**

The detailed breakdown of this item is as follows:

	<b>30/06/2008</b>	<b>30/06/2007</b>	<b>Change</b>
Miscellaneous income and revenue	475	956	(481)
Rent income	140	126	14
Royalties	-	39	(39)
Capital gains on asset disposals	8	137	(129)
Incidental income and cost cancellation	156	269	(113)
Contributions to research and development expenses	1,893	-	1,893
Other	128	-	128
<b>TOTAL OTHER REVENUES</b>	<b>2,800</b>	<b>1,527</b>	<b>1,273</b>

Contributions to research and development expenses, in the amount of €1,893 thousand, have been recognised in accordance with the 2007 Italian budget law (Article 1, paragraphs 280-284, of law 296/2006), which introduced the option to take advantage of tax credits calculated on research and development expenses incurred during the period 2007-2009. This amount is related to costs incurred from 1 January to 31 December 2007 (in the amount of €1,235 thousand) and during the first half of 2008 (in the amount of €658 thousand).

## 20. Net financial income (expenses)

	30/06/2008	30/06/2007	Change
Interest expenses on bank current accounts/loans	3,051	3,164	(113)
Foreign exchange losses	6,647	2,347	4,300
Bank charges	218	189	29
Other	18	26	(8)
<b>TOTAL FINANCIAL EXPENSES</b>	<b>9,934</b>	<b>5,726</b>	<b>4,208</b>
Interest income on bank current accounts/loans	773	1,207	(434)
Foreign exchange gains	6,884	2,245	4,639
Other	14	43	(29)
<b>TOTAL FINANCIAL INCOME</b>	<b>7,671</b>	<b>3,495</b>	<b>4,176</b>
<b>NET FINANCIAL INCOME (EXPENSES)</b>	<b>(2,263)</b>	<b>(2,231)</b>	<b>(32)</b>

### Total financial expenses

Foreign exchange losses total €6,647 thousand and are attributable mainly to the Scanning Division (€5,306 thousand, of which Datalogic Scanning Slovakia for €4,058 thousand), the parent company (€620 thousand), the Automation Division (€341 thousand), and the Mobile Division (€327 thousand).

### Total financial income

Interest income on bank current accounts/loans, in the amount of €773 thousand, is mainly attributable to the Scanning Division (€148 thousand) and to the parent company (€409 thousand).

Foreign exchange gains total €6,884 thousand and are attributable mainly to the Scanning Division (€5,611 thousand, of which Datalogic Scanning Slovakia for €3,754 thousand), the parent company (€400 thousand), the Mobile Division (€484 thousand, €418 thousand of which for Mobile Srl), and the Automation Division (€388 thousand).

## 21. Taxes

	30/06/2008	30/06/2007
Income taxes	6,058	9,090
Deferred taxes	(2,323)	(3,297)
	<b>3,735</b>	<b>5,793</b>

The effective tax rate comes to 24.1% (41.98% at 30 June 2007).

The significant decrease in tax rate is due primarily to the following:

- contributions to research and development expenses in the amount of €1,893 thousand, which are not included in taxable income;



- the redemption of the difference between accounting and fiscal values resulting from the option, available until 31 December 2007, to make non-accounting tax deductions. Article 1 of the 2008 Italian budget law (law 244 of 24 December 2007) has, effective as of 2008, abolished the ability to make tax deductions for depreciation, provisions and other costs not shown on the income statement by indicating them in a specific section of the Italian tax return form. This law also introduced the possibility to eliminate any misalignment between accounting and fiscal values related to such deductions, providing the option to subject such differences to a substitute tax in place of corporate income tax and the Italian regional business tax (i.e. IRAP), without awaiting the natural recovery of accounting-based depreciation in future periods. In other words, by paying the substitute tax, it is possible to deduct again the greater values already deducted for tax purposes through these non-accounting deductions. All companies of the Datalogic Group that were able to take advantage of this option (essentially the Italian firms) did so, and the differences that were redeemed totalled €6,925 thousand. The decision to redeem such differences resulted in deferred taxes, given that the negative components of income deducted for tax purposes in years prior to that in which they appear on the income statement lead to temporary differences in taxable income (given that they result in different amounts of taxable income in the future periods) and, therefore, are equivalent to deferred tax liabilities. Following this redemption, the provision for deferred taxes accumulated in prior years increased, and the difference was recognised as an adjustment to income tax expense.

