



# **Consolidated financial statements**

**30th September 2008**

*Official documents are in Italian*

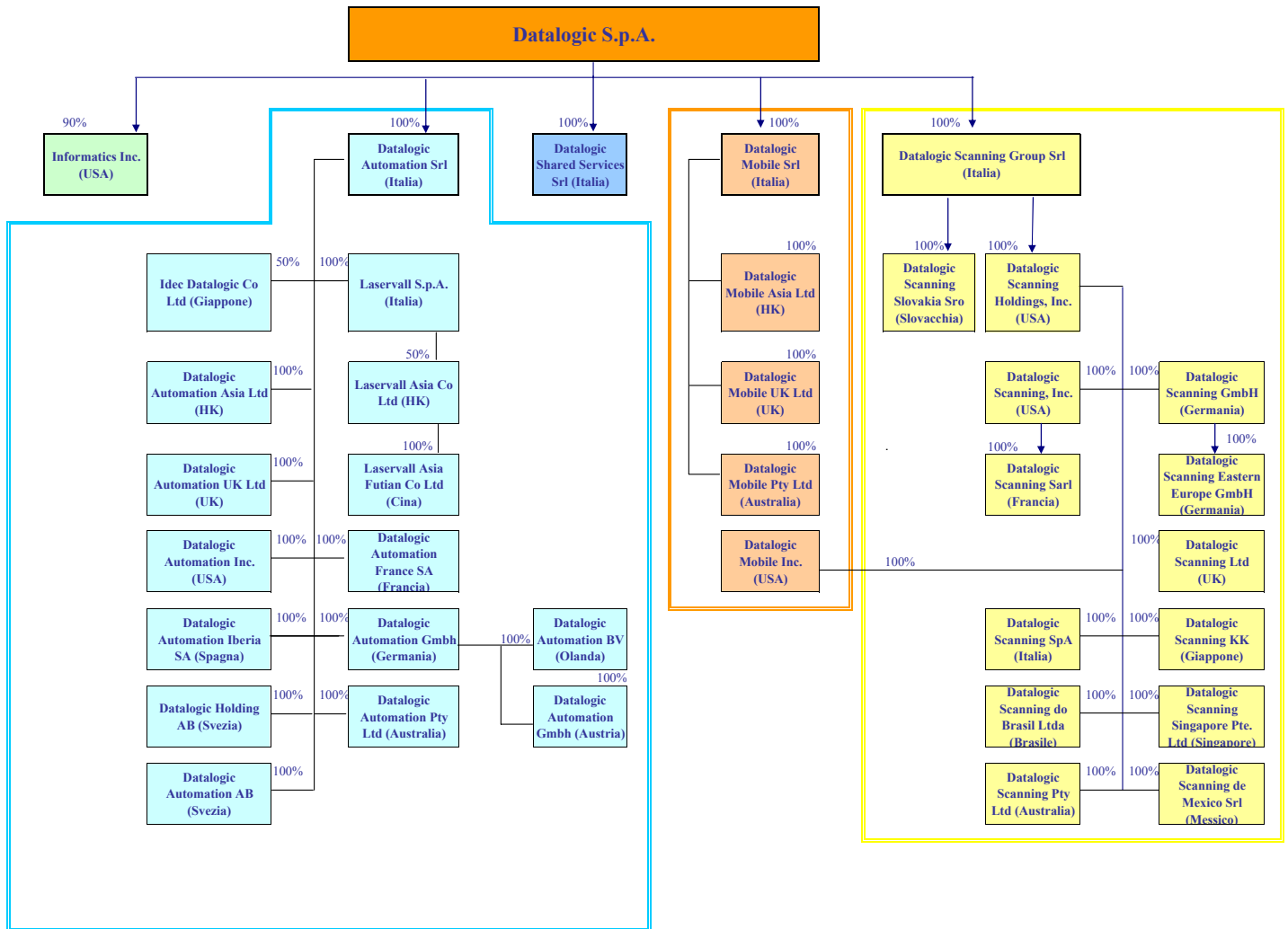


## **DATALOGIC GROUP**

### **Consolidated Financial Report as at September 30, 2008**

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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 – MANAGEMENT REPORT AT 30 SEPTEMBER 2008****REPORT ON OPERATIONS**

To Our Shareholders,

The report for the period ending on 30 September 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 international accounting standards (IAS/IFRS) adopted by the European Union.

**OPERATING AND FINANCIAL RESULTS**

The following table summarises the Datalogic Group's key operating and financial highlights as up to 30 September 2008 (first nine months of 2008 i.e. 9M08), in comparison with the same period in 2007:

<b>Datalogic Group</b>	<b>30/09/2008</b>	<b>30/09/2007</b>	<b>YoY Change</b>	<b>Change %</b>
<b>(€'000)</b>				
<b>TOTAL REVENUES</b>	284,342	297,536	-13,194	-4.4%
<b>EBITDA</b>	37,445	36,922	523	1.4%
<i>% of total revenues</i>	13,2%	12,4%		
<b>Group net profit/loss</b>	16,570	11,487	5,083	44.3%
<i>% of total revenues</i>	5,8%	3,9%		
<b>Net Financial Position (NFP)</b>	-73,864	-67,251	-6,613	9.8%

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

(\*\*) Gross of the share buyback (also including 5,409,981 treasury shares cancelled on 27 May 2008), NFP at 30 September 2008 and at 30 September 2007 was €26,753 thousand and €44,009 thousand.

As up to 30 September 2008 the **Datalogic Group recorded revenues of €284,342 thousand (vs. €297,536 thousand in the first nine months of 2007)**, detailed as follows:

- €273,958 thousand of revenues from the sale of products;
- €10,384 thousand of revenues from services.

These revenues decreased by 4.4% over the same period of the previous year. On a comparable Euro/USD exchange rate basis with respect to the same period of 2007, the increase would have been approximately 1%.

**Group EBITDA was €37,445 thousand, equal to 13.2% of total revenues (12.4% at 30 September 2007). The increase over the same period of the previous year totals €523 thousand (+1.4% over the €36,922 thousand at 30 September 2007).**

**Group net income at 30 September 2008 came to €16,570 thousand**, for a sharp increase over the €11,487 thousand at 30 September 2007 (+44.3%).

The reduction in income tax expense, which went from 41% for the first nine months of 2007 to 27% for the first nine 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 €2,312 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 €1,077 thousand related to the first nine 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 quarterly financial report (section 21), but it should be noted that the net estimated benefit for this transaction is €1,384 thousand.

Even without considering these measures, net profit would have increased from the first nine months of 2007 (€12,874 thousand as compared with €11,487 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)	30/09/2008		30/09/2007		change	change %
<b>TOTAL REVENUES</b>	<b>284,342</b>	<b>100.0%</b>	<b>297,536</b>	<b>100.0%</b>	<b>(13,194)</b>	<b>-4.4%</b>
Cost of sales	(156,862)	-55.2%	(163,847)	-55.1%	6,985	-4.3%
<b>Gross profit</b>	<b>127,480</b>	<b>44.8%</b>	<b>133,689</b>	<b>44.9%</b>	<b>(6,209)</b>	<b>-4.6%</b>
Other revenues (*)	3,735	1.3%	1,099	0.4%	2,636	239.9%
Research and development expenses	(18,214)	-6.4%	(21,316)	-7.2%	3,102	-14.6%
Distribution expenses	(57,360)	-20.2%	(57,035)	-19.2%	(325)	0.6%
General & administrative expenses (*)	(25,685)	-9.0%	(26,081)	-8.8%	396	-1.5%
Other operating costs (*)	(1,119)	-0.4%	(2,488)	-0.8%	1,369	-55.0%
<b>Total operating costs and other costs</b>	<b>(102,378)</b>	<b>-36.0%</b>	<b>(106,920)</b>	<b>-35.9%</b>	<b>4,542</b>	<b>-4.2%</b>
<b>EBITANR</b>	<b>28,837</b>	<b>10.1%</b>	<b>27,868</b>	<b>9.4%</b>	<b>969</b>	<b>3.5%</b>
Non-recurring costs and revenues	0	0.0%	(2,113)	-0.7%	2,113	-100.0%
Depreciation & amortisation due to acquisitions	(2,859)	-1.0%	(3,106)	-1.0%	247	-8.0%
<b>EBIT</b>	<b>25,978</b>	<b>9.1%</b>	<b>22,649</b>	<b>7.6%</b>	<b>3,329</b>	<b>14.7%</b>
Net financial income (expenses)	(3,815)	-1.3%	(3,417)	-1.1%	(398)	11.6%
Subsidiaries' earnings/(losses)	(29)	0.0%	247	0.1%	(276)	NO DATA
Foreign exchange earnings/(losses)	626	0.2%	224	0.1%	402	179.5%
<b>Pre-tax profit/(loss)</b>	<b>22,760</b>	<b>8.0%</b>	<b>19,703</b>	<b>6.6%</b>	<b>3,057</b>	<b>15.5%</b>
Taxes	(6,190)	-2.2%	(8,066)	-2.7%	1,876	-23.3%
<b>Net profit/(loss) for period</b>	<b>16,570</b>	<b>5.8%</b>	<b>11,637</b>	<b>3.9%</b>	<b>4,933</b>	<b>42.4%</b>
Minority interests' share of net profit	0	0.0%	(150)	-0.1%	150	-100.0%
<b>GROUP NET PROFIT/LOSS</b>	<b>16,570</b>	<b>5.8%</b>	<b>11,487</b>	<b>3.9%</b>	<b>5,083</b>	<b>44.3%</b>
Depreciation of tangible assets	(5,558)	-2.0%	(6,098)	-2.0%	540	-8.9%
Amortisation of intangible assets	(3,050)	-1.1%	(2,956)	-1.0%	(94)	3.2%
<b>EBITDA</b>	<b>37,445</b>	<b>13.2%</b>	<b>36,922</b>	<b>12.4%</b>	<b>523</b>	<b>1.4%</b>

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

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

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

Depreciation and amortisation due to acquisitions (in the amount of €2,859 thousand) is made up as follows:

1. €971 thousand pertaining to Laservall;
2. €395 thousand pertaining to Informatics;
3. €1,232 thousand pertaining to Datalogic Scanning Inc.;
4. €261 thousand pertaining to Datalogic Mobile Inc.

At 30 September 2008, operating costs included €955 thousand of leaving incentives which were not classified under "non-recurring costs and revenue" since they were the result of the normal movement of managers and not of extraordinary reorganisation/restructuring operations.

**EBITANR came to €28,837 thousand, for a margin on sales of 10.1%, up 3.5% over the same period of the previous year.**

The next two tables compare the main operating results achieved in the third quarter of 2008 with, respectively, the third quarter of 2007 and the second quarter of 2008.

	<b>3Q08</b>		<b>3Q07</b>		<b>change</b>	<b>change %</b>
<b>Total revenues</b>	90,784	100.0%	98,574	100.0%	-7,790	-7.9%
<b>EBITDA</b>	12,084	13.3%	11,106	11.3%	978	8.8%
<b>EBITANR</b>	9,180	10.1%	8,106	8.2%	1,074	13.2%
<b>EBIT</b>	8,219	9.1%	6,802	6.9%	1,417	20.8%

	<b>3Q08</b>		<b>2Q08</b>		<b>change</b>	<b>change %</b>
<b>Total revenues</b>	90,784	100.0%	97,541	100.0%	-6,757	-6.9%
<b>EBITDA</b>	12,084	13.3%	13,780	14.1%	-1,696	-12.3%
<b>EBITANR</b>	9,180	10.1%	10,983	11.3%	-1,803	-16.4%
<b>EBIT</b>	8,219	9.1%	10,047	10.3%	-1,828	-18.2%



## **PERFORMANCE BY BUSINESS**

### **Segment information**

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

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

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

Segment information includes both directly 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: HHR (hand-held readers), USS (unattended scanning systems) for the industrial market, MC (mobile computers), and checkout scanners for the retail market.

