



Interim Management Statement

31st March 2010

Official documents are in Italian



DATALOGIC GROUP

Interim Management Statement as of March 31, 2010

GROUP STRUCTURE *pag. 1*

COMPOSITION OF CORPORATE GOVERNANCE BODIES *pag. 2*

MANAGEMENT REPORT *pag. 3*

QUARTERLY FINANCIAL STATEMENTS

Balance Sheet – Assets *pag. 9*

Balance Sheet – Liabilities *pag. 10*

Profit & Loss Account *pag. 11*

Statement of comprehensive income *pag. 12*

Consolidated cash flow summary *pag. 13*

Statement of Changes in Equity *pag. 14*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

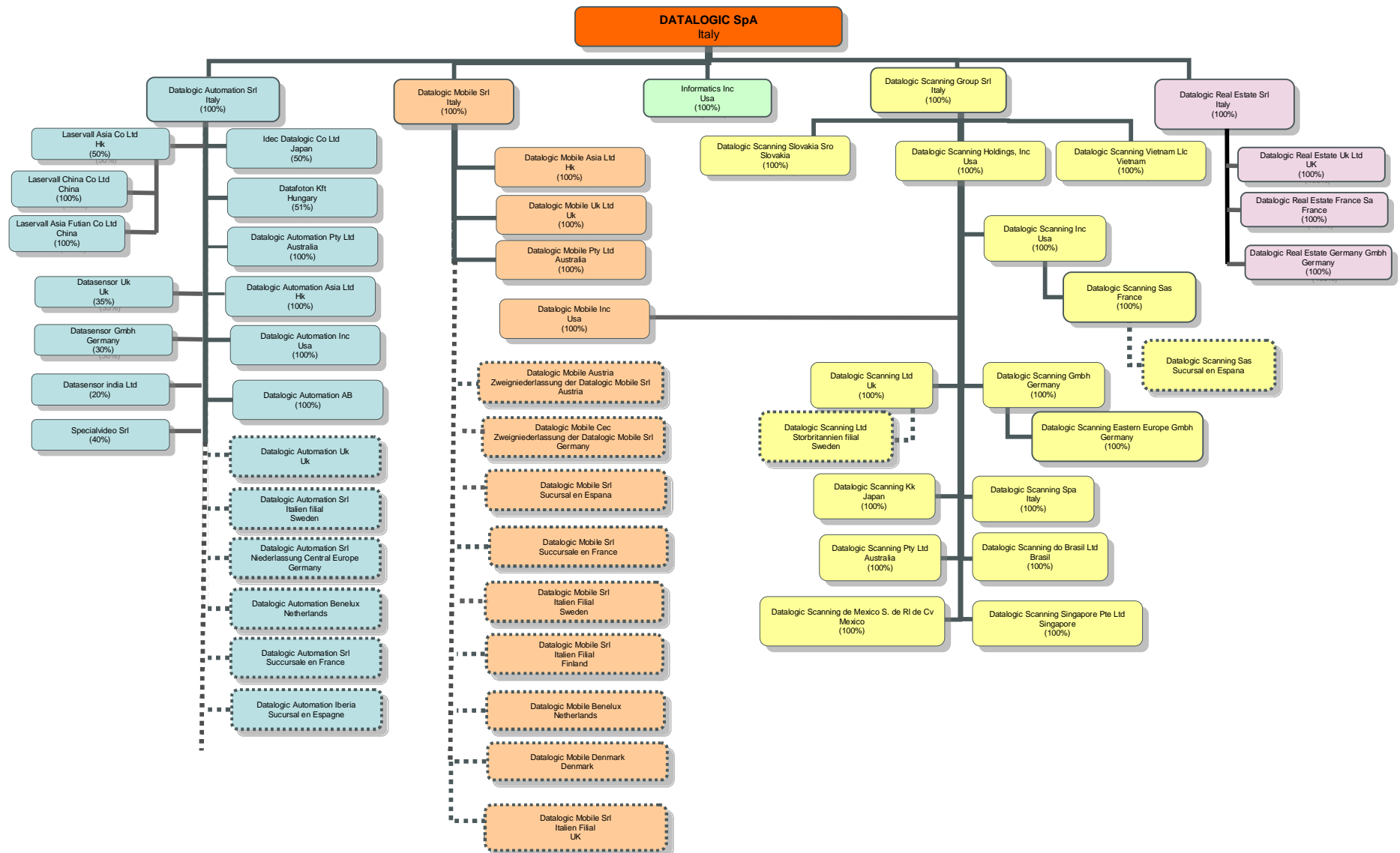
Form and contents *pag. 15*

Balance Sheet information *pag. 19*

Information on income statement *pag. 36*

ATTACHMENTS

1. *Declaration pursuant to article 154 bis, paragraph 2, of legislative decree 58/1998*



— Legal entity

- - - - - Branch

Board of Directors ⁽¹⁾**Romano Volta**Chairman ⁽²⁾**Mauro Sacchetto**Chief Executive Officer ⁽³⁾**Pier Paolo Caruso**

Director

Gianluca Cristofori

Director

Luigi Di Stefano

Independent Director

Lodovico Floriani

Independent Director

Angelo Manaresi

Director

Elserino Piol

Director

Giovanni Tamburi

Director

Gabriele Volta

Director

Valentina Volta

Director

Statutory Auditors ⁽⁴⁾**Stefano Romani**

Chairman

Mario Stefano Luigi Ravaccia

Statutory Auditor

Massimo Saracino

Statutory Auditor

Stefano Biordi

Alternate Statutory Auditor

Patrizia Passerini

Alternate Statutory Auditor

Auditing company

PricewaterhouseCoopers SpA

(1) The Board of Directors will remain in office until the general meeting that approves the accounts for the financial year ending 31 December 2011.

(2) Legal representative with respect to third parties.

(3) Legal representative with respect to third parties.

(4) The Statutory Auditors in office until the approval of the accounts for the financial year ending 31 December 2009.

MANAGEMENT REPORT

REPORT ON OPERATIONS

To our Shareholders,

The report for the period ending on 31 March 2010, which we submit to you for review, has been prepared in compliance with the instructions in the Borsa Italiana S.p.A. Regulations.

Specifically, consolidated financial statements apply the approach set forth by international accounting standards (IASs/IFRSs) adopted by the European Union.

OPERATING AND FINANCIAL RESULTS

The following table summarises the Datalogic Group's key operating and financial highlights at 31 March 2010 and in comparison with the same period a year earlier (figures in €000):

Datalogic Group	31/03/2010	31/03/2009	Change	% change
Total revenue	89,520	73,094	16,426	22.5%
EBITDA (*)	10,585	(515)	11,100	n.a.
% of total revenue	11.8%	-0.7%		
Group net profit/loss	4,135	(5,522)	9,657	n.a.
% of total revenue	4.6%	-7.6%		
Net financial position (NFP) (**)	(97,684)	(116,656)	18,972	-16.3%

(*) **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. Datalogic defines it as **Profit/loss for the period before depreciation and amortisation of tangible and intangible assets, non-recurring costs, financial income and expenses and income taxes.**

(**) For the criteria defining the net financial position please see page 6.

At 31 March 2010 **the Datalogic Group recorded revenue of €89,520 thousand (vs. €73,094 thousand in the same quarter of 2009)**, detailed as follows:

€86,130 thousand from the sale of products;
€3,390 thousand from services.

In the first quarter of 2010, revenue rose by 22.5% versus the same period of the previous year.
At constant euro/dollar exchange rates, the increase would have been 25.7%.

Group EBITDA was €10,585 thousand, corresponding to 11.8% of total revenue, an increase of €11,100 thousand versus the previous year, when the Group registered a negative EBITDA figure of €515 thousand.