The table below provides a summary of the effect of these transactions on taxes for the period.

As a result, the benefit recognised on the income statement as at 30 June 2008 comes from the difference between the elimination of the provision for deferred taxes (in the amount of €2,160 thousand) and the substitute tax expense (€831 thousand), i.e. €1,329 thousand.

€'000	30/06/2008	Contribution to R&D expenses B	Substitute tax C	Deferred taxes released for redemption D	"Normalised" 30/06/2008 E=A+B+C+D	30/06/2007
	A					
<b>Pre-tax profit/loss</b>	<b>15,553</b>	<b>(1,893)</b>			<b>13,660</b>	<b>13,800</b>
<b>Taxes</b>	<b>3,735</b>		<b>(831)</b>	<b>2,160</b>	<b>5,064</b>	<b>5,793</b>
<b>Average effective tax rate</b>	<b>24.01%</b>				<b>37.07%</b>	<b>41.98%</b>

Net of these effects, the average effective tax rate would be 37.07% (41.98% at 30 June 2007).

## 22. Earnings per share (EPS)

### Basic earnings per share

Basic earnings per share as at 30 June 2008 is calculated by dividing the Group net profit of €11,818 thousand (€7,908 thousand as at 30 June 2007) by the weighted average number of ordinary shares outstanding at 30 June 2008 (58,275,667 shares compared to 62,720,063 at 30 June 2007).

	30/06/2008	30/06/2007
Group profit/(loss) for period	11,818,000	7,908,000
Average number of shares as at 30 June	58,275,667	62,720,063
Basic earnings/loss per share	0.2028	0.1261

Earnings per share has increased by more than 60%.

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

For the definition of “related parties”, see both IAS 24, as endorsed by Regulation (EC) 1725/2003, and the internal policy approved by the board of directors on 11 November 2005.

€'000													
RELATED PARTIES	Idec DI Co. Ltd.	Hydra	Datasensor	MSP Imm	Nebulaxis Inc. *	Mandarin Fund *	John O'Brien	Studio Associato Caruso *	Tamburi Investment Partners S.p.A.	Laservall Asia	TOTAL 30/06/2008	TOTAL 30/06/2007	TOTAL 31/12/07
<b>Equity investments</b>						192					192	42	59
DI SpA						192					192	42	59
<b>Trade receivables</b>	338	20	5	0	0	0	0	0	0	2,105	2,468	2,542	1,145
DI SpA		20									20	15	4
DI Automation Srl	338		5								343	264	268
DI Mobile Srl											0	2	7
DI Shared Services Srl											0	17	17
Laservall										2,105	2,105	2,244	849
<b>Tax consolidation credit</b>	0	3,390	0	0	0	0	0	0	0	0	3,390	4,361	4,076
DI SpA		2,007									2,007	4,073	3,135
DI Automation Srl		1,383									1,383	0	941
DI Scanning Group Srl											0	288	
<b>Current financial assets</b>										163	163	206	206
Laservall										163		206	206
<b>Tax consolidation charges</b>	0	4,044	0	0	0	0	0	0	0	0	4,044	2,589	2,784
DI Mobile Srl		3,426									3,426	1,047	2,190
DI Shared Services Srl											0	118	138
Laservall		359									359	1,355	359
DI SpA											0		82
DI Scanning Group Srl		259									259		15
DI Automation Srl												69	
<b>Trade payables</b>	31	0	521	0	0	0	0	60	0	0	612	264	691
DI SpA	11							32			43		155
DI Automation Srl	20		512								532	261	492
DI Scanning Group Srl			8					7			15	3	32
DI Mobile Srl			1					13			14		7
DI Shared Services Srl											0		5
Laservall								8			8		
<b>Financial payables</b>	0	0	0	0	0	0	3,387	0	0	0	3,387	2,499	3,490
DI SpA							3,387				3,387	2,499	3,490
<b>Distribution/service expenses</b>	0	0	971	8	20	0	0	117	49	0	1,165	475	1,680
DI SpA				8	20			87	49		164	251	675
DI Automation Srl			960								960	218	922
DI Shared Services Srl											0	3	19
DI Scanning Group Srl			10					4			14	3	25
DI Mobile Srl			1					13			14		10
Laservall								13			13		29
<b>Commercial revenues</b>	711	34	17	0	0	0	0	0	0	3,293	4,055	1,114	1,758
DI SpA		34	10								44	714	726
DI Automation Srl	711		5								716	385	984
DI Mobile Srl			2								2	1	6
DI Shared Services Srl											0	14	42
Laservall										3,293	3,293		