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

**Scanning** – includes the product lines relating to handheld readers (HHR) and fixed scanners for the "retail" market.

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

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

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

- financial data of the new Mobile, Automation, Scanning and Business Development segments are provided for the first nine months of the current financial year;
- additionally, financial data pertaining to the first nine months of 2008, reclassified on the grounds 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 for the core business sector, revised according to the new company structure, for the first nine months of 2008 are as follows:

	Mobile Division	Automation Division	Business Dev. Division	Scanning Division	Datalogic Spa (*)	Adjustments	Datalogic Group
External sales	62,082	50,259	33,493	138,508		0	284,342
Intersegment sales	4,066	536		183	14,999	(19,784)	0
<b>Total revenues</b>	<b>66,148</b>	<b>50,795</b>	<b>33,493</b>	<b>138,691</b>	<b>14,999</b>	<b>(19,784)</b>	<b>284,342</b>
Cost of goods sold (I)	(37,044)	(26,229)	(17,798)	(80,723)	(2)	4,934	(156,862)
<b>Gross profit</b>	<b>29,104</b>	<b>24,566</b>	<b>15,695</b>	<b>57,968</b>	<b>14,997</b>	<b>(14,850)</b>	<b>127,480</b>
% of revenues	44.0%	48.4%	46.9%	41.8%	100.0%	75.1%	44.8%
Other revenues	659	2,543	154	942	965	(1,528)	3,735
R&D expenses	(3,305)	(5,231)	(647)	(8,766)	(395)	130	(18,214)
Distribution expenses (I)	(15,389)	(13,432)	(7,292)	(28,441)	(2)	7,196	(57,360)
General expenses (I)	(6,606)	(7,421)	(2,158)	(9,665)	(8,421)	8,586	(25,685)
Other operating costs	(132)	(740)	(76)	(680)	(111)	620	(1,119)
<b>Total operating costs</b>	<b>(25,432)</b>	<b>(26,824)</b>	<b>(10,173)</b>	<b>(47,552)</b>	<b>(8,929)</b>	<b>16,532</b>	<b>(102,378)</b>
% of revenues	-38.4%	-52.8%	-30.4%	-34.3%	-59.5%	-83.6%	-36.0%
<b>EBITANR</b>	<b>4,331</b>	<b>285</b>	<b>5,676</b>	<b>11,358</b>	<b>7,033</b>	<b>154</b>	<b>28,837</b>
% of revenues	6.5%	0.6%	16.9%	8.2%	46.9%	-0.8%	10.1%
Non-recurring costs/revenues	0	0	0	0	0	0	0
Amortisation due to acquisitions	(260)	(972)	(395)	(1,232)	0	0	(2,859)
<b>EBIT</b>	<b>4,071</b>	<b>(687)</b>	<b>5,281</b>	<b>10,126</b>	<b>7,033</b>	<b>154</b>	<b>25,978</b>
% of revenues	6.2%	-1.4%	15.8%	7.3%	46.9%	-0.8%	9.1%
Net financial income (expenses)							(3,189)
Net profits of associated companies							(29)
Income taxes							(6,190)
<b>Net profit/loss</b>							<b>16,570</b>
% of revenues							<b>5.8%</b>
Depreciation & amortisation	(1,988)	(2,099)	(235)	(3,425)	(856)	(5)	(8,608)
<b>EBITDA</b>	<b>6,319</b>	<b>2,384</b>	<b>5,911</b>	<b>14,783</b>	<b>7,889</b>	<b>159</b>	<b>37,445</b>
% of revenues	9.6%	4.7%	17.6%	10.7%	52.6%	-0.8%	13.2%

(\*) This column also includes costs and revenues related to Datalogic Shared Services Srl (of €51 thousand and €19 thousand, respectively), which has not been operational since 10 January 2008 and is currently being liquidated.

The financial results of the core business sector of the primary segments at 30 September 2008, presented according to the previous structure, compared with the results at 30 September 2007, are as follows:

	Data Capture		Business Development		Costs/Revenues not attributed		Adjustments		Consolidated segment	
	30/09/08	30/09/07	30/09/08	30/09/07	30/09/08	30/09/07	30/09/08	30/09/07	30/09/08	30/09/07
External sales	228,951	236,016	55,391	61,520			0	0	284,342	297,536
Intersegment sales	4,571	336	0	0			(4,571)	(336)	0	0
<b>Total revenues</b>	<b>233,522</b>	<b>236,352</b>	<b>55,391</b>	<b>61,520</b>	<b>0</b>	<b>0</b>	<b>(4,571)</b>	<b>(336)</b>	<b>284,342</b>	<b>297,536</b>
Cost of goods sold	(130,873)	(134,512)	(25,989)	(29,335)			0	0	(156,862)	(163,847)
Intersegment cost of goods sold	0	0	(3,963)	(3,280)			3,963	3,280	0	0
<b>Gross profit</b>	<b>102,649</b>	<b>101,840</b>	<b>25,439</b>	<b>28,905</b>	<b>0</b>	<b>0</b>	<b>(608)</b>	<b>2,944</b>	<b>127,480</b>	<b>133,689</b>
<b>% of revenues</b>	<b>44.0%</b>	<b>43.1%</b>	<b>45.9%</b>	<b>47.0%</b>			<b>13.3%</b>	<b>-876.2%</b>	<b>44.8%</b>	<b>44.9%</b>
Other revenues	3,041	3,999	1,041	379			(347)	(3,279)	3,735	1,099
R&D expenses	(15,020)	(18,143)	(3,194)	(3,173)			0	0	(18,214)	(21,316)
Distribution expenses	(47,499)	(46,851)	(10,120)	(10,334)			259	150	(57,360)	(57,035)
General expenses	(16,300)	(14,784)	(5,172)	(4,512)	(4,978)	(6,970)	765	185	(25,685)	(26,081)
Other operating costs	(519)	(1,743)	(600)	(745)		0	0	0	(1,119)	(2,488)
<b>Total operating costs</b>	<b>(79,338)</b>	<b>(81,521)</b>	<b>(19,086)</b>	<b>(18,764)</b>	<b>(4,978)</b>	<b>(6,970)</b>	<b>1,024</b>	<b>335</b>	<b>(102,378)</b>	<b>(106,920)</b>
<b>% of revenues</b>	<b>-34.0%</b>	<b>-34.5%</b>	<b>-34.5%</b>	<b>-30.5%</b>			<b>-22.4%</b>	<b>-99.7%</b>	<b>-36.0%</b>	<b>-35.9%</b>
<b>EBITANR</b>	<b>26,352</b>	<b>24,318</b>	<b>7,394</b>	<b>10,520</b>	<b>(4,978)</b>	<b>(6,970)</b>	<b>69</b>	<b>0</b>	<b>28,837</b>	<b>27,868</b>
<b>% of revenues</b>	<b>11.3%</b>	<b>10.3%</b>	<b>13.3%</b>	<b>17.1%</b>			<b>-1.5%</b>	<b>0.0%</b>	<b>10.1%</b>	<b>9.4%</b>
Allocable non-recurring costs/revenues	0	(1,340)	0	(773)	0		0	0	0	(2,113)
Amortisation due to acquisitions	(1,492)	(1,688)	(1,367)	(1,418)	0		0		(2,859)	(3,106)
<b>OPERATING RESULT (EBIT)</b>	<b>24,860</b>	<b>21,290</b>	<b>6,027</b>	<b>8,329</b>	<b>(4,978)</b>	<b>(6,970)</b>	<b>69</b>	<b>0</b>	<b>25,978</b>	<b>22,649</b>
<b>% of revenues</b>	<b>10.6%</b>	<b>9.0%</b>	<b>10.9%</b>	<b>13.5%</b>			<b>-1.5%</b>	<b>0.0%</b>	<b>9.1%</b>	<b>7.6%</b>
Net financial income (expenses)					(3,189)	(3,193)			(3,189)	(3,193)
Share of associates' profit					(29)	247			(29)	247
Income taxes					(6,190)	(8,066)			(6,190)	(8,066)
<b>NET PROFIT/LOSS</b>					<b>(14,386)</b>	<b>(17,982)</b>	<b>69</b>	<b>0</b>	<b>16,570</b>	<b>11,637</b>
<b>% of revenues</b>							<b>-1.5%</b>	<b>0.0%</b>	<b>5.8%</b>	<b>3.9%</b>
Minority interests' share of net profit/loss						(150)			0	(150)
<b>GROUP NET PROFIT/LOSS</b>					<b>(14,386)</b>	<b>(18,132)</b>	<b>69</b>	<b>0</b>	<b>16,570</b>	<b>11,487</b>
<b>% of revenues</b>							<b>-1.5%</b>	<b>0.0%</b>	<b>5.8%</b>	<b>3.9%</b>

## 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	Sep-08	Dec-07	Sep-08	Dec-07	Sep-08	Dec-07	Sep-08	Dec-07	Sep-08	Dec-07	Sep-08	Dec-07	Sep-08	Dec-07
Attributed assets	49,296	62,009	60,255	61,701	20,868	20,893	173,021	169,987	35,068	52,309	(14,670)	(42,285)	323,838	324,614
Interests in subsidiaries booked at equity	-	-	1,609	1,472	-	-	4,019	3,905	153,861	153,861	(157,880)	(157,766)	1,609	1,472
Not attributed assets	-	-											89,899	86,306
<b>Total assets</b>	<b>49,296</b>	<b>62,009</b>	<b>61,864</b>	<b>63,173</b>	<b>20,868</b>	<b>20,893</b>	<b>177,040</b>	<b>173,892</b>	<b>188,929</b>	<b>206,170</b>	<b>(172,550)</b>	<b>(200,051)</b>	<b>415,346</b>	<b>412,392</b>
Attributed liabilities	26,714	22,363	19,443	24,918	3,446	9,427	38,420	55,375	12,680	13,018	(15,447)	(34,736)	85,256	90,365
Non-attributed liabilities	-												160,681	148,545
Equity	23,125	29,335	39,440	40,352	17,043	9,372	88,265	77,223	158,787	174,283	(157,251)	(157,083)	169,409	173,482
<b>Total liabilities</b>	<b>49,839</b>	<b>51,698</b>	<b>58,883</b>	<b>65,270</b>	<b>20,489</b>	<b>18,799</b>	<b>126,685</b>	<b>132,598</b>	<b>171,467</b>	<b>187,301</b>	<b>(172,698)</b>	<b>(191,819)</b>	<b>415,346</b>	<b>412,392</b>
Amort. and deprec. (net of amort. arising from acquisitions)	1,988	NO DATA	2,099	NO DATA	235	NO DATA	3,425	NO DATA	856	NO DATA	5	NO DATA	8,608	12,301

(\*) This column also includes the data for Datalogic Shared Services srl.

## **ANALYSIS OF FINANCIAL AND CAPITAL DATA**

At 30 September 2008, the net financial position was a negative €73,864 thousand, as follows:

<b>Datalogic Group</b>	<b>30/09/2008</b>	<b>31/12/2007</b>	<b>30/09/2007</b>
<b>€/000</b>			
A. Cash and bank deposits	61,369	54,669	56,274
B. Other liquidity	407	70	0
<i>b1. Restricted cash</i>	407	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>62,144</b>	<b>55,107</b>	<b>56,640</b>
<b>E. Current financial receivables</b>	<b>0</b>	<b>206</b>	<b>206</b>
F. Other current financial receivables	265	171	166
<i>f1. hedging transactions</i>	265	171	166
G. Bank current accounts payable	1,687	0	874
H. Current portion of non-current debt	30,507	26,006	31,729
I. Other current financial liabilities	1,152	686	247
<i>i1. hedging transactions</i>	1,152	686	247
<b>J. Current financial debt (G) + (H) + (I)</b>	<b>33,346</b>	<b>26,692</b>	<b>32,850</b>
<b>K. Current financial debt, net (J) - (D) - (E) - (F)</b>	<b>(29,063)</b>	<b>(28,792)</b>	<b>(24,162)</b>
L. Non-current bank borrowing	99,307	87,845	88,997
M. Other current financial receivables	180	0	0
N. Other non-current liabilities	3,800	3,491	2,416
<i>n1. Financial liabilities vs BoD member</i>	3,800	3,491	2,416
<b>O. Non-current financial debt (L) + (M) + (N)</b>	<b>102,927</b>	<b>91,336</b>	<b>91,413</b>
<b>P. Net financial debt (K) + (O)</b>	<b>73,864</b>	<b>62,544</b>	<b>67,251</b>

The net financial position at 30 September 2008 was - €73,864 thousand, and was worse than at 31 December 2007 (- €62,544 thousand) and at 30 September 2007 (- €67,251 thousand).

In the first nine months of the financial year:

- treasury shares were acquired for €18,913 thousand (the treasury shares carried on the balance sheet for €13,708 thousand at 30 September 2008 are not included in the net financial position);
- the first instalment of the management incentive plan was disbursed for about €4,900 thousands.
- dividends of €4,063 thousand were paid.

Investments of €7,258 thousand were made in tangible and intangible assets, and €403 thousand in equity holdings.

Net working capital at 30 September 2008 was €74,785 thousand, and increased by €7,355 thousand from 31 December 2007 (€67,430 thousand) and €1,301 thousand from 30 September 2007 (€73,484 thousand).

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

	<b>30 September 2008</b>		<b>31 December 2007</b>	
	<b>Total net equity</b>	<b>Period result</b>	<b>Total net equity</b>	<b>Period result</b>
<b>Datalogic SpA net equity and profit</b>	<b>156,222</b>	<b>7,464</b>	<b>171,704</b>	<b>7,840</b>
Difference between consolidated companies' net equity and their carrying value in Datalogic SpA's statement; effect of equity-based valuation	22,174	36,541	9,962	23,555
Reversal of dividends	0	(26,632)	0	(9,017)
Laservall acquisition	(5,504)	(972)	(4,532)	(1,295)
Amortisation of new Datalogic AB consolidation difference	(239)		(239)	
Elimination of capital gain on sale of business branch	(3,325)	(1,126)	(2,199)	(1,980)
Effect of eliminating intercompany transactions	(2,575)	(170)	(2,405)	(560)
Others	(239)	36	(275)	117
Transfer of Know How	(1,678)	1,071	(2,749)	(2,749)
Minec goodwill impairment	(356)	(153)	(203)	(203)
Deferred taxes	4,929	511	4,418	2,375
<b>Group portion of net equity</b>	<b>169,409</b>	<b>16,570</b>	<b>173,482</b>	<b>18,083</b>
<b>Minority interests in net equity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total net equity</b>	<b>169,409</b>	<b>16,570</b>	<b>173,482</b>	<b>18,083</b>

## **FINANCIAL INCOME AND EXPENSES**

Net financial expenses totaled €3,189 thousand. The drivers of this result were as follows:

<b>(€'000)</b>	<b>30/09/2008</b>	<b>30/09/2007</b>
Financial income/expenses	(3,470)	(3,109)
Net foreign exchange losses	626	224
Bank charges	(329)	(323)
Others	(16)	15
<b>Total net financial expenses</b>	<b>(3,189)</b>	<b>(3,193)</b>

**BUSINESS FORECAST FOR CURRENT YEAR AND SUBSEQUENT EVENTS**

The recent financial market crisis and subsequent recession in the real economy render it extremely difficult to forecast revenue and income performance in 4Q 2008. Uncertainty and widespread pessimism now seem to predominate. Furthermore, after years of weakness, the U.S. dollar has been appreciating against the Euro, moving from its historic low (USD 1.60 per Euro) to below USD 1.30 per Euro in just a few months (in extremely volatile conditions). Since a significant portion of business costs are expressed in U.S. dollars and, on average, this dollar-denominated portion is higher in absolute terms than the amount of revenues expressed in that currency, appreciation of the dollar causes costs to increase faster than the increase in revenues.