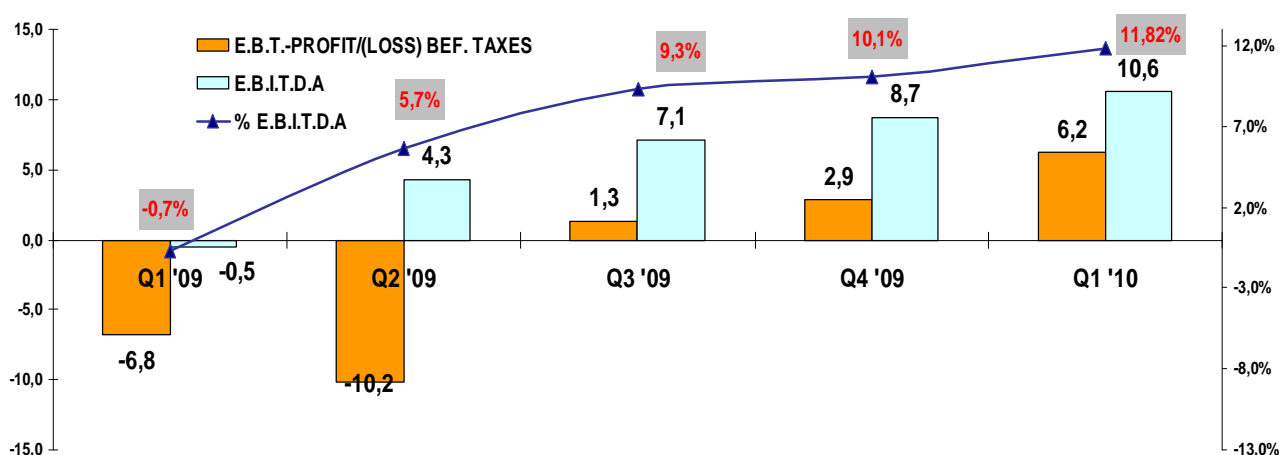
Group net profit at 31 March 2010 was €4,135 thousand, a significant improvement on the loss of €5,522 thousand registered in the first quarter of 2009.

The first quarter of last year was the first to be hit by the economic crisis, both in terms of demand and consequently profitability.

The subsequently implemented measures to rationalise costs led to an immediate improvement in the operating result, from the subsequent quarter. Furthermore, the selective way in which these measures were adopted enabled the Group to benefit from the increase in demand when this began to pick up, particularly in the two quarters just completed.

The first quarter of 2010 was the fourth consecutive quarter of EBITDA growth, with a margin fairly close to those achieved by the Group before the crisis.

Figures expressed in € million.



The table below compares the main operating results registered in the first quarter of 2010 with those of the same period of 2009 and the fourth quarter of 2009. They clearly show how the efforts made by the organisation had a positive performance on performance in the first quarter of 2010:

	Q1 2010		Q1 2009		Change	% change
TOTAL REVENUE	89,520	100.0%	73,094	100.0%	16,426	22.5%
EBITDA	10,585	11.8%	(515)	-0.7%	11,100	n,a,
EBITANR (*)	7,697	8.6%	(4,086)	-5.6%	11,783	n,a,
EBIT	6,724	7.5%	(5,144)	-7.0%	11,868	n,a,

(*) see definition on page 5

	Q1 2010		4Q 2009		Change	% change
TOTAL REVENUE	89,520	100.0%	86,845	100.0%	2,675	3.1%
EBITDA	10,585	11.8%	8,754	10.1%	1,831	20.9%
EBITANR (*)	7,697	8.6%	5,641	6.5%	2,056	36.4%
EBIT	6,724	7.5%	4,799	5.5%	1,925	40.1%

(*) see definition on page 5

ANALYSIS OF RECLASSIFIED INCOME STATEMENT DATA

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

(€000)	31/03/2010		31/03/2009		Change	% change
Total revenue	89,520	100.0%	73,094	100.0%	16,426	22.5%
Cost of sales	(49,046)	-54.8%	(44,122)	-60.4%	(4,924)	11.2%
Gross profit	40,474	45.2%	28,972	39.6%	11,502	39.7%
Other revenue	338	0.4%	572	0.8%	(234)	-40.9%
Research and development expenses	(6,067)	-6.8%	(6,802)	-9.3%	735	-10.8%
Distribution expenses	(17,826)	-19.9%	(18,025)	-24.7%	199	-1.1%
General & administrative expenses	(8,692)	-9.7%	(8,071)	-11.0%	(621)	7.7%
Other operating costs	(530)	-0.6%	(732)	-1.0%	202	-27.6%
Total operating cost and other costs	(33,115)	-37.0%	(33,630)	-46.0%	515	-1.5%
Ordinary operating result before non-recurring costs and revenue and administrative costs arising from acquisitions (EBITANR)	7,697	8.6%	(4,086)	-5.6%	11,783	n.a.
Non-recurring costs and revenue	0	0.0%	0	0.0%	0	n.a.
Depreciation & amortisation due to acquisitions (*)	(973)	-1.1%	(1,058)	-1.4%	85	-8.0%
Operating result (EBIT)	6,724	7.5%	(5,144)	-7.0%	11,868	n.a.
Net financial income (expenses)	(1,420)	-1.6%	(1,698)	-2.3%	278	-16.4%
Subsidiaries' earnings/(losses)	29	0.0%	(53)	-0.1%	82	n.a.
Foreign exchange earnings/(losses)	880	1.0%	103	0.1%	777	754.4%
Pre-tax profit/(loss)	6,213	6.9%	(6,792)	-9.3%	13,005	n.a.
Taxes	(2,078)	-2.3%	1,270	1.7%	(3,348)	n.a.
GROUP NET PROFIT/LOSS	4,135	4.6%	(5,522)	-7.6%	9,657	n.a.
Amortisation and write-downs of intangible assets	(1,946)	-2.2%	(2,445)	-3.3%	499	-20.4%
Amortisation and write-downs of intangible assets	(942)	-1.1%	(1,126)	-1.5%	184	-16.3%
EBITDA	10,585	11.8%	(515)	-0.7%	11,100	n.a.

(*) This item includes extraordinary costs for amortisation arising from acquisitions. 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 figures reported in year-end financial statements.

Gross profit improved significantly compared with the same quarter of the previous year (from 39.6% of sales to 45.2%), owing to both the lower incidence of fixed production costs (which were spread over a greater sales volume) and lower direct production costs. In absolute terms, operating costs were slightly lower than in the first quarter of 2009, despite the fact that revenue from sales rose by 22.5% and that in 2009, bonuses were not set aside for directors and managers (as they were cancelled), but were again provisioned as usual in 2010.

At 31 March 2010, depreciation and amortisation due to acquisitions (in the amount of €973 thousand) was made up as follows:

€324 thousand pertaining to Datalogic Automation Srl,
 €145 thousand pertaining to Informatics,
 €440 thousand pertaining to Datalogic Scanning Inc;
 €64 thousand pertaining to Mobile Inc.

The “Ordinary operating result” (EBITANR) was €7,697 thousand, corresponding to 8.6% of revenues, and higher (by €11,783 thousand in absolute terms) from the figure registered in the same quarter last year (negative at €4,086 thousand).

ANALYSIS OF FINANCIAL AND CAPITAL DATA

At 31 March 2010, the net financial position was negative at €97,684 thousand, as follows:

Datalogic Group	31/03/2010	31/12/2009	31/03/2009
(€000)			
A. Cash and bank deposits	86,953	71,026	77,954
B. Other liquidities	691	667	401
b1. restricted cash deposit	691	667	401
C. Securities held for trading	360	360	367
c1. Short-term	1	1	6
c2. Long-term	359	359	361
D. Cash and equivalents (A) + (B) + (C)	88,004	72,053	78,722
E. Current financial receivables	0	0	30
F. Other current financial receivables	222	0	78
f1. hedging transactions	222	0	78
G. Bank overdrafts	814	113	1,053
H. Current portion of non-current debt	103,244	123,138	58,216
I. Other current financial payables	901	814	43
i1. hedging transactions	901	814	43
J. Current financial debt (G) + (H) + (I)	104,959	124,065	59,312
K. Current financial debt, net (J) - (D) - (E) - (F)	16,733	52,012	(19,518)
L. Non-current bank borrowing	78,497	46,749	133,786
M. Other non-current financial receivables	191	180	212
N. Other non-current liabilities	2,645	1,917	2,600
n1. Hedging instruments	2,645	1,917	2,600
O. Non-current financial debt (L) + (M) + (N)	80,951	48,486	136,174
P. Net financial debt (K) + (O)	97,684	100,498	116,656

Net financial debt at 31 March 2010 was €97,684 thousand, an improvement of €2,814 thousand versus 31 December 2009, when it totalled €100,498 thousand, and of €18,972 thousand versus 31 March 2009.