**Transactions with Datalogic Group companies**

Idec Datalogic Co. Ltd, a Japanese company in which DL Automation Srl owns a 50% stake, purchases products and components from Datalogic for resale in the Far East.

As at 30 June 2008, DL Automation Srl had sold to Idec products and components totalling approximately €711 thousand, and has trade receivables with that company in the amount of €338 thousand. These transactions were executed at conditions comparable to those of other affiliates.

Laservall Spa has trade receivables for €2,105 thousand with Laservall Asia and sales to Laservall Asia in the amount of roughly €3,293 thousand.

**Transactions with companies belonging to shareholders**

Transactions with Datasensor SpA, controlled by the key shareholders of the ultimate parent company, refer chiefly to the purchase of components by DL Automation Srl (€960 thousand), which also has trade payables with Datasensor SpA in the amount of €512 thousand.

The companies joined the fiscal consolidation as consolidated companies (Hydra SpA is the consolidator). It should be noted that, as of 2008, Laservall SpA is no longer involved in the fiscal consolidation.

DL Automation Srl has tax consolidation credits in the amount of €1,383 with Hydra.

DL Mobile Srl has tax consolidation charges with Hydra in the amount of €3,426 thousand.

Laservall SpA has tax consolidation charges with Hydra in the amount of €359 thousand.

DL Scanning Group Srl has tax consolidation charges with Hydra in the amount of €259 thousand.

The parent company's relations with its own ultimate parent company (Hydra SpA) are primarily related to the tax consolidation credit of €2,007 thousand and to rental income (€20 thousand).

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

The "financial liabilities" line item includes €3,387 thousand, complying with IAS 32.23, pertaining to a put option contract entered into by the board member John O'Brien with the direct parent company (call option).

The direct parent company holds an equity interest of €192 thousand in the fund Mandarin Capital Management SA (a company controlled by a member of the Board of Directors).

Relations with the Caruso law offices (headed up by board member Pier Paolo Caruso) primarily concern consulting services. Datalogic SpA has incurred costs for services in the amount of €87 thousand and has payables in the amount of €32 thousand.

DL Mobile Srl has costs for services with the Caruso law offices in the amount of €13 thousand, as well as payables for the same amount.

Laservall SpA has costs for services with the Caruso law offices in the amount of €13 thousand, as well as payables in the amount of €8 thousand.

DL Scanning Group Srl has costs for services with the Caruso law offices in the amount of €4 thousand, as well as payables in the amount of €7 thousand.

Relations with Tamburi Investment Partners SpA (led by board member Giovanni Tamburi) concern consulting services. Datalogic SpA has costs for services in the amount of €49 thousand.

## **NUMBER OF EMPLOYEES**

	<b>30/06/2008</b>	<b>30/06/2007</b>	<b>Change</b>
Automation Division	465	470	(5)
Mobile Division (*)	416	385	31
DL SpA	55	16	39
Scanning Division	882	884	(2)
Informatics	112	107	5
DL Shared Services	0	53	(53)
	<b>1,930</b>	<b>1,915</b>	<b>15</b>

(\*) including Shop Evolution

As at 30 June 2008, the total number of employees stood at 1,930, which is higher than the number at 30 June 2007.

## **SEASONALITY**

Group business is not influenced by seasonal factors.

## **CONTINGENT LIABILITIES**

As at 30 June 2008, there were no new contingent liabilities compared with those of the financial statements as at 31 December 2007 (see related report for information).