However, the Group has taken the necessary short-term actions to protect its margins and continue increasing its value.

The company Datasensor Spa was acquired at the beginning of October by the parent company (Hydra Spa).

Datasensor, active on the market of sensors and photoelectric devices for the industrial market, will be consolidated in the Automation Division. This acquisition is of fundamental importance at the industrial level, since it will allow the Datalogic Group to reinforce its position in the industrial automation segment.

The transaction was for 100% of the shares of Datasensor Spa for a total price of €45 million (equity value). In FY 2007, Datasensor had revenues of €31.7 million and adjusted EBITDA of €5.6 million (equal to 17.6% of revenues). At 31 December 2007 its net financial position was approximately €3.5 million.

This price, which was found to be fair in an appraisal prepared by an independent expert – KPMG Advisor Spa (as it involved transactions between related parties), will be paid in two instalments. The first, of €31.3 million, was paid on 03 October 2008, and the balance will be paid by 14 November 2008.

This purchase will be financed principally by a bank loan (up to a maximum of €40 million) and use of available resources.

**SECONDARY LOCATIONS**

The parent company has no secondary locations.

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

	Note	30-09-08 Euro/000	31-12-07 Euro/000	30-09-07 Euro/000
<b>ASSETS</b>				
<b>A) NON-CURRENT ASSETS</b> (1+2+3+4+5+6+7+8)		<b>204.983</b>	<b>204.401</b>	<b>211.419</b>
<b>1) Tangible non-current assets</b>		<b>50.637</b>	<b>49.244</b>	<b>49.953</b>
Land	1	6.413	6.482	6.570
Buildings	1	18.808	18.605	19.082
Other tangible assets	1	22.044	22.662	22.537
Assets in progress and payments on account	1	3.372	1.495	1.764
<b>2) Investment property</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>3) Intangible non-current assets</b>		<b>134.916</b>	<b>137.270</b>	<b>139.997</b>
Goodwill	2	86.707	84.813	84.577
Development costs	2	1.349	2.023	2.278
Other intangible assets	2	46.860	50.434	53.142
<b>4) Equity interests in associate companies</b>	3	<b>1.609</b>	<b>1.472</b>	<b>1.329</b>
<b>5) Available-for-sale financial assets (non-current)</b>		<b>1.781</b>	<b>1.298</b>	<b>1.279</b>
Equity investments	5	1.233	930	913
Loans to subsidiaries		180		
Securities	5	368	368	366
<b>6) Trade and other receivables</b>	7	<b>490</b>	<b>345</b>	<b>515</b>
<b>7) Deferred tax credits</b>	13	<b>15.546</b>	<b>14.772</b>	<b>18.346</b>
<b>8) Crediti tributari</b>	9	<b>4</b>	<b>0</b>	<b>0</b>
<b>B) CURRENT ASSETS</b> (8+9+10+11+12+13+14+15)		<b>210.363</b>	<b>207.991</b>	<b>210.887</b>
<b>9) Inventories</b>	8	<b>48.536</b>	<b>51.158</b>	<b>57.661</b>
Raw & auxiliary materials plus consumables	8	21.015	26.577	29.903
Work in progress and semiprocessed goods	8	6.392	5.791	6.847
Finished products and goods for resale	8	21.129	18.790	20.911
<b>10) Job-order work in progress</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>11) Trade and other receivables</b>	7	<b>89.262</b>	<b>92.844</b>	<b>88.078</b>
Trade receivables	7	<b>77.642</b>	<b>82.681</b>	<b>77.700</b>
Within 12 months	7	75.789	81.512	76.141
After 12 months	7		32	
Amounts receivable from associates	7	1.829	1.116	1.530
Amounts receivable from parent company	7	19		2
Amounts receivable from related parties	7	5	21	27
Other receivables - Accrued income/prepaid expenses	7	11.620	10.163	10.378
<b>12) Tax credits</b>	9	<b>10.524</b>	<b>8.873</b>	<b>8.502</b>
from parent company		2.354	4.076	4.385
<b>13) Available-for-sale financial assets (current)</b>	5	<b>0</b>	<b>206</b>	<b>206</b>
Loans to subsidiaries			206	206
<b>14) Hedging instruments</b>	6	<b>265</b>	<b>171</b>	<b>166</b>
<b>15) Cash &amp; cash equivalents</b>	10	<b>61.776</b>	<b>54.739</b>	<b>56.274</b>
<b>TOTAL ASSETS (A+B)</b>		<b>415.346</b>	<b>412.392</b>	<b>422.306</b>



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

<b>LIABILITIES</b>	<b>Note</b>	<b>30-09-08 Euro/000</b>	<b>31-12-07 Euro/000</b>	<b>30-09-07 (*) Euro/000</b>
<b>A) TOTAL NET EQUITY (1+2+3+4+5)</b>	<b>11</b>	<b>169.409</b>	<b>173.482</b>	<b>173.586</b>
1) Share capital	11	130.874	140.347	144.977
2) Reserves	11	-16.785	-19.236	-17.854
3) Retained earnings/(losses carried forward)	11	38.750	34.288	34.350
4 ) Profit/(loss) for period		16.570	18.083	11.487
5) Minority interests		0	0	626
<b>B) NON-CURRENT LIABILITIES (6+7+8+9+10+11)</b>		<b>135.568</b>	<b>121.911</b>	<b>131.963</b>
6) Borrowing	12	103.107	91.336	91.413
<b>from related parties</b>		3.800	3.491	2.416
7) Tax payables		40	0	0
8) Deferred tax liabilities	13	15.782	18.010	23.072
9) Employee severance indemnity and retirement provision	14	6.344	6.565	6.441
10) Long-term provisions for risks and expenses	15	10.275	5.924	10.963
11) Other non-current liabilities	16	20	76	74
<b>C) CURRENT LIABILITIES (12+13+14+15+16)</b>		<b>110.369</b>	<b>116.999</b>	<b>116.757</b>
12) Trade and other payables	16	65.128	76.333	71.054
Trade payables	16	38.561	45.923	43.775
Within 12 months	16	38.023	45.392	43.521
After 12 months	16			
Amounts payable to associates	16	44	39	
Amounts payable to parent company	16			0
Amounts payable to related parties	16	494	492	254
<b>Accrued liabilities and deferred income</b>				
Other current payables	16	26.567	30.410	27.279
13) Taxes payable		8.409	9.080	9.703
<b>from parent company</b>		3.525	2.702	3.677
14) Short-term provisions for risks and expenses	15	3.486	4.894	3.150
15) Hedging instruments	6	1.152	686	247
16) Short-term borrowing	12	32.194	26.006	32.603
<b>TOTAL LIABILITIES (A+B+C)</b>		<b>415.346</b>	<b>412.392</b>	<b>422.306</b>

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

	Note	30-09-08 Euro/000	30-09-07 Euro/000	31-12-07 Euro/000
<b>1) TOTAL REVENUES</b>	<b>17</b>	<b>284.342</b>	<b>297.536</b>	<b>404.027</b>
Revenues from sale of products		273.958	286.798	389.561
Revenues from services		10.384	10.738	14.466
<b>2) Cost of goods sold</b>	<b>18</b>	<b>156.862</b>	<b>163.898</b>	<b>224.349</b>
<i>of which non-recurring</i>	<b>18</b>	<b>0</b>	<b>51</b>	<b>51</b>
<b>GROSS PROFIT (1-2)</b>		<b>127.480</b>	<b>133.638</b>	<b>179.678</b>
<b>3) Other operating revenues</b>	<b>19</b>	3.735	1.210	2.488
<i>of which non-recurring</i>	<b>19</b>	0	111	211
<b>4) R&amp;D expenses</b>	<b>18</b>	18.214	21.327	25.004
<i>of which non-recurring</i>	<b>18</b>	0	11	12
<b>5) Distribution expenses</b>	<b>18</b>	57.360	57.522	78.570
<i>of which non-recurring</i>	<b>18</b>	0	487	1.067
<b>6) General &amp; administrative expenses</b>	<b>18</b>	28.544	30.087	43.355
<i>of which non-recurring</i>	<b>18</b>	0	900	911
<i>of which amort. pertaining to acquisitions</i>	<b>18</b>	2.859	3.106	4.087
<b>7) Other operating expenses</b>	<b>18</b>	1.119	3.263	4.153
<i>of which non-recurring</i>	<b>18</b>	0	775	792
<b>Total operating costs (4+5+6+7)</b>		<b>105.237</b>	<b>112.199</b>	<b>151.082</b>
<b>OPERATING PROFIT</b>		<b>25.978</b>	<b>22.649</b>	<b>31.084</b>
<b>8) Financial income</b>	<b>20</b>	-3.189	-3.193	-4.861
<b>9) Share of associate companies' profits</b>	<b>3</b>	-29	247	396
<b>PRE-TAX PROFIT/(LOSS)</b>		<b>22.760</b>	<b>19.703</b>	<b>26.619</b>
<b>Taxes</b>	<b>21</b>	6.190	8.066	8.536
<b>NET PROFIT FOR PERIOD</b>		<b>16.570</b>	<b>11.637</b>	<b>18.083</b>
<b>Minority interests' share of net profit</b>		0	150	0
<b>GROUP NET PROFIT</b>		<b>16.570</b>	<b>11.487</b>	<b>18.083</b>
<b>Earning per share (Euro)</b>	<b>22</b>	<b>0,2867</b>	<b>0,1846</b>	<b>0,2938</b>
<b>Diluted earning per share (Euro)</b>	<b>22</b>	<b>0,2867</b>	<b>0,1844</b>	<b>0,2938</b>

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

	<b>30-09-08</b> <b>Euro/000</b>	<b>30-09-07</b> <b>Euro/000</b>
Pre-tax profit	22.760	19.703
Depreciation & amortisation	11.467	12.160
Employee severance indemnity provision	-221	-1.183
Bad debt provisions	198	73
Net financial costs/revenues included foreign exchange	3.189	3.193
Write-down of financial assets	29	-247
<b>Cash flow from operating before change in working capital</b>	<b>37.422</b>	<b>33.699</b>
Trade receivables	4.841	-50
Inventories	2.622	-5.656
Other current assets	-1.457	-4.379
Other medium-/long-term assets	-145	-12
Trade payables	-7.362	-5.429
Other current liabilities	-3.842	2.337
Other medium-/long-term liabilities	-56	-4
Provisions for risks and expenses	2.943	3.610
Trade foreign exchange	86	430
Net working capital exchange rate	587	
	<b>35.639</b>	<b>24.546</b>
Taxes	-11.478	-7.066
Taxes exchange rate	144	
Interests and bank expenses	-3.815	-3.447
<b>Operating cash flow (A)</b>	<b>20.490</b>	<b>14.033</b>
(Increase)/decrease in intangible non-current assets	-650	-939
(Increase)/decrease in tangible non-current assets	-6.608	-6.519
Unconsolidated equity investments	-403	-14
<b>Investment cash flow (B)</b>	<b>-7.661</b>	<b>-7.472</b>
LT/ST financial receivables	-405	4
LT/ST financial payables	16.738	34.070
Financial exchange rate	540	-176
Purchase treasury share	-18.913	-14.959
Reserves	-342	3.566
Dividend distribution	-4.063	-3.805
Financial cash flow exchange rate	-1.371	
<b>Finance cash flow (C)</b>	<b>-7.816</b>	<b>18.700</b>
<b>Change in net financial position (A+B+C)</b>	<b>5.013</b>	<b>25.261</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>59.682</b>	<b>55.400</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
		Cash flow hedge reserve	Translation reserve	Total Other reserves	Retained earnings	Capital grant reserve	Legal reserve	Treasury share reserve	IFRS reserve	Total		
<b>01.01.2007</b>	<b>159.098</b>	<b>-</b>	<b>-8.555</b>	<b>-11.057</b>	<b>10.311</b>	<b>958</b>	<b>1.870</b>	<b>8.283</b>	<b>8.816</b>	<b>33.968</b>	<b>4.125</b>	<b>186.134</b>
Profit allocation				-	4.125					4.125	-4.125	-
Dividends				-	-3.805					-3.805		-3.805
Capital increase	382			-						-		382
Translation reserve			-6.716	-6.716						-		-6.716
Increase in IFRS reserve				-					20	20		20
Sale of treasury shares	-14.503			-	2.573			1.157		-		-14.503
Fair value adjustment		-81		-81						-		-81
Other changes				-	42					42		42
Net profit as at 30.09.07				-						-	11.487	11.487
<b>30.09.2007</b>	<b>144.977</b>	<b>-81</b>	<b>-15.271</b>	<b>-17.854</b>	<b>13.246</b>	<b>958</b>	<b>1.870</b>	<b>9.440</b>	<b>8.836</b>	<b>34.350</b>	<b>11.487</b>	<b>172.960</b>