Transactions carried out in the period included:

- purchase of treasury stock for €97 thousand;
- early retirement incentives of €1,528 thousand, already set aside in 2009.

Investments were also made in the amount of €1,252 thousand.

Net working capital at 31 March 2010 was €44,467 thousand, and increased by €1,223 thousand from 31 December 2009 (€43,244 thousand).

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

	31 March 2010		31 Dec 2009	
	Total equity	Period results	Total equity	Period results
Datalogic SpA shareholders' equity and profit	158,474	675	158,365	15,108
Difference between consolidated companies' net equity and their carrying value in Datalogic SpA's statement; effect of equity-based valuation	4,223	4,053	(5,512)	(5,050)
Reversal of dividends	0	0	0	(22,155)
Amortisation of intangible assets "business combination"	(5,827)	0	(5,827)	0
Effect of acquisition under common control	(31,733)	0	(31,733)	0
Elimination of capital gain on sale of business branch	(3,302)	0	(3,302)	0
Effect of eliminating intercompany transactions	(1,187)	102	(1,289)	879
Reversal of write-downs and capital gains on equity investments	3,682	(481)	4,179	(896)
Transfer of Know How	(7)	0	(7)	1,314
Impairment goodwill	(874)	(75)	(799)	(298)
Other	(730)	(11)	(719)	(483)
Taxes	3,211	(128)	3,339	(583)
Group portion of shareholders' equity	125,930	4,135	116,695	(12,164)

FINANCE INCOME AND EXPENSES

Finance income was negative to the tune of €540 thousand and breaks down as follows:

	31/03/2010	31/03/2009	Change
Financial income/(expenses)	(1,058)	(1,563)	505
Forex losses	880	103	777
Bank expenses	(235)	(132)	(103)
Other	(127)	(3)	(124)
Total net financial expenses	(540)	(1,595)	1,055

The item "other" includes €83 thousand relating to a capital loss registered following the closure of the Spanish branch.

Losses posted by the companies carried at equity were recognised in the amount of €29 thousand (net loss of €53 thousand at 31 March 2009).

OUTLOOK FOR CURRENT YEAR AND SUBSEQUENT EVENTS

2010 has shown signs of a moderate recovery, which, combined with cost cuts implemented by the Group, should allow Datalogic to post earnings (as a percentage of sales) not too distant from the results achieved in the years preceding the crisis, albeit with still lower revenue forecast.

SECONDARY LOCATIONS

The parent company has no secondary locations.

DATALOGIC SpA
CONSOLIDATED BALANCE SHEET

	Notes	31-03-10 Euro/000	31-12-09 Euro/000
ASSETS			
A) NON-CURRENT ASSETS (1+2+3+4+5+6+7)		210.326	203.919
1) Tangible assets		50.291	50.822
Land	1	5.012	4.975
Buildings	1	22.322	22.208
Other assets	1	21.465	22.177
Assets in progress and payments on account	1	1.492	1.462
2) Intangible assets		132.145	126.702
Goodwill	2	91.930	87.081
Development costs	2	259	363
Other	2	39.895	39.204
Assets in progress and payments on account	2	61	54
3) Equity investments in subsidiary and associate companies	3	1.715	1.644
4) Financial assets available for sale (LT)		1.460	1.390
Equity investments	5	1.101	1.031
Loans to subsidiaries	5	0	0
Securities	5	359	359
5) Loans		191	180
of which to subsidiaries		191	180
6) Trade and other receivables	7	1.083	1.242
7) Receivables for deferred tax assets	13	23.441	21.939
of which to subsidiaries		2.791	2.545
B) CURRENT ASSETS (8+9+10+11+12+13)		220.259	193.743
8) Inventories	8	44.262	39.082
9) Trade and other receivables	7	82.384	75.559
Trade receivables	7	70.845	65.455
within 12 months	7	68.573	63.801
after 12 months	7		
of which to affiliates	7	2.073	1.534
of which to the parent company	7	11	
of which to related parties	7	188	120
Other receivables - accrued income and prepayments	7	11.539	10.104
of which to affiliates			
receivables from the parent company			
10) Tax receivables	9	5.746	7.408
of which to the parent company		809	1.295
11) Financial assets available for sale (ST)	5	1	1
Securities		1	1
12) Financial assets - derivatives	6	222	
13) Cash and cash equivalents	10	87.644	71.693
TOTAL ASSETS (A+B)		430.585	397.662

DATALOGIC SpA
CONSOLIDATED BALANCE SHEET

LIABILITIES	Notes	31-03-10 Euro/000	31-12-09 Euro/000
A) TOTAL SHAREHOLDERS' EQUITY (1+2+3+4+5)	11	125.930	116.695
1) Share capital	11	124.694	124.791
2) Reserves	11	-11.720	-16.896
3) Retained earnings/losses	11	8.821	20.964
4) Group profit (loss) for the period/year	11	4.135	-12.164
5) Minority interests		0	0
B) NON-CURRENT LIABILITIES (6+7+8+9+10+11+12)		111.771	78.097
6) Financial debt	12	78.497	46.749
7) Financial liabilities - Derivatives (*)	6	2.645	1.917
8) Tax liabilities		383	383
9) Deferred tax liabilities	13	16.091	15.531
10) Post-employment benefits	14	7.378	7.739
11) Provisions for risks and charges	15	5.234	4.319
12) Other liabilities	16	1.543	1.459
C) CURRENT LIABILITIES (13+14+15+16+17)		192.884	202.870
13) Trade and other payables	16	76.536	66.836
Trade payables	16	49.405	43.816
within 12 months	16	49.153	43.585
Payables to affiliates	16	64	30
Payables to related parties	16	188	201
Other payables – accrued liabilities and deferred income	16	27.131	23.020
14) Tax liabilities		4.966	5.334
of which to the parent company		1.242	618
15) Provisions for risks and charges	15	6.423	6.635
16) Financial liabilities - Derivative instruments	6	901	814
17) Short-term financial debt	12	104.058	123.251
of which to related parties			
TOTAL LIABILITIES (A+B+C)		430.585	397.662

DATALOGIC SpA
CONSOLIDATED INCOME STATEMENT

	Notes	31-03-10 Euro/000	31-03-09 Euro/000
1) TOTAL REVENUES	17	89.520	73.094
Revenues from sale of products		86.130	69.631
Revenues for services		3.390	3.463
2) Cost of goods sold	18	49.046	44.122
of which non-recurring	18		
GROSS PROFIT (1-2)		40.474	28.972
3) Other operating revenues	19	338	572
of which non-recurring	19	0	0
4) R&D expenses	18	6.067	6.802
of which non-recurring	18	0	0
5) Distribution expenses	18	17.826	18.025
of which non-recurring	18	0	
6) General and administrative expenses	18	9.665	9.129
of which non-recurring	18	0	0
of which amortisation pertaining to acquisitions	18	973	1.058
7) Other operating expenses	18	530	732
of which non-recurring	18	0	0
Total operating costs (4+5+6+7)		34.088	34.688
OPERATING RESULT		6.724	-5.144
8) Financial income	20	4.108	2.525
9) Financial charges	20	4.648	4.120
Financial management result (8-9)	20	-540	-1.595
10) Profits from associate companies	3	29	-53
PRE-TAX PROFIT/(LOSS)		6.213	-6.792
Taxes	21	2.078	-1.270
Profit/(loss) for the period		4.135	-5.522
Minority interests' share of profit/(loss)		0	0
Group profit/(loss)		4.135	-5.522
Basic earnings/(loss) per share (€)	22	0,0753	-0,0998
Diluted earnings/(loss) per share (€)	22	0,0753	-0,0998