Chairman of the Board of Directors

*Romano Volta*

**Attestazione del bilancio semestrale abbreviato ai sensi dell'art. 81-ter del Regolamento  
Consob n. 11971 del 14 maggio 1999 e successive modifiche e integrazioni**

1. I sottoscritti Rag. Roberto Tunioli, Amministratore Delegato e Dott. Marco Rondelli, Dirigente Preposto alla redazione dei documenti contabili societari della Datalogic S.p.A. attestano, tenuto anche conto di quanto previsto dall'art. 154-bis, commi 3 e 4, del decreto legislativo 24 febbraio 1998, n. 58:

- l'adeguatezza in relazione alle caratteristiche dell'impresa e
- l'effettiva applicazione,

delle procedure amministrative e contabili per la formazione del bilancio semestrale abbreviato, nel corso del periodo gennaio - giugno 2008.

2. Si attesta, inoltre, che:

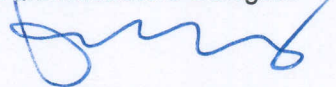
2.1 il bilancio semestrale abbreviato:

- a) è redatto in conformità ai Principi Contabili Internazionali applicabili riconosciuti nella Comunità Europea ai sensi del regolamento (CE) n. 1606/2002 del Parlamento Europeo e del Consiglio, del 19 luglio 2002, e in particolare dello IAS 34 – Bilanci Intermedi, nonché ai provvedimenti emanati in attuazione dell'art. 9 del D. Lgs. N 38/2005;
- b) corrisponde alle risultanze dei libri e delle scritture contabili;
- c) è idoneo a fornire una rappresentazione veritiera e corretta della situazione patrimoniale, economica e finanziaria dell'emittente e dell'insieme delle imprese incluse nel consolidamento;

2.2 la relazione intermedia sulla gestione contiene riferimenti agli eventi importanti che si sono verificati nei primi sei mesi dell'esercizio e alla loro incidenza sul bilancio semestrale abbreviato, unitamente a una descrizione dei principali rischi e incertezze per i mesi restanti dell'esercizio nonché le informazioni sulle operazioni rilevanti con parti correlate.

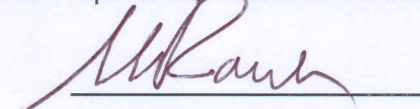
Lippo di Calderara di Reno (BO), 8 agosto 2008

L'Amministratore Delegato



(Roberto Tunioli)

Il Dirigente Preposto alla redazione dei documenti contabili



(Marco Rondelli)

**Datalogic S.p.A.**

**Gruppo Hydra S.p.A.** – art. 2497 Cod. Civ.  
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Codice Fiscale e Partita I.V.A. 01835711209  
E.E.C. id. Code IT01835711209