Description	Share capital	Other reserves			Net profit for previous years						Net profit for period	Net equity
		Cash flow hedge reserve	Translation reserve	Total Other reserves	Retained earnings	Capital grant reserve	Legal reserve	Treasury share reserve	IFRS reserve	Total		
<b>01.01.2008</b>	<b>140.347</b>	<b>-515</b>	<b>-18.721</b>	<b>-19.236</b>	<b>13.300</b>	<b>958</b>	<b>1.870</b>	<b>9.440</b>	<b>8.720</b>	<b>34.288</b>	<b>18.083</b>	<b>173.482</b>
Profit allocation	-			-	17.691		392			18.083	-18.083	-
Dividends	-			-	-4.063					-4.063		-4.063
Translation reserve	-		2.674	2.674						-		2.674
Increase in IFRS reserve	-			-					-19	-19		-19
Sale of treasury shares	-18.913			-	-			-		-		-18.913
Cash flow hedge adjustment	-	-223		-223						-		-223
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	-			-	-99					-99		-99
Net profit as at 30.09.08	-			-						-	16.570	16.570
<b>30.09.2008</b>	<b>130.874</b>	<b>-738</b>	<b>-16.047</b>	<b>-16.785</b>	<b>26.829</b>	<b>958</b>	<b>2.262</b>	<b>-</b>	<b>8.701</b>	<b>38.750</b>	<b>16.570</b>	<b>169.409</b>

## **FOREWORD**

Datalogic Group S.p.A. (hereinafter “Datalogic”, the “parent company” or the “company”) is an Italian corporation. This consolidated quarterly financial report at 30 September 2008 includes the 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 also deals with radiofrequency scanners (RFID), self scanning solutions and products for industrial marking and for the distribution of products for automatic identification.

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

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

This report was approved by the Board of Directors on 13 November 2008.

## **ACCOUNTING STANDARDS AND POLICIES**

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

The summarised interim financial statements as at 30 September 2008 (the “Quarterly Report”) were prepared in accordance with IAS 34 “*Interim financial statements*” and include the summary notes required by said international accounting standard plus any attachment deemed necessary in order to provide in-depth analysis if appropriate. As such, this quarterly 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 standards adopted in preparing the financial statements for the year comply with those adopted at 31 December 2007, which should be referred to for additional information. However, readers are reminded that, in the later months of 2007 and the first nine months of 2008, the process of elaborating and homologating the International Accounting Standards resulted in the revision of some documents and/or the introduction of new documents that will take effect subsequent to closing the 30 September 2008 accounts which, despite having already entered into force, are not mandatory for drafting this Quarterly Report.

These new documents, as well as their interpretations and amendments approved as at 30 September 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 on the company</b>	<b>Date of application by the company</b>
<b>IFRS 8</b>	<i>Operating Segments</i>	Replaces IAS 14 – <i>Sectoral information</i> . Requires the company to base sectoral information on the items used by the management to make its operating decisions (internal reporting for performance analyses).	01 January 2009
<b>IAS 23</b>	<i>Financial charges</i>	The option whereby companies may record in the income statement immediately the financial charges borne for assets for which a specific period of time normally elapses to render the asset ready for use or sale has been removed.	01 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.	01 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.	01 January 2009
<b>IAS 32 (amendment)</b>	Financial Instruments: Presentation	To be applied in conjunction with the amendment to IAS 1.	01 January 2009
<b>IFRIC 14</b>	Pension plan assets with defined benefits, existence of minimum payments and their interaction	IFRIC 14 defines the circumstances in which companies may record pension plan assets; it specifies those cases in which a minimum payment obligation may reduce the pension plan assets; it indicates those cases in which a minimum payment obligation requires the entry of a liability and how this liability should be recorded.	01 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 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: HHR (hand-held readers), USS (unattended scanning systems) for the industrial market, MC (mobile computers), and checkout scanners for the retail market.

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

**Scanning** – includes the product lines relating to handheld readers (HHR) and fixed scanners for the "retail" market.

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

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

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

- financial data of the new Mobile, Automation, Scanning and Business Development segments are provided for the first nine months of the current financial year;
- additionally, financial data pertaining to the first nine months of 2008, reclassified on the grounds 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 for the core business sector, revised according to the new company structure for the first nine months of 2008 are as follows:

	Mobile Division	Automation Division	Business Dev. Division	Scanning Division	Datalogic Spa (*)	Adjustments	Datalogic Group
External sales	62,082	50,259	33,493	138,508		0	284,342
Intersegment sales	4,066	536		183	14,999	(19,784)	0
<b>Total revenues</b>	<b>66,148</b>	<b>50,795</b>	<b>33,493</b>	<b>138,691</b>	<b>14,999</b>	<b>(19,784)</b>	<b>284,342</b>
Cost of goods sold (I)	(37,044)	(26,229)	(17,798)	(80,723)	(2)	4,934	(156,862)
<b>Gross profit</b>	<b>29,104</b>	<b>24,566</b>	<b>15,695</b>	<b>57,968</b>	<b>14,997</b>	<b>(14,850)</b>	<b>127,480</b>
% of revenues	44.0%	48.4%	46.9%	41.8%	100.0%	75.1%	44.8%
Other revenues	659	2,543	154	942	965	(1,528)	3,735
R&D expenses	(3,305)	(5,231)	(647)	(8,766)	(395)	130	(18,214)
Distribution expenses (I)	(15,389)	(13,432)	(7,292)	(28,441)	(2)	7,196	(57,360)
General expenses (I)	(6,606)	(7,421)	(2,158)	(9,665)	(8,421)	8,586	(25,685)
Other operating costs	(132)	(740)	(76)	(680)	(111)	620	(1,119)
<b>Total operating costs</b>	<b>(25,432)</b>	<b>(26,824)</b>	<b>(10,173)</b>	<b>(47,552)</b>	<b>(8,929)</b>	<b>16,532</b>	<b>(102,378)</b>
% of revenues	-38.4%	-52.8%	-30.4%	-34.3%	-59.5%	-83.6%	-36.0%
<b>EBITANR</b>	<b>4,331</b>	<b>285</b>	<b>5,676</b>	<b>11,358</b>	<b>7,033</b>	<b>154</b>	<b>28,837</b>
% of revenues	6.5%	0.6%	16.9%	8.2%	46.9%	-0.8%	10.1%
Non-recurring costs/revenues	0	0	0	0	0	0	0
Amortisation due to acquisitions	(260)	(972)	(395)	(1,232)	0	0	(2,859)
<b>EBIT</b>	<b>4,071</b>	<b>(687)</b>	<b>5,281</b>	<b>10,126</b>	<b>7,033</b>	<b>154</b>	<b>25,978</b>
% of revenues	6.2%	-1.4%	15.8%	7.3%	46.9%	-0.8%	9.1%
Net financial income (expenses)							(3,189)
Net profits of associated companies							(29)
Income taxes							(6,190)
<b>Net profit/loss</b>							<b>16,570</b>
% of revenues							<b>5.8%</b>
Depreciation & amortisation	(1,988)	(2,099)	(235)	(3,425)	(856)	(5)	(8,608)
<b>EBITDA</b>	<b>6,319</b>	<b>2,384</b>	<b>5,911</b>	<b>14,783</b>	<b>7,889</b>	<b>159</b>	<b>37,445</b>
% of revenues	9.6%	4.7%	17.6%	10.7%	52.6%	-0.8%	13.2%

(\*) Includes costs and revenues related to Datalogic Shared Services Srl (of €51 thousand and €19 thousand, respectively), which has not been operational since 10 January 2008 and is currently being liquidated.



The financial results of the core business sector of the primary segments at 30 September 2008, presented according to the previous structure, compared with the results at 30 September 2007, are as follows:

	Data Capture		Business Development		Costs/Revenues not attributed		Adjustments		Consolidated segment	
	30/09/08	30/09/07	30/09/08	30/09/07	30/09/08	30/09/07	30/09/08	30/09/07	30/09/08	30/09/07
External sales	228,951	236,016	55,391	61,520			0	0	284,342	297,536
Intersegment sales	4,571	336	0	0			(4,571)	(336)	0	0
<b>Total revenues</b>	<b>233,522</b>	<b>236,352</b>	<b>55,391</b>	<b>61,520</b>	<b>0</b>	<b>0</b>	<b>(4,571)</b>	<b>(336)</b>	<b>284,342</b>	<b>297,536</b>
Cost of goods sold	(130,873)	(134,512)	(25,989)	(29,335)			0	0	(156,862)	(163,847)
Intersegment cost of goods sold	0	0	(3,963)	(3,280)			3,963	3,280	0	0
<b>Gross profit</b>	<b>102,649</b>	<b>101,840</b>	<b>25,439</b>	<b>28,905</b>	<b>0</b>	<b>0</b>	<b>(608)</b>	<b>2,944</b>	<b>127,480</b>	<b>133,689</b>
% of revenues	44.0%	43.1%	45.9%	47.0%			13.3%	-876.2%	44.8%	44.9%
Other revenues	3,041	3,999	1,041	379			(347)	(3,279)	3,735	1,099
R&D expenses	(15,020)	(18,143)	(3,194)	(3,173)			0	0	(18,214)	(21,316)
Distribution expenses	(47,499)	(46,851)	(10,120)	(10,334)			259	150	(57,360)	(57,035)
General expenses	(16,300)	(14,784)	(5,172)	(4,512)	(4,978)	(6,970)	765	185	(25,685)	(26,081)
Other operating costs	(519)	(1,743)	(600)	(745)		0	0	0	(1,119)	(2,488)
<b>Total operating costs</b>	<b>(79,338)</b>	<b>(81,521)</b>	<b>(19,086)</b>	<b>(18,764)</b>	<b>(4,978)</b>	<b>(6,970)</b>	<b>1,024</b>	<b>335</b>	<b>(102,378)</b>	<b>(106,920)</b>
% of revenues	-34.0%	-34.5%	-34.5%	-30.5%			-22.4%	-99.7%	-36.0%	-35.9%
<b>EBITANR</b>	<b>26,352</b>	<b>24,318</b>	<b>7,394</b>	<b>10,520</b>	<b>(4,978)</b>	<b>(6,970)</b>	<b>69</b>	<b>0</b>	<b>28,837</b>	<b>27,868</b>
% of revenues	11.3%	10.3%	13.3%	17.1%			-1.5%	0.0%	10.1%	9.4%
Allocable non-recurring costs/revenues	0	(1,340)	0	(773)	0		0	0	0	(2,113)
Amortisation due to acquisitions	(1,492)	(1,688)	(1,367)	(1,418)	0		0		(2,859)	(3,106)
<b>OPERATING RESULT (EBIT)</b>	<b>24,860</b>	<b>21,290</b>	<b>6,027</b>	<b>8,329</b>	<b>(4,978)</b>	<b>(6,970)</b>	<b>69</b>	<b>0</b>	<b>25,978</b>	<b>22,649</b>
% of revenues	10.6%	9.0%	10.9%	13.5%			-1.5%	0.0%	9.1%	7.6%
Net financial income (expenses)					(3,189)	(3,193)			(3,189)	(3,193)
Share of associates' profit					(29)	247			(29)	247
Income taxes					(6,190)	(8,066)			(6,190)	(8,066)
<b>NET PROFIT/LOSS</b>					<b>(14,386)</b>	<b>(17,982)</b>	<b>69</b>	<b>0</b>	<b>16,570</b>	<b>11,637</b>
% of revenues							-1.5%	0.0%	5.8%	3.9%
Minority interests' share of net profit/loss						(150)			0	(150)
<b>GROUP NET PROFIT/LOSS</b>					<b>(14,386)</b>	<b>(18,132)</b>	<b>69</b>	<b>0</b>	<b>16,570</b>	<b>11,487</b>
% of revenues							-1.5%	0.0%	5.8%	3.9%