DATALOGIC SpA
CONSOLIDATED COMPREHENSIVE STATEMENT OF INCOME

	Notes	31-03-10 Euro/000	31-03-09 Euro/000
NET PROFIT/(LOSS) FOR THE PERIOD		4.135	-5.522
Other components of the comprehensive statement of income:			
Profit/(loss) on cash flow hedges	11	-479	-307
Profit/(loss) due to translation of the accounts of foreign companies	11	5.629	4.453
Profit/(loss) on exchange rate adjustments for financial assets available for sale	11	26	-50
Total other profit/(loss) net of the tax effect		5.176	4.096
COMPREHENSIVE NET PROFIT/(LOSS) FOR THE PERIOD		9.311	-1.426
Attributable to:			
Parent company shareholders		9.311	-1.426
Minority interests		0	0

DATALOGIC SpA
CONSOLIDATED CASH FLOW STATEMENT

	31-03-10 Euro/000	31-03-09 Euro/000
Pre-tax profit	6.213	-6.792
Amortisation and depreciation of tangible and intangible assets and write-downs	3.861	4.629
Change in employee benefits reserve	-361	-69
Provision to the write-down reserve	294	402
Net financial expenses/(income) including exchange rate differences	540	1.595
Adjustments to value of financial assets	-29	53
Cash flow from operations before changes in working capital	10.518	-182
Change in trade receivables (net of provisions)	-5.684	12.962
Change in final inventories	-5.180	-4.492
Change in other current assets	-1.435	1.795
Other medium-/long-term assets	159	70
Change in trade payables	5.589	-4.430
Change in other current liabilities	4.111	-3.102
Other medium-/long-term liabilities	84	4
Change in provisions for risks and charges	703	-7.106
Commercial foreign exchange gains/(losses)	-13	495
	8.852	-3.986
Change in tax	-1.726	1.405
Interest paid and banking expenses	-1.420	-1.698
Cash flow generated from operations (A)	5.706	-4.279
(Increase)/decrease in intangible assets excluding exchange rate effect	-386	-275
(Increase)/decrease in tangible assets excluding exchange rate effect	-866	-2.584
Change in unconsolidated equity interests	-112	63
Change in liabilities due to exercising of put option (Note 2)		-319
Changes generated by investment activity (B)	-1.364	-3.115
Change in LT/ST financial receivables	-257	-138
Change in short-term and medium-/long-term financial debt	12.669	35.184
Financial foreign exchange gains/(losses)	893	-392
Purchase of treasury shares	-97	-608
Changes in reserves and exchange rate effect – tangible and intangible assets	-2.324	-1.318
Cash flow generated (absorbed) by financial assets (C)	10.884	32.728
Net increase (decrease) in available cash (A+B+C)	15.226	25.334
Net cash and cash equivalents at start of period (Note 10)	70.913	51.567
Net cash and cash equivalents at end of period (Note 10)	86.139	76.901

DATALOGIC S.p.A.
CHANGES IN CONSOLIDATED EQUITY

Description	Share capital	Other reserves				Retained earnings						Profit for the year	Total Group shareholders' equity
	Total share capital	Cash flow hedge reserve	Conversion reserve	Held-for-sale financial assets reserve	Total Other reserves	Earnings carried forward	Capital grant reserve	Legal reserve	Treasury shares reserve	IAS reserve	Total		
01.01.2009	126.567	-1.434	-12.262	-	-13.696	-6.837	958	2.262	-	8.720	5.103	17.844	135.818
Allocation of earnings	-				-	17.844					17.844	-17.844	-
Dividends	-				-						-		-
Conversion reserve	-		4.453		4.453						-		4.453
Change in IFRS reserve	-				-					38	38		38
Sale/purchase of treasury shares	-608				-	-			-		-		-608
Cash flow hedge adjustment	-	-307			-307						-		-307
Adjustment of held-for-sale financial assets reserve	-			-50	-50						-		-50
Other changes	-				-	-73					-73		-73
Result as at 31.03.2009	-				-						-	-5.522	-5.522
31.03.2009	125.959	-1.741	-7.809	-50	-9.600	10.934	958	2.262	-	8.758	22.912	-5.522	133.749

Description	Share capital	Other reserves				Retained earnings						Profit for the year	Total Group shareholders' equity
	Total share capital	Cash flow hedge reserve	Conversion reserve	Held-for-sale financial assets reserve	Total Other reserves	Earnings carried forward	Capital grant reserve	Legal reserve	Treasury shares reserve	IAS reserve	Total		
01.01.2010	124.791	-1.936	-14.853	-107	-16.896	8.875	958	2.430	-	8.701	20.964	-12.164	116.695
Allocation of earnings	-				-	(12.164)					-12.164	12.164	-
Dividends	-				-						-		-
Conversion reserve	-		5.629		5.629						-		5.629
Change in IFRS reserve	-				-					-13	-13		-13
Sale/purchase of treasury shares	-97				-				-		-		-97
Cash flow hedge adjustment	-	-479			-479						-		-479
Adjustment of held-for-sale financial assets reserve	-			26	26						-		26
Other changes	-				-	34					34		34
Result as at 31.03.2010	-				-						-	4.135	4.135
31.03.2010	124.694	-2.415	-9.224	-81	-11.720	-3.255	958	2.430	-	8.688	8.821	4.135	125.930

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

INTRODUCTION

Datalogic Group SpA (hereinafter “Datalogic”, “parent company” or “company”) is an Italian corporation. The Interim Management Statement at 31 March 2010 includes the quarterly figures of the parent company and its subsidiaries (defined hereinafter as the “Group”) and its minority interests in associated companies.

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

The parent company is a “società per azioni” (joint-stock company) listed on the Star segment of Borsa Italiana, and has its registered office in Italy. The address of the registered office is Via Candini, 2 - Lippo di Calderara (BO).

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

These consolidated financial statements were prepared for the approval the Board of Directors on 10 May 2010.

PRESENTATION AND CONTENT OF THE CONSOLIDATED FINANCIAL STATEMENTS

This Interim Management Statement at 31 March 2010 was prepared pursuant to Article 154 ter of Legislative Decree 58/1998, and applicable Consob rules.

The accounts shown in this statement were measured in accordance with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations of them issued by the International Financial Reporting Interpretations Committee (IFRIC), as approved by the European Commission and in force when this Statement was approved.

The accounting standards and principles are consistent with those used to prepare the Annual Report at 31 December 2009. Reference is made to that report for more details, with the exception of the following standards and interpretations in force from 1 January 2010 and approved by the European Union. However, application of these new standards and interpretations did not have a material impact on the Group's accounts:

Document	Title	Description and impact on the company	Entry into force as of FYs starting on or after:
IAS 39	<i>"Eligible hedged items"</i>	This clarifies under what conditions it is possible to cover the inflation risk of a hedged item and does not allow the time value of the hedged item to be considered for the purposes of the effectiveness test. The application of this standard is not expected to have a significant impact for the Group.	1 January 2010
IAS 27 and IFRS 3 (Amendments)	<i>"Consolidated and separate financial statements of the parent company and business combinations."</i>	Income/charges from disposals will only be recognised in the income statement when they result in loss of control. Other disposals or acquisitions of shareholdings are transactions between shareholders and are recorded at equity. Goodwill from minority interests may be recognised. All additional costs relating to the acquisition are considered separately and charged to the income statement. The contingent consideration is valued at fair value on the acquisition date. Any other change to the initial amount that results from events or circumstances occurring after the acquisition are shown on the income statement. The Group will apply these amendments from 1 January 2010.	1 January 2010
IFRIC 17	<i>"Distributions of non-cash assets to owners"</i>	This proposes that non-cash assets are measured at fair value, with the recording of the difference between the book value and the fair value. At present the standard is not applicable for the Group.	1 January 2010
IFRIC 18	<i>"Transfer of assets from customers"</i>	This identifies the accounting treatment of tangible assets received from customers in order to provide these customers with an ongoing supply of goods or services. At present the standard is not applicable for the Group.	1 January 2010
IFRIC 12	<i>"Service concession agreements"</i>	This defines how operators of services under concession must recognise the rights and obligations resulting from the concession agreement. . At present the standard is not applicable for the Group.	1 January 2010
IAS (Amendments) 38	<i>"Intangible Assets"</i>	The amendments made to this standard will be adopted from the application date of IFRS 3 (revised). It clarifies the guidelines in determining the fair value of an intangible asset acquired with a business combination. The application of this standard is not expected to have a significant impact for the Group.	1 January 2010
IFRS (Amendments) 5	<i>"Non-current assets held for sale"</i>	These provide clarifications regarding the disclosure required for non-current assets held for sale. The Group will apply these amendments from 1 January 2010, and the application of this standard is not expected to have a significant impact for the Group.	1 January 2010
IFRS (Amendments) 1	<i>First-time adoption of IFRS</i>	Not applicable to the Group	1 January 2010
IFRIC 16	<i>Hedges of a Net Investment in a Foreign Operation</i>	Not applicable to the Group	1 January 2010
Amendments to IAS 32	<i>Classification of rights issues</i>	Not applicable to the Group	1 January 2010
IFRS (Amendments) 2	<i>"Share-based payments: vesting conditions and cancellations"</i>	As well as incorporating IFRIC 8 and 11, the amendment expands the guide provided by IFRIC 11 to cover the classification of some types of agreement not previously dealt with. At present the standard is not applicable for the Group.	1 January 2010