## ANNEX 2 - Reclassified Consolidated Profit &amp; Loss at 30/06/2007

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

	<b>30-06-07 Euro/000</b>	<b>Adjustments Euro/000</b>	<b>30-06-07 Euro/000</b>
<b>1) TOTAL REVENUES</b>	<b>198.962</b>	<b>0</b>	<b>198.962</b>
Revenues from sale of products	191.887		191.887
Revenues from services	7.075		7.075
<b>2) Cost of goods sold of which non-recurring (*)</b>	<b>109.517 52</b>		<b>109.517 52</b>
<b>GROSS PROFIT (1-2)</b>	<b>89.445</b>	<b>0</b>	<b>89.445</b>
<b>3) Other operating revenues of which non-recurring (*)</b>	<b>1.916 288</b>	<b>-389 -177</b>	<b>1.527 111</b>
<b>4) R&amp;D expenses of which non-recurring (*)</b>	<b>13.971 12</b>		<b>13.971 12</b>
<b>5) Distribution expenses of which non-recurring (*)</b>	<b>39.597 488</b>		<b>39.597 488</b>
<b>6) General &amp; administrative expenses of which non-recurring (*) of which amort. pertaining to acquisitions (*)</b>	<b>17.858 1.386 2.086</b>	<b>2.540</b>	<b>20.398 1.386 2.086</b>
<b>7) Other operating expenses of which non-recurring (*)</b>	<b>4.088 179</b>	<b>-2.929 -177</b>	<b>1.159 2</b>
<b>Total operating costs (4+5+6+7)</b>	<b>75.514</b>	<b>-389</b>	<b>75.125</b>
<b>OPERATING PROFIT</b>	<b>15.847</b>	<b>0</b>	<b>15.847</b>
<b>8) Financial income</b>	<b>-2.231</b>		<b>-2.231</b>
<b>9) Share of associate companies' profits</b>	<b>184</b>		<b>184</b>
<b>PRE-TAX PROFIT/(LOSS)</b>	<b>13.800</b>	<b>0</b>	<b>13.800</b>
<b>Taxes</b>	<b>5.793</b>		<b>5.793</b>
<b>NET PROFIT FOR PERIOD</b>	<b>8.007</b>	<b>0</b>	<b>8.007</b>
<b>Minority interests' share of net profit</b>	<b>99</b>		<b>99</b>
<b>GROUP NET PROFIT</b>	<b>7.908</b>	<b>0</b>	<b>7.908</b>
<b>Earning per share (Euro)</b>	<b>0,1261</b>		<b>0,1261</b>
<b>Diluted earning per share (Euro)</b>	<b>0,1259</b>		<b>0,1259</b>

## ANNEX 3- Reclassified Consolidated Profit &amp; Loss at 31/12/2007

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

	Note	31-12-07 Euro/000	Adjustments Euro/000	31-12-07 Euro/000
<b>1) TOTAL REVENUES</b>	<b>17</b>	<b>404.027</b>		<b>404.027</b>
Revenues from sale of products		389.561		389.561
Revenues from services		14.466		14.466
<b>2) Cost of goods sold</b>	<b>18</b>	<b>224.349</b>		<b>224.349</b>
<i>of which non-recurring (*)</i>	<b>18</b>	<b>51</b>		<b>51</b>
<b>GROSS PROFIT (1-2)</b>		<b>179.678</b>		<b>179.678</b>
<b>3) Other operating revenues</b>	<b>19</b>	3.121	-633	2.488
<i>of which non-recurring (*)</i>	<b>19</b>	388	-177	211
<b>4) R&amp;D expenses</b>	<b>18</b>	25.004		25.004
<i>of which non-recurring (*)</i>	<b>18</b>	12		12
<b>5) Distribution expenses</b>	<b>18</b>	78.570		78.570
<i>of which non-recurring (*)</i>	<b>18</b>	1.067		1.067
<b>6) General &amp; administrative expenses</b>	<b>18</b>	41.744		41.744
<i>of which non-recurring (*)</i>	<b>18</b>	911		911
<i>of which amort. pertaining to acquisitions (*)</i>	<b>18</b>	4.087		4.087
<b>7) Other operating expenses</b>	<b>18</b>	6.397	-633	5.764
<i>of which non-recurring (*)</i>	<b>18</b>	969	-177	792
<b>Total operating costs (4+5+6+7)</b>		<b>151.715</b>	<b>-633</b>	<b>151.082</b>
<b>OPERATING PROFIT</b>		<b>31.084</b>		<b>31.084</b>
<b>8) Financial income</b>	<b>20</b>	-4.861		-4.861
<b>9) Share of associate companies' profits</b>	<b>3</b>	396		396
<b>PRE-TAX PROFIT/(LOSS)</b>		<b>26.619</b>		<b>26.619</b>
<b>Taxes</b>	<b>21</b>	8.536		8.536
<b>NET PROFIT FOR PERIOD</b>		<b>18.083</b>		<b>18.083</b>
<b>Minority interests' share of net profit</b>		0		0
<b>GROUP NET PROFIT</b>		<b>18.083</b>	<b>0</b>	<b>18.083</b>
<b>Earning per share (Euro)</b>	<b>22</b>	<b>0,2938</b>		<b>0,2938</b>
<b>Diluted earning per share (Euro)</b>	<b>22</b>	<b>0,2938</b>		<b>0,2938</b>