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

	Mobile Division		Automation Division		Business Dev. Division		Scanning Division		Datalogic Spa (*)		Adjustments		Datalogic Group	
€/000	Sep-08	Dec-07	Sep-08	Dec-07	Sep-08	Dec-07	Sep-08	Dec-07	Sep-08	Dec-07	Sep-08	Dec-07	Sep-08	Dec-07
Attributed assets	49,296	62,009	60,255	61,701	20,868	20,893	173,021	169,987	35,068	52,309	(14,670)	(42,285)	323,838	324,614
Interests in subsidiaries booked at equity	-	-	1,609	1,472	-	-	4,019	3,905	153,861	153,861	(157,880)	(157,766)	1,609	1,472
Not attributed assets	-	-											89,899	86,306
<b>Total assets</b>	<b>49,296</b>	<b>62,009</b>	<b>61,864</b>	<b>63,173</b>	<b>20,868</b>	<b>20,893</b>	<b>177,040</b>	<b>173,892</b>	<b>188,929</b>	<b>206,170</b>	<b>(172,550)</b>	<b>(200,051)</b>	<b>415,346</b>	<b>412,392</b>
Attributed liabilities	26,714	22,363	19,443	24,918	3,446	9,427	38,420	55,375	12,680	13,018	(15,447)	(34,736)	85,256	90,365
Non-attributed liabilities	-												160,681	148,545
Equity	23,125	29,335	39,440	40,352	17,043	9,372	88,265	77,223	158,787	174,283	(157,251)	(157,083)	169,409	173,482
<b>Total liabilities</b>	<b>49,839</b>	<b>51,698</b>	<b>58,883</b>	<b>65,270</b>	<b>20,489</b>	<b>18,799</b>	<b>126,685</b>	<b>132,598</b>	<b>171,467</b>	<b>187,301</b>	<b>(172,698)</b>	<b>(191,819)</b>	<b>415,346</b>	<b>412,392</b>
Amort. and deprec. (net of amort. arising from acquisitions)	1,988	NO DATA	2,099	NO DATA	235	NO DATA	3,425	NO DATA	856	NO DATA	5	NO DATA	8,608	12,301

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

## GROUP STRUCTURE

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

The companies consolidated on a line-by-line basis for the period ending 30 September 2008 were as follows:

Company	Registered location	Share capital	Total equity (€'000) 30/09/08	Profit/loss for the period (€'000) 30/09/08	% ownership
Datalogic SPA holding	Bologna – Italy	Euro 30,392,175	156,222	7,464	
Datalogic Shared Services srl	Bologna – Italy	Euro 20,000	2,565	-13	100%
Informatics	Plano, TX - USA	US\$ 15,100,000	17,043	1,805	100%
Datalogic Automation Srl	Bologna – Italy	Euro 10,000,000	38,913	11,372	100%
Datalogic Automation France (Branch)	Paris – France	Euro	-90	-53	100%
Datalogic Automation Iberia (Branch)	Madrid – Spain	Euro	13	-57	100%
Datalogic Automation Germany GMBH	Erkenbrechtsweiler - Germany	Euro	-104	78	100%
Datalogic Automation UK Limited	Redbourn - England	Euro	54	-22	100%
Datalogic Automation Germany AB	Malmö - Sweden	KRS	-268	-36	100%
Datalogic Automation Germany BV	Nieuwegein - Netherlands	Euro	-260	2	100%
Datalogic Automation France	Paris – France	Euro 2,227,500	3,329	3	100%
Datalogic Automation Iberia	Madrid – Spain	Euro 60,500	549	-128	100%
Datalogic Automation Germany GMBH	Erkenbrechtsweiler - Germany	Euro 1,025,000	2,222	1,067	100%
Datalogic Automation Austria GMBH	Guntramsdorf - Austria	Euro 72,673	42	-14	100%
Datalogic Automation UK Limited	Redbourn - England	GBP 3,500,000	4,700	212	100%
Datalogic Holding AB	Malmö - Sweden	KRS 1,400,000	1,060	2	100%
Datalogic Automation AB	Malmö - Sweden	KRS 200,000	-45	179	100%
Datalogic Automation INC	Hebron, KY - USA	US\$ 463,812	3,605	-616	100%
Datalogic Automation PTY LTD	Mount Waverley (Melbourne) - Australia	\$AUD 2,300,000	-119	-521	100%
Datalogic Automation BV	Nieuwegein - Netherlands	Euro 18,150	13	200	100%
Laservall Spa	Donnas (AO) - Italy	Euro 900,000	8,001	1,685	100%
Datalogic Asia Limited	Hong Kong - China	HKD 10,000	-619	-304	100%
Datalogic Mobile Srl	Bologna – Italy	Euro 10,000,000	21,062	4,732	100%
Datalogic GMBH Mobile (branch)	Erkenbrechtsweiler - Germany	Euro 0	-458	-118	100%
Datalogic Sweden Mobile (branch)	Malmö - Sweden	KRS 0	-43	24	100%
Datalogic France Mobile (branch)	Paris – France	Euro 0	680	502	100%
Datalogic Spagna Mobile (branch)	Madrid – Spain	Euro 0	-246	-136	100%
Datalogic Austria Mobile (branch)	Wiener Neudorf (Vienna) – Austria	Euro 0	-8	64	100%
Datalogic Denmark Mobile (branch)	Horsholm - Denmark	Euro 0	-36	-2	100%
Datalogic Finland Mobile (branch)	Espoo	Euro 0	-35	-35	100%
Datalogic Mobile Asia	Hong Kong - China	HKD 100,000	98	-80	100%
Datalogic Mobile UK	Redbourn - England	GBP 15,000	-129	122	100%
Datalogic Mobile INC	Eugene, OR - USA	US\$ 0,10	4,858	-539	100%
Datalogic Mobile PTY	Mount Waverley (Melbourne) - Australia	\$AUS 0	-172	-183	100%
Datalogic Scanning Group srl	Bologna – Italy	Euro 10,000,000	102,808	11,479	100%
Datalogic Scanning Slovakia	Tvrn - Slovakia	SKK 2,000,000	6,102	5,675	100%
Datalogic Scanning Holdings Inc.	Eugene, OR - USA	US\$ 100	75,577	-1,218	100%
Datalogic Scanning Inc.	Eugene, OR - USA	US\$ 10	36,076	551	100%
Datalogic Scanning do Brasil	Sao Paulo, SP - Brazil	R\$ 159,525	-15	-28	100%
Datalogic Scanning Mexico	Colonia Cuauhtemoc - Mexico	US\$ 0	-313	-121	100%
Datalogic Scanning UK Ltd	Watford - England	GBP 191,510	-1,074	-203	100%
Datalogic Scanning Sarl	Paris - France	Euro 653,015	-559	425	100%
Datalogic Scanning GMBH	Darmstadt - Germany	Euro 306,775	1,862	317	100%
Datalogic Scanning IBERIA (branch)	Madrid - Spain	Euro 0	642	1	100%
Datalogic Scanning Eastern Europe GmbH	Darmstadt - Germany	Euro 30000	219	13	100%
Datalogic Scanning SpA	Milan - Italy	Euro 110,000	906	201	100%
Datalogic Scanning PTY	Sydney - Australia	\$AUD 2	475	95	100%
Datalogic Scanning Japan	Tokyo - Japan	JPY 151,437,000	6	-23	100%
Datalogic Scanning Singapore	Singapore	SGD 100,000	18	3	100%
Datalogic Scanning Scandinavia (branch)	Malmö - Sweden	KRS 0	221	216	100%

The companies booked at equity as at 30 September 2008 were as follows:

Company	Registered location	Share capital	Total equity (€'000)	Total profit/loss for the period (€'000)	% ownership Direct and indirect
Idec Datalogic Co. Ltd.	Osaka – Japan	Yen 300,000,000	1,414	-98	50%
Laservall Asia Co. Ltd.	Hong-Kong – China	Hong-Kong \$ 460,000	1,804	40	50%

The following are the changes in consolidated companies from 31 December 2007 to 30 September 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

	30/09/2008	31/12/2007	YoY Change
Land	6,413	6,482	(69)
Buildings	18,808	18,605	203
Other tangible assets	22,044	22,662	(618)
Assets in prog. and payments on account	3,372	1,495	1,877
<b>Total</b>	<b>50,637</b>	<b>49,244</b>	<b>1,393</b>

“Other tangible assets” at 30 September 2008 include mainly the following categories: Plant and machinery (€8,426 thousand), Trade and industrial equipment (€5,005 thousand), Office furniture and machines (€4,788 thousand), General plant (€1,516 thousand), Motor vehicles (€168 thousand) and Maintenance on third-party assets (€2,020 thousand). The item increase as compared to 31 December 2007 is mainly ascribable to the “Plant & equipment” line item for €2,104 thousand, to “Industrial & commercial equipment” for €1,041 thousand, to “Office furniture and electronic office equipment” for €909 thousand, and to “Maintenance of 3rd-party assets” for €411 thousand.

The balance of assets in progress and payments on account includes €1,513 thousand for remodelling work on the Bologna building, while the remainder is represented by payments on account for equipment, instruments and moulds used in normal production activity.

#### 2. Intangible assets

	30/09/2008	31/12/2007	YoY Change
Goodwill	86,707	84,813	1,894
Development costs	1,349	2,023	(674)
Other intangible assets	46,860	50,434	(3,574)
<b>Total</b>	<b>134,916</b>	<b>137,270</b>	<b>(2,354)</b>

Goodwill, totalling €86,707 thousand, consisted of the following items:

- €1,038 thousand resulting from consolidation of the Minec Group, whose equity was wholly acquired on 15 July 2002 by the company Datalogic AB, which is in turn 100% controlled by the parent company; in 2008 this goodwill was written down by €153 thousand (€203 thousand at 31 December 2007); this write-down was recognised, insofar as the reasons for the impairment test carried out at 31 December 2007 still exist, by billing the account “administrative and overhead costs.” In the classification by nature, the impairment is included in the “Amortisations and impairment”.

- €3,380 thousand attributable to Mobile S.r.l. and represented by the merger deficit resulting from the merger of IdWare S.r.l. in 1998;
- €5,119 thousand caused by consolidation of Laservall SpA, an interest acquired during 3Q04 by the direct parent company.
- €11,534 thousand for the consolidation of Informatics Inc. (the change of €11,296 thousand from 31 December 2007 is due solely to foreign exchange effects);
- €65,636 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 of €63,827 thousand from 31 December 2007 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 relevant paragraph included in the assessment criteria of the financial statements for the year ending on 31 December 2007, which should be referred to for further information, goodwill was not amortised as from 1 January 2004 in compliance with IFRS3 and is subject to an impairment test every year unless loss indicators seem to require impairment losses more frequently.

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

The last impairment test conducted, at 31 December 2007, did not indicate any need for impairment. No impairment tests were carried out during preparation of this quarterly report, since no trigger events occurred.

Development costs, amounting to €1,349 thousand, are attributable to:

- €598 thousand to Datalogic Mobile Srl;
- €363 thousand to Datalogic Automation Srl,
- €368 thousand to Datalogic Scanning Group Srl,
- €20 thousand to Informatics

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

The heading "Other", at €46,860 thousand, consists primarily of intangible assets acquired through business combinations carried out by the Group in 2004 and 2005, which are specifically identified and valued in the context of purchase accounting. Details are shown in the following table:

€/000	30/09/2008	31/12/2007	30/09/2007	USEFUL LIFE (YEARS)
<b>INTANGIBLE ASSETS ACQUIRED WITHIN THE SCOPE OF BUSINESS COMBINATION TRANSACTIONS</b>				
<b>Acquisition of PSC Group (occurred on 30 November 2006)</b>	<b>28,483</b>	<b>29,216</b>	<b>30,865</b>	
PATENTS	24,399	24,737	26,039	20
SERVICE AGREEMENT	208	323	377	4
TRADE MARK	1,969	2,111	2,260	10
CLIENT PORTFOLIO	1,907	2,045	2,189	10
<b>Acquisition of Laservall SPA (occurred on 27 August 2004)</b>	<b>4,885</b>	<b>5,855</b>	<b>6,178</b>	
UNPATENTED TECHNOLOGY	2,345	2,984	3,197	7
COMMERCIAL STRUCTURE	2,540	2,871	2,981	10
<b>Acquisition of Informatics Inc. (occurred on 28 February 2005)</b>	<b>3,589</b>	<b>3,894</b>	<b>4,185</b>	
COMMERCIAL STRUCTURE	3,589	3,894	4,185	10
<b>Licence agreement</b>	<b>4,400</b>	<b>5,423</b>	<b>5,766</b>	<b>5</b>
<b>Others</b>	<b>5,503</b>	<b>6,046</b>	<b>6,148</b>	
<b>TOTAL OTHER INTANGIBLE ASSETS</b>	<b>46,860</b>	<b>50,434</b>	<b>53,142</b>	

The item "Others" mainly consists of software licences. The change against 31 December 2007 is ascribable to amortisation for the period.