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 31 March 2010 were as follows:

Company	Registered office	Share capital		Total shareholders' equity (€000)	Profit/loss for the period (€000)	% ownership
Datalogic SPA holding	Bologna - Italy	Euro	30,392,175	158,474	675	
Datalogic Real Estate srl	Bologna - Italy	Euro	20,000	2,517	6	100%
Datalogic Real Estate France Sa	Paris – France	Euro	2,227,500	3,484	11	100%
Datalogic Real Estate Germany GmbH	Erkenbrechtsweiler - Germany	Euro	1,025,000	2,134	(27)	100%
Datalogic Real Estate UK Ltd	Redbourn - England	GBP	3,500,000	4,167	31	100%
Informatics	Plano Texas - U.S.A.	US\$	9,996,000	13,680	538	100%
Datalogic Automation Srl	Bologna - Italy	Euro	10,000,000	948	52	100%
Datalogic Automation AB	Malmö - Sweden	KRS	200,000	298	12	100%
Datalogic Automation INC	Hebron, KY - USA	US\$	463,812	2,150	119	100%
Datalogic Automation PTY LTD	Mount Waverley (Melbourne) - Australia	\$AUD	2,300,000	(748)	(27)	100%
Datalogic Asia Limited	Hong Kong - China	HKD	7,000,000	(82)	270	100%
Datafoton kft	Fonyod - Hungary	HUF	3,000,000	16	(6)	50%
Datalogic Mobile Srl	Bologna - Italy	Euro	10,000,000	19,237	699	100%
Datalogic Mobile Asia	Hong Kong - China	HKD	100,000	29	42	100%
Datalogic Mobile UK	Redbourn - England	GBP	15,000	161	3	100%
Datalogic Mobile INC	Eugene, OR - U.S.A.	US\$	1	5,593	161	100%
Datalogic Mobile PTY	Mount Waverley (Melbourne) - Australia	\$AUD	0	(731)	(65)	100%
Datalogic Scanning Group srl	Bologna - Italy	Euro	10,000,000	102,482	392	100%
Datalogic Scanning Slovakia	Tvrn-Slovakia	Euro	66,390	5,795	2,418	100%
Datalogic Scanning Holdings Inc.	Eugene, OR - U.S.A.	US\$	100	77,177	(544)	100%
Datalogic Scanning Inc.	Eugene, OR - U.S.A.	US\$	10	36,659	(315)	100%
Datalogic Scanning do Brasil	Sao Paulo, SP - Brazil	R\$	159,525	(3)	(22)	100%
Datalogic Scanning Mexico	Colonia Cuauhtemoc - Mexico	US\$	-	(634)	(46)	100%
Datalogic Scanning UK Ltd	Watford - England	GBP	191,510	(1,110)	1	100%
Datalogic Scanning Srl	Paris - France	Euro	653,015	488	87	100%
Datalogic Scanning GMBH	Darmstadt - Germany	Euro	306,775	2,492	172	100%
Datalogic Scanning Eastern Europe GmbH	Darmstadt - Germany	Euro	30,000	186	(11)	100%
Datalogic Scanning SpA	Milan - Italy	Euro	110,000	1,613	340	100%
Datalogic Scanning PTY	Sydney - Australia	\$AUD	2	730	(97)	100%
Datalogic Scanning Japan	Tokyo-Japan	JPY	151,437,000	(618)	(108)	100%
Datalogic Scanning Vietnam LLC	Vietnam	VND	27,714,555,000	505	260	100%
Datalogic Scanning Singapore	Singapore	SGD	100,000	61	4	100%

The companies consolidated at equity at 31 March 2010 were as follows:

Company	Registered office	Share capital		Total shareholders' equity (€000)	Profit/loss for the period (€000)	% ownership
Idec Datalogic Co. Ltd	Osaka – Japan	Yen	300,000,000	1,578	(46)	50%
Laservall Asia Co. Ltd	Hong Kong – China	HKD	460,000	1,600	104	50%

Company	Registered office	Share capital		% ownership
Datasensor UK Ltd	Oxfordshire - England	GBP	70,000	35%
Datasensor Gmbh	Otterfing - Germany	Euro	150,000	30%
Datasensor India Ltd	India	INR	900,000	20%
Specialvideo Srl	Imola - Italy	Euro	10,000	40%

Note that at 31 March 2010 the liquidation of Datalogic Automation Iberia was concluded.

BALANCE SHEET INFORMATION

Note 1. Tangible assets

	31/03/2010	31/12/2009	Change
Land	5,012	4,975	37
Buildings	22,322	22,208	114
Other assets	21,465	22,177	(712)
Assets in progress and payments on account	1,492	1,462	30
Total	50,291	50,822	(531)

The "Other assets" item at 31 March 2010 mainly included the following categories: Plant and machinery (€7,584 thousand), Trade and industrial equipment (€5,618 thousand), Office furniture and machines (€5,144 thousand), General plant (€1,629 thousand), Motor vehicles (€215 thousand), and Maintenance on third-party assets (€931 thousand).

The balance of "Assets under construction and down payments" mainly refers to down payments for equipment, instruments and moulds relating to normal production activities.

Note 2. Intangible assets

	31/03/2010	31/12/2009	Change
Goodwill	91,930	87,081	4,849
Development costs	259	363	(104)
Other	39,895	39,204	691
Assets in progress and payments on account	61	54	7
Total	132,145	126,702	5,443

Goodwill, totalling €91,930 thousand, consisted of the following items:

	31/03/2010	31/12/2009	Change
Former PSC Group – Acquisition executed on 30 November 2005	69,531	65,181	4,350
Informatics Inc. - Acquisition executed on 28 February 2005	11,698	11,124	574
Laservall SPA - Acquisition executed on 27 August 2004	5,119	5,119	-
Idware srl – Incorporated in 1998	3,380	3,380	-
Infra – Goodwill recognised following the acquisition of Datasensor	1,682	1,682	-
Gruppo Minec - Acquisition executed on 15 July 2007	520	595	(75)
Total Goodwill	91,930	87,081	4,849

The main changes in "Goodwill" versus 31 December 2009 are mainly attributed to positive translation differences of €4,924 thousand;

Goodwill has been allocated to the CGUs (cash generating units) corresponding to the individual companies and/or sub-groups to which they pertain. Specifically, for the purposes of impairment, goodwill relating to the acquisition of the PSC Group has been allocated to two different CGUs, i.e. Datalogic Scanning Inc. (for about USD 78.5 million) and Datalogic Mobile Inc. (for about USD 12.5 million).

As highlighted in the paragraph included in the section on accounting standards and policies in the Consolidated Annual Report at 31 December 2009 to which reference should be made, in compliance with IFRS 3 goodwill has no longer been amortized since 1 January 2004 but is tested for impairment each year unless loss indicators suggest the need for more frequent impairment testing. The recoverable value of each CGU, associated with each Goodwill item measured, consists of its corresponding value in use.