### 3. Equity investments

Equity investments owned by the Group as at 30 September 2008 were as follows:

	31/12/2007	Increases	Forex differences Share of profit	Share of profit	30/09/08
Idec Datalogic CO.Ltd	690		66	(49)	707
Laservall Asia Co. Ltd	782	100		20	902
<b>Total associates</b>	<b>1,472</b>	<b>100</b>	<b>66</b>	<b>(29)</b>	<b>1,609</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-Sep-08	Loans and receivables	Derivatives used for hedging transactions	Availability for sale	Total
<b>Non-current financial assets</b>	<b>490</b>	<b>-</b>	<b>1,781</b>	<b>2,271</b>
Financial assets available for sale (5)			1,781	1,781
Other receivables – accrued income and prepaid expenses	490			490
<b>Current financial assets</b>	<b>151,038</b>	<b>265</b>	<b>-</b>	<b>151,303</b>
Trade receivables (7)	77,642			77,642
Other receivables – accrued income and prepaid expenses (7)	11,620			11,620
Derivatives (6)		265		265
Cash and cash equivalents	61,776			61,776
<b>TOTAL</b>	<b>151,528</b>	<b>265</b>	<b>1,781</b>	<b>153,574</b>

30-Sep-08	Hedge derivatives	Other financial liabilities	Total
<b>Non-current financial liabilities</b>		<b>103,127</b>	<b>103,127</b>
Financial liabilities (12)		103,107	103,107
Other payables(16)		20	20
<b>Current financial liabilities</b>	<b>1,152</b>	<b>97,322</b>	<b>98,474</b>
Trade payables(16)		38,561	38,561
Other payables(16)		26,567	26,567
Derivatives (6)	1,152		1,152
Short-term financial liabilities		32,194	32,194
<b>Total financial liabilities</b>	<b>1,152</b>	<b>200,449</b>	<b>201,601</b>

#### 5. Financial assets available for sale

The financial assets available for sale include the following:

	30-Sep-08	31-Dec-07	30-Sep-07
<b>Financial assets with subsidiaries</b>	<b>180</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>1,233</b>	<b>930</b>	<b>913</b>
	<b>1,781</b>	<b>1,504</b>	<b>1,485</b>



Changes are as follows:

	2008	2007
<b>Balance at 01/01</b>	<b>1,504</b>	<b>1,447</b>
Foreign exchange differences	(26)	
Increases	303	42
Decreases		(4)
<b>Balance at 30/09</b>	<b>1,781</b>	<b>1,485</b>
Minus: non-current portion	1,781	1,298
<b>Current portion</b>	<b>-</b>	<b>206</b>

As at 30 September 2008 the Group owned the following equity interests in other companies:

	31/12/2007	Increases	Forex differences Share of profit	Share of profit	Dividends	Changes	30/09/2008	30/09/2007
<i>d) Other companies</i>								
Nomisma SpA - Italy	7						7	7
Caaf Ind. Emilia Romagna - Italy	4						4	4
Crit srl	51						51	51
Consorzio T3 Lab	8						8	8
Mandarin Capital Management SA	59	303					362	42
Alien technology	801						801	801
<b>Total other equity investments</b>	<b>930</b>	<b>303</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,233</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 RFID (radio-frequency identification 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. Financial derivatives

	30-Sep-08		31-Dec-07	
	Assets	Liabilities	Assets	Liabilities
Interest rate swaps - (on loans in euros)	265		171	
Interest rate swaps - (on loans in USD)		882	-	686
Forwards - (hedging of foreign exchange in USD)		270		
<b>Total</b>	<b>265</b>	<b>1,152</b>	<b>171</b>	<b>- 686</b>

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

As at 30 September 2008, the notional value of the interest rate swaps was €30 million and USD 31.85 million.

The existing forward contracts hedge foreign exchange risks on the U.S. dollar for an aggregate notional amount of USD 8,650 thousand, and have the same amount and maturity as the underlying hedged amount.

The hedged items are as follows:

- Financial receivable of the parent company from Datalogic Mobile INC. The fair value of this contract, €121 thousand, was recognised in income according to the fair value hedge method.
- Outgoing cash flows in the Mobile division. Since the requirements for application of hedge accounting were satisfied, these hedges were recognised in the accounts as follows:
  - cash flow hedges: the changes in the fair value of the hedging instrument were recognised in net equity for the effective amount of the hedge (€119 thousand) and were recognised in income for the time value portion (€11 thousand)
  - fair value hedges: the changes to the fair value of both the hedging instrument and the hedged instrument are recognised in income (€19 thousand).

## 7. Trade and other receivables

### Trade and other receivables - current

	30/09/2008	31/12/2007	YoY Change
Third party trade receivables	76,908	83,090	- 6,182
Minus doubtful debt provision	1,119	1,546	- 427
<b>Net third party trade receivables</b>	<b>75,789</b>	<b>81,544</b>	<b>- 5,755</b>
<b>Amounts receivable from associates</b>	<b>1,829</b>	<b>1,116</b>	<b>713</b>
Idec Datalogic CO.Ltd	217	268	- 51
Laservall Asia	1,612	848	764
<b>Receivables from parent company</b>	<b>19</b>	<b>-</b>	<b>19</b>
Hydra	19		19
<b>Account receivables from related parties</b>	<b>5</b>	<b>21</b>	<b>- 16</b>
Datasensor	5	21	- 16
<b>Other receivables – accrued income and prepaid expenses</b>	<b>12,110</b>	<b>10,508</b>	<b>1,602</b>
<b>Total</b>	<b>89,752</b>	<b>93,189</b>	<b>- 3,437</b>
Minus: non-current portion	490	377	113
<b>Current portion</b>	<b>89,262</b>	<b>92,812</b>	<b>- 3,550</b>

## Trade receivables

Trade receivables as at 30 September 2008 amounted to €75,789 thousand (net of the provision for doubtful accounts of €1,119 thousand at 30 September 2008, as compared to the €1,546 thousand at 31 December 2007), posting a decrease of 7% 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.

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

## Other receivables – accrued income and prepaid expenses

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

	30/09/2008	31/12/2007	YoY Change
Other current receivables	2,129	1,662	467
Other long-term receivables	490	345	145
VAT Tax Credit	7,111	6,245	866
Accrued liabilities and deferred income	2,380	2,256	124
<b>Total</b>	<b>12,110</b>	<b>10,508</b>	<b>1,602</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 categories of assets included in trade and other receivables have not sustained any reductions in value.

## 8. Inventories

	30/09/2008	31/12/2007	YoY Change
Raw and ancillary materials and consumables	21,015	26,577	(5,562)
Work in progress and semi-processed goods	6,392	5,791	601
Finished products and goods for resale	21,129	18,790	2,339
<b>Total</b>	<b>48,536</b>	<b>51,158</b>	<b>(2,622)</b>

Inventories are shown net of an obsolescence provision that, at 30 September 2008, amounted to €8,520 thousand (€8,232 thousand as at 30 September 2007).

The movement is shown below:

€ / 000	2008	2007
1 January	7,045	10,453
Foreign exchange difference	222	(435)
Provisions	2,759	2,857
Release for scrap and other utilisations	(1,506)	(4,643)
30 September	8,520	8,232

## 9. Tax receivables

This item includes the amount receivable from the controlling company Hydra relating to the IRES [tax on operating income] credit on acceptance of the tax consolidation. Such credit is in the amount of €2,354 thousand as at 30 September 2008 (€4,076 thousand as at 31 December 2007).

## 10. Cash & cash equivalents

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

	30/09/2008	31/12/2007	Change
Cash and cash equivalents shown on financial statements	61,776	54,739	7,037
Restricted cash	(407)	(70)	(337)
Current account overdrafts	(1,687)	-	(1,687)
<b>Cash and cash equivalents for statement</b>	<b>59,682</b>	<b>54,669</b>	<b>5,013</b>

To comply with the instructions issued in the CONSOB circular no. DEM/6064293 dated 28 July 2006, the Group's financial position is reported below:

<b>Datalogic Group</b>	<b>30/09/2008</b>	<b>31/12/2007</b>	<b>30/09/2007</b>
<b>€ / 000</b>			
A. Cash and bank deposits	61,369	54,669	56,274
B. Other liquidity	407	70	0
<i>b1. Restricted cash</i>	407	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>62,144</b>	<b>55,107</b>	<b>56,640</b>
<b>E. Current financial receivables</b>	<b>0</b>	<b>206</b>	<b>206</b>
F. Other current financial receivables	265	171	166
<i>f1. hedging transactions</i>	265	171	166
G. Bank current accounts payable	1,687	0	874
H. Current portion of non-current debt	30,507	26,006	31,729
I. Other current financial liabilities	1,152	686	247
<i>i1. hedging transactions</i>	1,152	686	247
<b>J. Current financial debt (G) + (H) + (I)</b>	<b>33,346</b>	<b>26,692</b>	<b>32,850</b>
<b>K. Current financial debt, net (J) - (D) - (E) - (F)</b>	<b>(29,063)</b>	<b>(28,792)</b>	<b>(24,162)</b>
L. Non-current bank borrowing	99,307	87,845	88,997
M. Other current financial receivables	180	0	0
N. Other non-current liabilities	3,800	3,491	2,416
<i>n1. Financial liabilities vs BoD member</i>	3,800	3,491	2,416
<b>O. Non-current financial debt (L) - (M) + (N)</b>	<b>102,927</b>	<b>91,336</b>	<b>91,413</b>
<b>P. Net financial debt (K) + (O)</b>	<b>73,864</b>	<b>62,544</b>	<b>67,251</b>

## INFORMATION ON THE BALANCE SHEET - NET EQUITY AND LIABILITIES

### 11. Equity

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

(€'000)	30/09/2008	31/12/2007
Share capital	30,392	33,205
Share premium reserve	95,259	114,141
Extraordinary share-cancellation reserve	2,813	0
Reserve for the purchase of treasury shares	(11,298)	(25,788)
Treasury stock valuation reserve	13,708	18,789
<b>Share capital</b>	<b>130,874</b>	<b>140,347</b>
Cash-flow hedge reserve	(738)	(515)
Translation reserve	(16,047)	(18,721)
<b>Other reserves</b>	<b>(16,785)</b>	<b>(19,236)</b>
<b>Retained earnings</b>	<b>38,750</b>	<b>34,288</b>
Earnings carried forward	26,829	13,300
Capital grant reserve	958	958
Legal reserve	2,262	1,870
Treasury share reserve	0	9,440
IFRS transition reserve	8,701	8,720
<b>Net profit (loss) for the period</b>	<b>16,570</b>	<b>18,083</b>
<b>Earnings carried forward</b>	<b>55,320</b>	<b>52,371</b>
<b>Total Group net equity</b>	<b>169,409</b>	<b>173,482</b>

#### a) Share capital

Movements in share capital at 30 September 2008 are reported below (in €'000):

	Number of shares	Share capital	Extraordinary share-cancellation reserve	Share premium reserve	Treasury shares	Treasury share reserve	Total
<b>01-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>
Reduction in capital due to cancellation of treasury shares	(5,409,981)	(2,813)					(2,813)
Purchase of treasury shares	(3,188,183)			(18,882)	(18,882)	18,882	(18,882)
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					(31)		(31)
<b>30-Sep-08</b>	<b>56,160,505</b>	<b>30,392</b>	<b>2,813</b>	<b>95,259</b>	<b>(11,298)</b>	<b>13,708</b>	<b>130,874</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**

The total number of ordinary shares as at 30 September 2008 was 58,446,491, of which 2,285,986 are held as treasury shares; total outstanding shares therefore total 56,160,505. Shares have a nominal value of €0.52 each and all shares issued are fully paid

### **Treasury shares**

The treasury share item with a negative balance of €11,298 thousand includes purchases of treasury shares in the amount of €13,708 thousand, which have been recognised net of gains and charges realised following the sale of treasury shares and related tax effects (a positive €2,410 thousand). During the first nine months of 2008, the Group bought 3,188,183 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 €13,708 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. It is negative following the significant depreciation of the US dollar in relation to the Euro.

#### **Cash-flow hedge reserve**

This reserve includes the fair value:

- of the derivatives used by the Group to hedge interest rate risk net of the impact of deferred taxes, until the underlying hedged amount is recognised in income.
- of the derivatives used by the Group to hedge exchange rate risk net of the impact of deferred taxes, until the underlying hedged amount is recognised in income.

When this requirement is satisfied, the reserve is repaid to the income statement, to offset the effects generated by the economic entry of the transaction hedged.

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

This reserve was fully used for cancellation of treasury shares.

**IFRS transition reserve**

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

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

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

**Dividends**

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



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

	<b>30 September 2008</b>		<b>31 December 2007</b>	
	<b>Total net equity</b>	<b>Period result</b>	<b>Total net equity</b>	<b>Period result</b>
<b>Datalogic SpA net equity and profit</b>	<b>156,222</b>	<b>7,464</b>	<b>171,704</b>	<b>7,840</b>
Difference between consolidated companies' net equity and their carrying value in Datalogic SpA's statement; effect of equity-based valuation	22,174	36,541	9,962	23,555
Reversal of dividends	0	(26,632)	0	(9,017)
Laservall acquisition	(5,504)	(972)	(4,532)	(1,295)
Amortisation of new Datalogic AB consolidation difference	(239)		(239)	
Elimination of capital gain on sale of business branch	(3,325)	(1,126)	(2,199)	(1,980)
Effect of eliminating intercompany transactions	(2,575)	(170)	(2,405)	(560)
Others	(239)	36	(275)	117
Transfer of Know How	(1,678)	1,071	(2,749)	(2,749)
Minec goodwill impairment	(356)	(153)	(203)	(203)
Deferred taxes	4,929	511	4,418	2,375
<b>Group portion of net equity</b>	<b>169,409</b>	<b>16,570</b>	<b>173,482</b>	<b>18,083</b>
<b>Minority interests in net equity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total net equity</b>	<b>169,409</b>	<b>16,570</b>	<b>173,482</b>	<b>18,083</b>

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

	<b>30/09/2008</b>	<b>31/12/2007</b>
<b>Non-current</b>		
Bank financing and loans and other financiers	99,307	87,845
Financial liabilities	3,800	3,491
<i>of which amount to associated parties</i>	3,800	3,491
<b>Total</b>	<b>103,107</b>	<b>91,336</b>
<b>Current</b>		
Bank overdrafts (ordinary current accounts)	1,687	
Bank financing	30,507	26,006
<b>Total financial liabilities</b>	<b>32,194</b>	<b>26,006</b>
<b>Total financial liabilities</b>	<b>135,301</b>	<b>117,342</b>

**Bank financing**

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

<b>€/000</b>	<b>2008</b>
<b>1 January</b>	<b>113,851</b>
Foreign exchange differences	1,378
Increases for new mortgages	41,012
Early repayment	(19,658)
Decreases for loan payments	(6,769)
<b>30 September</b>	<b>129,814</b>

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

The guarantees provided by banks in favour of the group amount to €1,690 thousand. The parent company has also granted sureties of €81,202 thousand and letters of patronage of €1,747 thousand against the use of a credit line by associates.