Value in use is calculated by discounting the future cash flows generated by the CGU – during production and at the time of its retirement – to present value using a certain discount rate, based on the DCF (discounted cash flow) method.

At 31 March 2010, no write-downs were made, except for the goodwill of the Minec Group, written down by €75 thousand.

"**Development costs**", which amount to €259 thousand, consist of specific development projects capitalised when they meet IAS 38 requirements and in compliance with Group policies, which only require capitalisation of projects relating to the development of products featuring significant innovation.

The item "**Other**", at €39,895 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:

	31/03/2010	31/12/2009	USEFUL LIFE (YEARS)
Acquisition of the PSC Group (executed on 30 November 2006)	26,902	25,654	
PATENTS	23,640	22,469	20
TRADE MARK	1,657	1,618	10
CLIENT PORTFOLIO	1,605	1,567	10
Acquisition of Laservall SPA (executed on 27 August 2004)	2,943	3,266	
UNPATENTED TECHNOLOGY	1,066	1,279	7
COMMERCIAL STRUCTURE	1,877	1,987	10
Acquisition of Informatics Inc. (executed on 28 February 2005)	2,918	2,869	
COMMERCIAL STRUCTURE	2,918	2,869	10
License agreement	2,354	2,695	5
Other	4,778	4,720	
TOTAL OTHER INTANGIBLE ASSETS	39,895	39,204	

The "Others" item mainly consists of software licenses. The change versus 31 December 2009 was due to amortisation relating to the period.

Note 3. Equity investments in associates

Equity investments owned by the Group at 31 March 2010 were as follows:

	31/12/2009	Increases	Decreases	Forex differences	Share of profit	31/03/2010
Associate companies						
Idec Datalogic Co.Ltd	770		(23)	42		789
Laservall Asia Co. Ltd	748	52				800
Datasensor UK	42					42
Special Video	29					29
Datasensor Gmbh	45					45
DL PRIVATE India	10					10
Total	1,644	52	(23)	42	0	1,715

The change in "Associates" is due to the Group's share of the results achieved by the associates Idec Datalogic Co. Ltd. and Laservall Asia Co. and to exchange rate adjustments.

Note 4. Financial instruments by category

The balance sheet items coming within the scope of "financial instruments" as defined by IAS/IFRSs are as follows:

31 Mar 2010	Loans and receivables	Derivatives used for hedging transactions	Availability for sale	Total
Non-current financial assets	1,083	-	1,460	2,543
Available-for-sale financial assets / third parties (5)			1,460	1,460
Other receivables (7)	1,083			1,083
Current financial assets	160,400	222	1	160,623
Trade receivables from third parties (7)	68,573			68,573
Other receivables from third parties (7)	4,183			4,183
Available-for-sale financial assets (5)			1	1
Financial assets - Derivative instruments (6)		222		222
Cash & cash equivalents (10)	87,644			87,644
TOTAL	161,483	222	1,461	163,166

31 Mar 2010	Derivatives used for hedging transactions	Other financial liabilities	Total
Non-current financial liabilities	2,645	80,040	82,685
Financial payables (12)		78,497	78,497
Financial liabilities - Derivative instruments (6)	2,645		2,645
Other payables (16)		1,543	1,543
Current financial liabilities	901	166,992	167,893
Trade payables to third parties (16)		49,153	49,153
Other payables (16)		13,781	13,781
Financial liabilities - Derivative instruments (6)	901		901
Short-term financial payables (12)		104,058	104,058
TOTAL	3,546	247,032	250,578

Note 5. Available-for-sale financial assets

AFS financial assets include the following items:

	31/03/2010	31/12/2009	Change
Securities	360	360	0
Government bonds	359	359	0
Other securities	1	1	0
Other equity investments	1,101	1,031	70
Total	1,461	1,391	70

At 31.03.10 the Group owned the following equity interests in other companies:

	31/12/2009	Increases	Forex differences	Write-downs	31/03/2010
- Italy	7				7
Conai	0				0
Caaf Ind. Emilia Romagna - Italy	4				4
Crit srl	51				51
Consorzio T3 Lab	8				8
Mandarin Capital Management SA	617	44			661
Alien technology	344		26		370
Total other equity investments	1,031	44	26	0	1,101

The value of other equity investments consists mainly of:

- § the parent company's investment in Alien Technology Corporation, a US company active in the RFID (radio-frequency identification devices) market;
- § the parent company's investment in the Mandarin Fund, a private equity fund that mainly invests in Italian and Chinese small and medium-sized companies, whose primary investors and sponsors are Intesa San Paolo and two leading Chinese banks.

Note 6. Derivative financial instruments

	31/03/2010		31/12/2009	
	Assets	Liabilities	Assets	Liabilities
Interest rate derivatives - cash flow hedges	-	3,546		2,722
Currency derivatives - cash flow hedges	158	-		
Currency derivatives – fair value hedges	64	-		9
Total	222	3,546	-	2,731
Less non-current portion:		-		
Interest rate derivatives - cash flow hedges	-	2,645		1,917
Current portion	222	901	-	814

Interest rate derivatives

The Group has entered into interest rate derivative contracts to manage the risk stemming from changes in interest rates on bank borrowings, converting them from variable to fixed rate via interest rate swaps having the same amortisation plan as the hedged underlying asset. As envisaged by IAS 39, the fair value of these contracts, totalling €3,546 thousand, is recognised in a specific equity reserve net of the tax effect because they hedge future cash flows and meet all IAS 39 requirements for the application of hedge accounting.

At 31 March 2010, the notional capital of the interest rate swaps was €56,221 thousand (€56,346 thousand at 31 December 2008) and USD 44,825 thousand (USD 44,825 thousand at 31 December 2008).

Currency derivatives

The existing forward contracts hedge foreign exchange risks on the U.S. dollar for an aggregate notional amount of USD 5,460 thousand (USD 1,600 thousand at 31 December 2008) and on the Euro for a total notional amount of €2,160 thousand (equal to zero at 31 December 2008), and have the same amount and maturity as the underlying hedged amount.

Hedged positions comprise:

- § certain cash flows originating from invoices and loans; the changes in the fair value of both the hedging instrument and the hedged instrument are recognised in the income statement according to the fair value hedge method (positive at €64 thousand);
- § highly probable cash flows arising from purchase orders and budgets; so that the requirements for application of hedge accounting are met, the change in the hedging instrument's fair value is stated at equity for the effective part of the hedge (positive at €158 thousand).

Note 7. Trade and other receivables**Trade and other receivables**

	31/03/2010	31/12/2009	Change
Third-party trade receivables	71,366	66,611	4,755
Less: allowance for doubtful accounts	2,793	2,810	(17)
Net third-party trade receivables	68,573	63,801	4,772
Receivables from affiliates	2,073	1,522	551
Idec Datalogic Co Ltd	273	325	(52)
Laservall Asia	943	497	446
Datasensor UK	257	228	29
Datasensor Gmbh	519	428	91
Special Video	6	2	4
DS India	75	42	33
Receivables from the parent company	11	12	(1)
Hydra	11	12	(1)
Related-party receivables	188	120	68
Total trade receivables	70,845	65,455	5,390
Other receivables – current accrued income and prepaid expenses	11,539	10,104	1,435
Other receivables – non-current accrued income and prepaid expenses	1,083	1,242	(159)
Total other receivables - accrued income and prepayments	12,622	11,346	1,276
Less: non-current portion	1,083	1,242	(159)
Trade and other receivables - current portion	82,384	75,559	6,825

Trade receivables

“Trade receivables falling due within 12 months” at 31 March 2010 are equal to €70,845 thousand, up by 8% versus the comparable figure at 31 December 2009.

Receivables from affiliates arise from commercial transactions executed at arm’s length conditions.