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;
- a reduced-rate loan in the amount of €1,609 thousand.

**Datalogic SPA:** acquisition of the following loans:

- hot money contract for €8 million;
- €20 million (of which €10 million for the stand-by credit line) and €10 million for a medium to long-term loan (disbursed on 26 September 2008) for acquisition of the company Datasensor Spa, on 3 October 2008.

**Scanning Holding Inc.:** a revolving loan in the amount of €1,903 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.
- closure on 2 July of the revolving credit line opened by Scanning Holding INC

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:

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

Failure to observe these covenants would enable the bank to revoke the loan or to renegotiate its terms and conditions. **At 30 June 2008, the Company complied with all the financial agreements above.**

With regard to three other loans (Datalogic SpA in the amount of €30 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 balance-sheet assets and liabilities and their relevant taxable value.

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

<b>Net deferred taxes</b>	<b>30/09/2008</b>	<b>31/12/2007</b>	<b>Change</b>
Datalogic Spa	(753)	(1,780)	1,027
Datalogic Share Service	(9)	(9)	-
Informatics	(1,017)	(1,086)	69
Datalogic Automation Srl,	(39)	(676)	637
Laservall S.p.a.	259	(15)	274
DL Automation INC	663	219	444
Datalogic Automation France	-	(13)	13
DL Automation Pty	(6)	288	(294)
DL Automation Uk	(78)	88	(166)
Datalogic Automation Iberia	89	-	89
Datalogic Automation GMBH	(261)	(148)	(113)
DL Ab Nordic	(68)	(12)	(56)
Datalogic Automation BV	(104)	-	(104)
EMS	-	(15)	15
Datalogic Mobile Srl,	(354)	(829)	475
Datalogic Mobile Inc	59	-	59
Datalogic Mobile GMBH	71	-	71
DL Mobile Pty	74	-	74
DL Mobile Asia	(2)	-2	-
Datalogic Scanning Group	(273)	(410)	137
Datalogic Scanning Slovakia	157	110	47
Datalogic Scanning Holding Inc	399	982	(583)
Datalogic scanning Inc	479	-	479
Datalogic scanning SPA	126	126	-
Datalogic scanning PTY	30	32	(2)
Datalogic scanning UK LTD	13	14	-1
Datalogic Scanning GMBH	(83)	-	-83
<b>Total long-term net deferred taxes</b>	<b>(628)</b>	<b>(3,136)</b>	<b>2,508</b>
<b>Deferred taxes recognised due to effect of consolidation adjustments</b>	<b>392</b>	<b>(102)</b>	<b>494</b>
<b>Total long-term net deferred taxes</b>	<b>(236)</b>	<b>(3,238)</b>	<b>3,002</b>

The decrease in deferred tax liabilities stems principally from redemption of the difference between book and tax values, attributable to the possibility (envisaged since 31 December 2007) of making off-balance sheet deductions from business income, which resulted in the release of deferred tax liabilities of €2,250 thousand. For more information on the characteristics of this transaction, see the explanatory notes to the quarterly financial report (section 21).

#### 14. Post-employment benefit obligations

€/000	2008	2007
1 January	6,565	7,624
Amount provisioned in period	1,293	155
Utilisation	(880)	-855
Curtailment		-483
Receivable from INPS for reserve for employee severance indemnities (TFR)	(634)	
30 September	6,344	6,441

The amount used is for terminations (€789 thousand) and advances (€91 thousand).

#### 15. Provisions

The breakdown of the total "provisions" item was as follows:

	30/09/2008	31/12/2007	Change
Short-term provisions	10,275	4,894	5,381
Long-term provisions	3,486	5,924	(2,438)
<b>Total provisions</b>	<b>13,761</b>	<b>10,818</b>	<b>2,943</b>

The breakdown and change in this account at 30 September 2008 is illustrated as follows:

	31/12/2007	Increases	(Utilisation)	Forex differences	Other changes	30/09/2008
Product warranty provision	4,917	280	(401)	131	(35)	4,892
Restructuring provision	327	-	(260)	(10)	-	57
Provision for management incentive scheme	4,005	2,477	-	56	(66)	6,472
Others	1,569	666	(6)	45	66	2,340
<b>Total provisions</b>	<b>10,818</b>	<b>3,423</b>	<b>(667)</b>	<b>222</b>	<b>(35)</b>	<b>13,761</b>

The product warranty provision covers the estimated cost of repairing products sold under warranty; it amounts to €4,892 thousand (of which €1,762 thousand long term) and is considered sufficient in relation to the specific risk it covers. It includes €3,151 thousand for the Scanning division, €1,160 thousand for the Mobile division, and €581 thousand for the Automation division.

Of the provision for the management incentive plan, €1,650 thousand is long term.

The heading "Other" mainly consists of:

- €1,405 thousand for the stock rotation provision for the Scanning Group, Mobile Inc and Informatics (including €74 thousand on a long-term basis).
- €327 thousand attributable to the Scanning Group and apportioned for the adaptation to the "Directive 2002/95/EC on the restriction on the use of certain hazardous substances in electric and electronic equipment" incorporated in Italy by Legislative Decree No. 151 of 25/07/05.

- €350 thousand for a provision against a tax dispute relating to parent company. This apportionment refers to a dispute existing over the ten-year ILOR [local income tax] exemption laid down by Presidential Decree 218/78 (Consolidated Act of Law on Measures in Southern Italy), relating to the former Datasud, for the financial year 1996. It is noted that, at the date of preparing this report, no updates had emerged in this respect.
- €210 thousand for the early retirement incentive for a company manager.

## 16. Trade and other payables

These are the details of trade and other payables:

	30/09/2008	31/12/2007	YoY Change
Trade payables due within 12 months	38,023	45,392	(7,369)
Trade payables due after 12 months	-	-	-
<b>Third party trade payables</b>	<b>38,023</b>	<b>45,392</b>	<b>(7,369)</b>
<b>Due to associates</b>	<b>44</b>	<b>39</b>	<b>5</b>
Idec Datalogic CO.Ltd		39	(39)
Laservall Asia	44	0	44
<b>Payables to associates</b>	<b>494</b>	<b>492</b>	<b>2</b>
Datasensor	494	492	2
<b>Other payables – accrued liabilities and deferred income</b>	<b>26,587</b>	<b>30,486</b>	<b>(3,899)</b>
<b>Total</b>	<b>65,148</b>	<b>76,409</b>	<b>(11,261)</b>
Minus: non-current portion	20	76	(56)
<b>Current portion</b>	<b>65,128</b>	<b>76,333</b>	<b>- 11,205</b>

### Trade payables

Related-party payables are due to Datasensor.

### Other payables – accrued liabilities and deferred income

The detailed breakdown of this item is as follows:

	30/09/2008	31/12/2007	YoY Change
Other current payables	14,001	19,250	(5,249)
Other long-term payables	20	76	(56)
VAT liabilities	3,537	3,430	107
Accrued liabilities and deferred income	9,029	7,730	1,299
<b>Total</b>	<b>26,587</b>	<b>30,486</b>	<b>(3,899)</b>

Details of the sundry payables are as follows:

<b>Other current payables</b>	<b>30/09/2008</b>	<b>31/12/2007</b>	<b>YoY Change</b>
Due to pension and social security agencies	2,660	3,388	(728)
Due to employees	10,515	13,351	(2,836)
Security deposits received	40	40	-
Directors' remuneration due	91	1,683	(1,592)
Royalty costs yet to be paid	280	272	8
Other payables	415	516	(101)
<b>Total</b>	<b>14,001</b>	<b>19,250</b>	<b>(5,249)</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

	30/09/2008	30/09/2007	YoY Change
Revenues from sale of products	273,958	286,798	(12,840)
Revenues for services	10,384	10,738	(354)
<b>Total revenues</b>	<b>284,342</b>	<b>297,536</b>	<b>(13,194)</b>

Revenue earned from services decreased by 4.4% year on year.

On a comparable Euro/dollar exchange rate basis with the first nine months of 2007, the increase would have been 1%.

Below is the geographical breakdown of revenues in percentage terms:

	30/09/2008	30/09/2007	YoY Change
Italy	10%	9%	1%
Elsewhere - EU	43%	41%	2%
Elsewhere - non-EU	47%	50%	-3%

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

	30/09/2008	30/09/2007	YoY Change
<b>TOTAL COST OF GOODS SOLD (1)</b>	<b>156,862</b>	<b>163,898</b>	<b>(7,036)</b>
<i>of which non-recurring</i>	-	51	(51)
<b>TOTAL OPERATING COSTS (2)</b>	<b>105,237</b>	<b>112,199</b>	<b>(6,962)</b>
R&D expenses	18,214	21,327	(3,113)
<i>of which non-recurring</i>	-	11	(11)
Distribution expenses	57,360	57,522	(162)
<i>of which non-recurring</i>	-	487	(487)
General & administrative expenses	28,544	30,087	(1,543)
<i>of which non-recurring</i>	-	900	(900)
<i>of which amortisation pertaining to acquisitions</i>	2,859	3,106	(247)
Other operating costs	1,119	3,263	(2,144)
<i>of which non-recurring</i>	-	775	(775)
<b>TOTAL (1+2)</b>	<b>262,099</b>	<b>276,097</b>	<b>(13,998)</b>
<i>of which non-recurring</i>	-	2,224	(2,224)
<i>of which amortisation pertaining to acquisitions</i>	2,859	3,106	(247)



Depreciation and amortisation due to acquisitions (€2,859 thousand), included under "General & administrative expenses", is made up as follows:

1. €971 thousand pertaining to Laservall,
2. €395 thousand pertaining to Informatics;
3. €1,232 thousand pertaining to Datalogic Scanning Inc.;
4. €261 thousand pertaining to Datalogic Mobile Inc.

It should also be noted that, as at 30 September 2008, operating costs include €955 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 4.29% from the same period of 2007, which is essentially in line with the decline in revenues.

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

The operating costs, net of non-recurrent items and amortisation and depreciation of acquisitions, decreased from €106,920 thousand to €102,378 thousand. In particular, the following items decreased:

- research and development expenses went from €21,327 thousand to €18,214 thousand at 30 September 2008;
- distribution expenses, which total €57,360 thousand, decreased by roughly €162 thousand compared to 30 September 2007 (up €325 thousand net of extraordinary costs);
- general and administrative expenses amounted to €28,544 thousand. This item, net of extraordinary items, decreased by €396 thousand over the same period of 2007.

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

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

	<b>30/09/2008</b>	<b>30/09/2007</b>	<b>YoY Change</b>
Capital losses on assets	97	38	59
Incidental costs and cancellation of income items	232	28	204
Provisions for doubtful accounts	198	120	78
Other provisions	-	972	(972)
Non-income taxes	519	531	(12)
Expense reimbursals	69	1,549	(1,480)
Others	4	25	(21)
<b>TOTAL OTHER OPERATING COSTS</b>	<b>1,119</b>	<b>3,263</b>	<b>(2,144)</b>

### Breakdown of costs by nature

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

	<b>30/09/2008</b>	<b>30/09/2007</b>	<b>YoY Change</b>
Payroll & employee benefits	76,918	79,238	(2,320)
Depreciation, amortisation and impairment	11,467	12,160	(693)
Inventory change	3,344	(8,007)	11,351
Purchases	110,316	130,554	(20,238)
Subcontracted work	5,612	3,570	2,042
Repairs	2,745	3,231	(486)
Marketing	4,696	4,727	(31)
Directors' remuneration	2,713	5,096	(2,383)
Travel & accommodation	4,075	4,290	(215)
Technical, legal, and tax advisory services	5,211	5,608	(397)
Goods receipt & shipment	9,427	9,071	356
Meeting	617	603	14
Other payroll costs	24,958	25,956	(998)
<b>Total (COGS + operating costs)</b>	<b>262,099</b>	<b>276,097</b>	<b>-13,998</b>

Marketing costs totalled €4,696 thousand. The main items are as follows: €1,064 thousand for advertising and sponsorship expenses, €1,218 thousand for a share of the marketing expenses borne by commercial partners, €1,134 thousand for catalogues and €939 thousand for exhibition expenses.

Directors' remuneration as at 30 September 2008 includes the Datalogic SpA long-term management incentives plan in the amount of €1,306 thousand (€2,294 thousand at 30 September 2007).