Other receivables – accrued income and prepaid expenses

The detail of the item “Other receivables - accrued income and prepaid expenses” is as shown below:

	31/03/2010	31/12/2009	Change
Other current receivables	4,183	3,733	450
Other long-term receivables	1,083	1,242	(159)
VAT Tax Credit	5,075	4,321	754
Accruals and deferrals	2,281	2,050	231
Total	12,622	11,346	1,276

Note 8. Inventories

	31/03/2010	31/12/2009	Change
Raw and ancillary materials and consumables	23,699	20,655	3,044
Work in progress and semi-finished products	6,315	4,575	1,740
Finished products and goods	14,248	13,852	396
Total	44,262	39,082	5,180

Inventories are shown net of an obsolescence provision that at 31 March 2010, amounted to €10,201 thousand (€9,411 thousand at 31 December 2009).

Changes in such provision are shown below:

	2010	2009
1 January	9,411	8,756
Exchange-rate change	380	261
Allocations	1,031	576
Release for scrap and other utilizations	(621)	(431)
31 March	10,201	9,162

Note 9. Tax receivables/tax payables

The item "Tax receivables" includes the amount receivable from parent company Hydra relating to the IRES (corporate tax) credit arising from participation in tax consolidation, of €809 thousand (€1,295 thousand at 31 December 2009).

The item "Tax payables" includes the amount payable to parent company Hydra relating to the IRES (corporate tax) payable arising from participation in tax consolidation, of €1,242 thousand (€618 thousand at 31 December 2008).

Note 10. Cash and cash equivalents

Cash and cash equivalents are broken down as follows for the purposes of the cash flow statement:

	31/03/2010	31/12/2009	Change
Cash and cash equivalents shown on financial statements	87,644	71,693	15,951
Restricted cash	(691)	(667)	(24)
Current account overdrafts	(814)	(113)	(701)
Cash and cash equivalents for statement	86,139	70,913	15,226

According to requirements set forth in Consob Communication no. 15519 of 28 July 2006, the Group's financial position is illustrated in the table that follows:

	31/03/2010	31/12/2009
A. Cash and bank deposits	86,953	71,026
B. Other liquidities	691	667
b1. restricted cash deposit	691	667
C. Securities held for trading	360	360
c1. Short-term	1	1
c2. Long-term	359	359
D. Cash and equivalents (A) + (B) + (C)	88,004	72,053
E. Current financial receivables	0	0
F. Other current financial receivables	222	0
f1. hedging transactions	222	0
G. Bank overdrafts	814	113
H. Current portion of non-current debt	103,244	123,138
I. Other current financial payables	901	814
I1. hedging transactions	901	814
J. Current financial debt (G) + (H) + (I)	104,959	124,065
K. Current financial debt, net (J) - (D) - (E) - (F)	16,733	52,012
L. Non-current bank borrowing	78,497	46,749
M. Other non-current financial receivables	191	180
N. Other non-current liabilities	2,645	1,917
n1. Hedging instruments	2,645	1,917
O. Non-current financial debt (L) + (M) + (N)	80,951	48,486
P. Net financial debt (K) + (O)	97,684	100,498

Net financial debt at 31 March 2010 was €97,684 thousand, an improvement of €2,814 thousand versus 31 December 2009, when it totalled €100,498 thousand.

Note that a number of non-recurring transactions were executed in the period, including:

- purchase of treasury stock for €97 thousand;
- early retirement incentives of €1,528 thousand, already set aside in 2009.

Investments were also made in the amount of €1,252 thousand.

BALANCE SHEET INFORMATION – SHAREHOLDERS' EQUITY AND LIABILITIES

Note 11. Shareholders' equity

The detail of equity accounts is shown below, while changes in equity are reported in the specific statement:

	31/03/2010	31/12/2009
Share capital	30,392	30,392
Share premium reserve	89,140	89,237
Extraordinary share-cancellation reserve	2,813	2,813
Treasury shares held	(17,478)	(17,381)
Treasury share reserve	19,827	19,730
Share capital	124,694	124,791
Cash-flow hedge reserve	(2,415)	(1,936)
Conversion reserve	(9,224)	(14,853)
Held-for-sale financial assets reserve	(81)	(107)
Other reserves	(11,720)	(16,896)
Retained earnings	8,821	20,964
Earnings carried forward	(3,255)	8,875
Capital grant reserve	958	958
Legal reserve	2,430	2,430
IFRS reserve	8,688	8,701
Net profit (loss) for the period	4,135	(12,164)
Total Group shareholders' equity	125,930	116,695

Share capital

Movements in share capital at 31 March 2010 are reported below (in €000):

	Number of shares	Share capital	Extraordinary share-cancellation reserve	Share premium reserve	Treasury shares	Treasury share reserve	Total
01/01/2010	54.945.547	30.392	2.813	89.237	(17.381)	19.730	124.791
Purchase of treasury shares	(23.762)			(97)	(97)	97	(97)
31/03/2010	54.921.785	30.392	2.813	89.140	(17.478)	19.827	124.694

Ordinary shares

The total number of ordinary shares at 31 March 2010 was 58,446,491, of which 3,524,706 were held as treasury shares; total outstanding shares therefore total 54,921,785. The shares have a par value of €0.52 and have been fully subscribed.

Treasury shares

The “treasury shares” account, negative at €17,478 thousand, includes purchases of treasury shares in the amount of €19,827 thousand, which have been recognised net of gains and charges realised following the sale of treasury shares and related tax effects (€2,349 thousand). In the first quarter of 2010, the Group acquired 23,762 treasury shares.

For these purchases, in accordance with article 2453 of the Italian civil code, capital reserves (through the treasury share reserve) in the amount of €19,827 thousand have been made unavailable.

Other reserves

Translation reserve

In compliance with IAS 21, translation differences arising from translation of the foreign currency financial statements of consolidated companies into the Group accounting currency are classified as a separate equity component.

Cash-flow hedge reserve

Following adoption of IAS 39, changes in the fair value of derivative contracts designated as effective hedging instruments are recognised in accounts directly with shareholders' equity, in the cash-flow hedge reserve. These contracts have been concluded to hedge exposure to the risk of interest rate fluctuations on variable-rate loans (negative at €3,546 thousand) and to hedge currency exposure (positive at €158 thousand) and amounts are shown net of the tax effect (€973 thousand).

Financial asset revaluation reserve

This reserve includes the adjustment of the Alien Technology equity investment at the end-of-period exchange rate, which was classified under available-for-sale financial assets.

Cumulative retained earnings

IFRS reserve

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

Retained earnings

This item includes equity changes occurring in consolidated companies after acquisition date.

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

	31 Mar 2010		31 Dec 2009	
	Total equity	Period results	Total equity	Period results
<i>Datalogic SpA shareholders' equity and profit</i>	158,474	675	158,365	15,108
Difference between consolidated companies' net equity and their carrying value in Datalogic SpA's statement; effect of equity-based valuation	4,223	4,053	(5,512)	(5,050)
Reversal of dividends	0	0	0	(22,155)
Amortisation of intangible assets "business combination"	(5,827)	0	(5,827)	0
Effect of acquisition under common control	(31,733)	0	(31,733)	0
Elimination of capital gain on sale of business branch	(3,302)	0	(3,302)	0
Effect of eliminating intercompany transactions	(1,187)	102	(1,289)	879
Reversal of write-downs and capital gains on equity investments	3,682	(481)	4,179	(896)
Transfer of Know How	(7)	0	(7)	1,314
Impairment goodwill	(874)	(75)	(799)	(298)
Other	(730)	(11)	(719)	(483)
Taxes	3,211	(128)	3,339	(583)
Group portion of shareholders' equity	125,930	4,135	116,695	(12,164)

Note 12. Short- and long-term borrowings and financial liabilities

The breakdown of this item is as detailed below:

	31/03/2010	31/12/2009	Change
Bank loans	181,741	169,887	11,854
Bank overdrafts (ordinary current accounts)	814	113	701
Total financial payables	182,555	170,000	12,555

Bank loans

Following is the breakdown of changes in "bank loans" at 31 March 2010:

	2010	2009
1 January	169,887	153,909
Foreign exchange differences	2,835	2,073
Increases	10,000	43,977
Repayments		(7,500)
Decreases for loan payments	(981)	(457)
31 March	181,741	192,002

Increases relate to the creation, on 18 February 2010, of a €10,000 thousand hot money line by the parent company.

Bank loans have maturities until 2020 and approximate annual average interest rates of 2%.