Technical, legal and tax advisory services amounted to €5,211 thousand. The decline from the same period of 2007 is largely due to costs incurred during the first nine months of the prior year for significant Group reorganisation efforts (i.e. the “Transformation Plan”) in the amount of €1,152 thousand.

Net of these extraordinary costs, the item in question increased by approximately €755 thousand due to the costs incurred by the Scanning Group for litigation.

The subcontracted work expenses of €5,612 thousand rose by €2,042 thousand in relation 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>30/09/2008</b>	<b>30/09/2007</b>	<b>YoY Change</b>
Wages and salaries	57,961	61,087	(3,126)
Social security charges	11,797	12,285	(488)
Post-employment benefits	1,293	1,248	45
Retirement and similar benefits	541	537	4
Management incentive plan	1,400	2,050	(650)
<i>Curtailment</i>		-483	483
Other payroll costs	3,926	2,514	1,412
<i>of which leaving incentives</i>	955	74	881
<b>Total</b>	<b>76,918</b>	<b>79,238</b>	<b>(2,320)</b>

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

The increase in other costs includes €955 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:

	30/09/2008	30/09/2007	YoY Change
Miscellaneous income and revenue	771	666	105
Rent income	212	203	9
Royalty fees	-	5	(5)
Capital gains on asset disposals	25	67	(42)
Incidental income and cost cancellation	308	269	39
Contributions to Research and Development expenses	2,312	-	2,312
Others	107	-	107
<b>TOTAL OTHER REVENUES</b>	<b>3,735</b>	<b>1,210</b>	<b>2,525</b>

Contributions to research and development expenses, in the amount of €2,312 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 nine months of 2008 (in the amount of €1,077 thousand).

## 20. Net financial income (expenses)

	30/09/2008	30/09/2007	YoY Change
Interest expenses on bank current accounts/loans	4,505	4,861	(356)
Foreign exchange losses	7,801	3,774	4,027
Bank charges	329	323	6
Others	27	10	17
<b>TOTAL FINANCIAL EXPENSES</b>	<b>12,662</b>	<b>8,968</b>	<b>3,694</b>
Interest income on bank current accounts/loans	1,035	1,752	(717)
Foreign exchange gains	8,427	3,998	4,429
Others	11	25	(14)
<b>TOTAL FINANCIAL INCOME</b>	<b>9,473</b>	<b>5,775</b>	<b>3,698</b>
<b>NET FINANCIAL INCOME (EXPENSES)</b>	<b>(3,189)</b>	<b>(3,193)</b>	<b>4</b>

### Total financial expenses

"Foreign exchange losses" totalling € 7,801 thousand were mainly attributable to the Scanning Group (€6,089 thousand, of which €4,169 thousand is attributable to Datalogic Scanning Slovakia), to the parent company (€469 thousand), to the Automation Group (€445 thousand) and to the Mobile Group (€800 thousand).

This item includes €189 thousand in foreign exchange losses on foreign exchange hedging contracts.

## **Total financial income**

"Foreign exchange gains" totalling €8,427 thousand were mainly attributable to the Scanning Group (€6,676 thousand, of which €4,160 thousand is attributable to Datalogic Scanning Slovakia), to the parent company (€463 thousand), to the Mobile Group (€675 thousand, of which €571 thousand is attributable to Datalogic Mobile Srl) and to the Automation Group (€612 thousand).

## **21. Taxes**

	<b>30/09/2008</b>	<b>30/09/2007</b>
Income taxes	8,639	11,752
Deferred taxes	(2,449)	(3,686)
	<b>6,190</b>	<b>8,066</b>

The effective tax rate comes to 27.20% (40.94% at 30 September 2007).

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

- contributions to research and development expenses in the amount of €2,312 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 €7,214 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.

As a result, the benefit recognised on the income statement as at 30 September 2008 comes from the difference between the elimination of the provision for deferred taxes (in the amount of €2,250 thousand) and the substitute tax expense (€866 thousand), i.e. €1,384 thousand.

The contribution made by the measures described above is summarised as follows:

€/000	30/09/08 A	Contribution to R&D expenses B	Substitute tax C	Deferred taxes released for redemption D	"Normalised" 30/09/08 E=A+B+C+D	30/09/07
<b>Pre-tax profit/loss</b>	<b>22,760</b>	<b>(2,312)</b>			<b>20,448</b>	<b>19,703</b>
<b>Taxes</b>	<b>6,190</b>		<b>(866)</b>	<b>2,250</b>	<b>7,574</b>	<b>8,066</b>
<b>Average effective tax rate</b>	<b>27.20%</b>				<b>37.04%</b>	<b>40.94%</b>

Net of these effects, the average effective tax rate would be 37.04% (40.94% at 30 September 2007).

## 22. Earnings/loss per share

### Basic earnings/loss per share

Basic earnings per share at 30 September 2008 is calculated by dividing the Group net profit of €16,570 thousand (€11,487 thousand as at 30 September 2007) by the weighted average number of ordinary shares outstanding at 30 September 2008 (57,793,999 shares, compared with 62,214,109 at 30 September 2007).

	30/09/2008	30/09/2007
Group profit/(loss) for period	16,570,000	11,487,000
Average number of shares as at 30 September	57,793,999	62,214,109
Basic earnings/loss per share	0.2867	0.1846

Earnings per share has increased by more than 55%.

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

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

€/000											
RELATED PARTIES	Idec DI Co. Ltd.	Hydra	Datasensor	MSP Imm	Nebulaxis Inc. *	Fondo Mandarin *	John O'Brien	Studio associato Caruso *	Tamburi Investment Partners S.p.A.	Laservall Asia	TOTAL 30/09/08
<b>Equity investments</b>						362					362
DI Spa						362					362
<b>Trade receivables</b>	217	19	5	0	0	0	0	0	0	1,612	1,853
DI Spa		19									19
DI Automation Srl	217		5								222
Laservall										1,612	1,612
<b>Tax consolidation credit</b>	0	2,354	0	0	0	0	0	0	0	0	2,354
DI Automation Srl		1,256									1,256
DI Mobile Srl		1,098									1,098
<b>Financial receivables</b>	0	0	0	0	0	0	0	0	0	180	180
Laservall										180	180
<b>Tax consolidation charges</b>	0	3,525	0	0	0	0	0	0	0	0	3,525
DI Mobile Srl		2,015									2,015
DI Spa		1,159									1,159
DI Scanning Group Srl		351									351
<b>Trade payables</b>	0	0	494	0	0	0	0	52	0	44	590
DI Spa								43			43
DI Automation Srl			494								494
DI Mobile Srl								2			2
Laservall								7		44	51
<b>Financial liabilities</b>	0	0	0	0	0	0	3,800	0	0	0	3,800
DI Spa							3,800				3,800
<b>Distribution/service expenses</b>	21	0	1,586	13	20	0	0	188	58	185	2,071
DI Spa				13	20			135	58		226
DI Automation Srl	21		1,569					17			1,607
DI Scanning Group Srl			16					8			24
DI Mobile Srl			1					7			8
Laservall								21		185	206
<b>Commercial revenues</b>	1,033	48	30	0	0	0	0	0	0	4,038	5,149
DI Spa		48	15								63
DI Automation Srl	1,033		13								1,046
DI Mobile Srl			2								2
Laservall										4,038	4,038

### 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 Eastern region.

As at 30 September 2008, DL Automation Srl had sold to Idec products and components totalling approximately €1,033 thousand, and has trade receivables with that company in the amount of €217 thousand. These transactions were executed at conditions comparable to those of other affiliates.

Laservall Spa has trade receivables of €1,612 thousand from Laservall Asia (its 50% subsidiary) and trade payables of €44 thousand, and it sold products and components to Laservall Asia for approximately €4,038 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 (€1,569 thousand), which also has trade payables with Datasensor SpA in the amount of €494 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 €1,256 with Hydra.

DL Mobile Srl has tax consolidation charges with Hydra in the amount of €2,015 thousand and receivables of €1,098 thousand.

DL Scanning Group Srl has tax consolidation charges with Hydra in the amount of €351 thousand.

The parent company's transactions with the ultimate parent company (Hydra SpA) principally regard tax consolidation charges of €1,159 thousand and trade receivables for rental income (€19 thousand).

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

Based on the requirements of IAS 32.23, the item "financial liabilities" includes €3,800 thousand relating to a PUT option signed by the Director John O'Brien with the parent company (Call option).

The parent company has an interest of €362 thousand in Fondo Mandarin Capital Management SA (a company controlled by a member of the Board of Directors).

Transactions with Studio Associato Caruso (headed by the director Pier Paolo Caruso) mainly concern advice. Datalogic SpA has incurred costs for services in the amount of €135 thousand and has payables in the amount of €43 thousand.

DL Automation Srl has costs for services with Studio Associato Caruso in the amount of €17 thousand.

DL Mobile Srl has costs for services with Studio Associato Caruso in the amount of €7 thousand, as well as payables in the amount of €2 thousand.

Laservall SpA has costs for services with Studio Associato Caruso in the amount of €21 thousand, as well as payables in the amount of €7 thousand.

DL Scanning Group Srl has costs for services with Studio Associato Caruso in the amount of €8 thousand.

Transactions with Tamburi Investment Partners S.p.A. (headed by the Director Giovanni Tamburi) concern consultancy. Datalogic SpA has costs for services in the amount of €58 thousand.



## NUMBER OF EMPLOYEES

	30/09/2008	30/09/2007	YoY Change
Automation Group	454	460	(6)
Mobile Group (*)	423	389	34
DL S.p.A.	54	17	37
Scanning Group	887	898	(11)
Informatics	118	110	8
DL Shared Service	0	56	(56)
	<b>1,936</b>	<b>1,930</b>	<b>6</b>

(\*) including Shop Evolution

As at 30 September 2008, the total number of employees stood at 1,936, which is higher than the number at 30 September 2007.

## SEASONALITY

Group business is not influenced by seasonal factors.

## CONTINGENT LIABILITIES

As at 30 September 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*

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

**Subject: Quarterly Report at 30th September 2008**

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

**attests**

in accordance with what reported in the second paragraph of art. 154 bis, paragraph 2, of Legislative Decree 24 February 1998, n. 58 that, basis on his own acquaintance, the Quarterly Report at 30 September 2008 corresponds to the outcomes, books and accounts.

Datalogic S.p.A.



(Marco Rondelli)

**Datalogic S.p.A.**  
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Tel. +39 051 3147011 - Fax +39 051 3147205  
[www.datalogic.com](http://www.datalogic.com)

R.E.A. Bologna 391717  
Registro Imprese Bologna 96/1998  
Capitale sociale 33.045.413,44 euro i.v.  
Codice Fiscale e Partita I.V.A. 01835711209  
E.E.C. id. Code IT01835711209

## ANNEX 2 - Reclassified Consolidated Profit &amp; Loss at 30/09/2007

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

	<b>30-09-07 Euro/000</b>	<b>Riclassifiche Euro/000</b>	<b>30-09-07 Euro/000</b>
<b>1) TOTAL REVENUES</b>	<b>297.536</b>	<b>0</b>	<b>297.536</b>
Revenues from sale of products	286.798		286.798
Revenues from services	10.738		10.738
<b>2) Cost of goods sold of which non-recurring</b>	<b>163.898 51</b>		<b>163.898 51</b>
<b>GROSS PROFIT (1-2)</b>	<b>133.638</b>	<b>0</b>	<b>133.638</b>
<b>3) Other operating revenues of which non-recurring</b>	<b>1.681 288</b>	<b>-471 -177</b>	<b>1.210 111</b>
<b>4) R&amp;D expenses of which non-recurring</b>	<b>21.327 11</b>		<b>21.327 11</b>
<b>5) Distribution expenses of which non-recurring</b>	<b>57.522 487</b>		<b>57.522 487</b>
<b>6) General &amp; administrative expenses of which non-recurring of which amort. pertaining to acquisitions</b>	<b>25.743 900 3.106</b>	<b>4.344</b>	<b>30.087 900 3.106</b>
<b>7) Other operating expenses of which non-recurring</b>	<b>8.078 952</b>	<b>-4.815 -177</b>	<b>3.263 775</b>
<b>Total operating costs (4+5+6+7)</b>	<b>112.670</b>	<b>-471</b>	<b>112.199</b>
<b>OPERATING PROFIT</b>	<b>22.649</b>	<b>0</b>	<b>22.649</b>
<b>8) Financial income</b>	<b>-3.193</b>		<b>-3.193</b>
<b>9) Share of associate companies' profits</b>	<b>247</b>		<b>247</b>
<b>PRE-TAX PROFIT/(LOSS)</b>	<b>19.703</b>	<b>0</b>	<b>19.703</b>
<b>Taxes</b>	<b>8.066</b>		<b>8.066</b>
<b>NET PROFIT FOR PERIOD</b>	<b>11.637</b>	<b>0</b>	<b>11.637</b>
<b>Minority interests' share of net profit</b>	<b>150</b>		<b>150</b>
<b>GROUP NET PROFIT</b>	<b>11.487</b>	<b>0</b>	<b>11.487</b>
<b>Earning per share (Euro)</b>	<b>0,1846</b>		<b>0,1846</b>
<b>Diluted earning per share (Euro)</b>	<b>0,1844</b>		<b>0,1844</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>		<b>0</b>		<b>0</b>
<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>