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

Guarantees given by banks in the group's favour total €1,504 thousand. The parent company also issued suretyships for €88,127 thousand (the change from 31 December 2009 stemmed mainly from the exchange rate effect) and letters of patronage for €20,000 thousand against loans by the subsidiaries.

Covenants

As regards the following loans, the companies have been asked to respect, on a semi-annual or annual basis, some financial covenants summarised in the following table:

	Company	Currency	Outstanding debt	Covenants				Frequency	On the financial statements of
1	Datalogic SpA	€	10,000,000	DFL	PN	DFL / PN		annual	Datalogic SpA
2	Datalogic SpA	€	8,500,000	DFL	PN	DFL / PN		annual	Datalogic SpA
3	Datalogic SpA	€	15,000,000	PFN / PN	PFN /EBITDA			annual	Datalogic Group
4	Datalogic SpA	\$	8,800,000	PFN / PN	PFN /EBITDA			annual	Datalogic Group
5	Datalogic Automation Srl	€	4,000,000	DFL	PN	DFL / PN		annual	Datalogic SpA
6	Datalogic Automation Srl	€	30,000,000	PFN / PN	PFN /EBITDA			annual	Datalogic Group
7	Datalogic Automation Srl	€	4,000,000	DFL	PN	DFL / PN		annual	Datalogic SpA
8	Datalogic Scanning Holding Inc	\$	49,400,000	PFN /EBITDA	EBITDA / interest payable	Cash Flow/DFL	Investment value	Half-yearly	Datalogic Group

Key:

PN = Shareholders' Equity

PFN = Net financial position

DFL = Financial gross payables

Cash Flow = Profit/(loss)+depreciation and amortisation

At 31 March 2010, the long-term portion (€49,748 thousand) of loans related to covenants 3, 4 and 6, with which the Group was in non-compliance at 31 December 2009, continue, in accordance with IAS 1, to be reclassified under "short-term financial debt".

In this regard, note that negotiations have been initiated with financial institutions and the Group does not feel there is any risk of revocation of these loans.

The Company has abundant cash (around 88 million) to meet the repayment of most of the loans affected by non-respected covenants.

Note 13. Deferred tax assets and liabilities

Deferred tax assets and liabilities stem both from (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 breakdown of deferred taxes (net balance of deferred tax assets and liabilities) is illustrated as follows:

	31/03/2010	31/12/2009	Change
Datalogic SpA	(1,591)	(1,587)	(4)
Datalogic FRA RE	1	1	-
Informatics	(854)	(881)	27
Datalogic Automation srl (*)	5,208	5,097	111
DL RE France Sa	47	47	-
DL RE UK Ltd	96	96	-
Datalogic Automation Iberia	-	62	(62)
DL RE Germany GmbH	(57)	(75)	18
DL Ab Nordic	-	(3)	3
Datalogic Automation BV	-	(1)	1
Datalogic Mobile srl (*)	(83)	(105)	22
Datalogic Mobile Inc	613	639	(26)
DL Mobile Pty	77	43	34
DL Mobile Asia	(2)	(2)	-
Datalogic Scanning Group	37	51	(14)
Datalogic Scanning Slovakia	379	393	(14)
Datalogic Scanning Holding Inc	2,270	2,124	146
Datalogic Scanning Inc.	(8)	(544)	536
Datalogic Scanning SPA	109	109	-
Datalogic Scanning PTY	100	89	11
Datalogic Scanning UK LTD	12	12	-
Datalogic Scanning GMBH	(282)	(255)	(27)
Datalogic Scanning SAS	71		71
Datalogic Scanning Iberia	2		2
Total long-term net deferred taxes	6,145	5,310	835
Deferred taxes recognised due to effect of consolidation adjustments	1,205	1,098	107
Total long-term net deferred taxes	7,350	6,408	942

(*) they include the balances of the branches

The increase in the deferred taxes of Scanning Inc is related to the exchange rate effect.

Nota 14. Post-employment benefits

The changes were as shown below:

	2010	2009
1 January	7,739	8,392
Amount allocated in the period	417	473
Uses	(667)	(162)
Social security receivables for the employee severance indemnity reserve	(111)	(380)
31 March	7,378	8,323

Note 15. Provisions for risks and charges

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

	31/03/2010	31/12/2009	Change
Short-term provisions	6,423	6,635	(212)
Long-term provisions	5,234	4,319	915
Total provisions for risks and charges	11,657	10,954	703

Below we show the detailed breakdown of and changes in this item.

	31/12/2009	Increases	(Uses) and (Issues)	Forex differences	31/03/2010
Product warranty provision	4,462	568	(50)	136	5,116
Provision for management incentive plan	2,701	-	(521)	-	2,180
Provision for management incentive scheme	1,372	730	(48)	40	2,094
Other	2,419	48	(271)	71	2,267
Total provisions for risks and charges	10,954	1,346	(890)	247	11,657

The "**product warranty provision**" covers the estimated cost of repairing products sold as up to 31 March 2010 and covered by periodical warranty; it amounts to €5,116 thousand (of which €2,290 thousand long-term) and is considered sufficient in relation to the specific risk it covers

The "**restructuring provision**" concerns a restructuring plan launched by the Group in 2009 and that will be concluded in the first half of this year.

The increase in the "**management incentive plan allocation**" was due to the provision for a long-term plan for directors and managers for the period 2010 – 2012.

The "**Others**" item consists mainly of:

- § €1,203 thousand (of which €96 thousand long-term) for a stock rotation provision related to the Scanning Group, Mobile Group, and Informatics;
- § €182 thousand attributable to the Scanning division and provisioned for compliance with Directive 2002/95/EC on the restriction of the use of certain hazardous substances in electrical and electronic equipment, as enacted in Italian law by Legislative Decree no. 151 of 25 May 2005;
- § €350 thousand referring to a dispute in place regarding the ten-year ILOR exemption, set forth by D.P.R. 218/78 (Unified law on actions in Southern Italy), in relation to the former Datasud, for the year 2006. The decrease of this provision, equal to €752 thousand, is due to payment of the amount provisioned at 31 December 2008, against a certification relating to the former Datasud for the FY1999/2000;
- § €218 thousand for agent termination indemnities;

§ €305 thousand provisioned against compensation to be paid to a supplier in the eventuality of non-performance of a contractual clause.

Note 16. Trade and other payables

This table shows the details of trade and other payables:

	31/03/2010	31/12/2009	Change
Trade payables due within 12 months	49,153	43,585	5,568
Third-party trade payables	49,153	43,585	5,568
Payables to associates	64	30	34
<i>Idec Datalogic CO Ltd</i>	36	24	12
<i>Special Video</i>	0	3	-3
<i>Laservall Asia</i>	28	3	25
Payables to related parties	188	201	(13)
Total trade payables	49,405	43,816	5,589
Other payables – current accrued liabilities and deferred income	27,131	23,020	4,111
Other payables – non-current accrued liabilities and deferred income	1,543	1,459	84
Total other payables – accrued liabilities and deferred income	28,674	24,479	4,195
Less: non-current portion	1,543	1,459	84
Current portion	76,536	66,836	9,700

Other payables – accrued liabilities and deferred income

The detailed breakdown of this item is as follows:

	31/03/2010	31/12/2009	Change
Other current payables	13,781	12,344	1,437
Other long-term payables	1,543	1,459	84
VAT liabilities	3,394	1,874	1,520
Accruals and deferrals	9,956	8,802	1,154
Total	28,674	24,479	4,195

The detailed breakdown of “Other current payables” is as follows:

	31/03/2010	31/12/2009	Change
Payables to pension and social security agencies	2,088	2,910	(822)
Payables to employees	10,953	8,509	2,444
Directors’ remuneration payable	166	116	50
Other payables	574	809	(235)
Total	13,781	12,344	1,437

Amounts payable to employees represent the amount due for salaries and vacations accrued by employees as at balance sheet date. The increase in this item is mainly due to the provision, in 2010, of the variable compensation that was frozen last year and to the payable for vacation days accrued but not taken.

INFORMATION ON THE INCOME STATEMENT

Note 17 - Revenues

	31/03/2010	31/03/2009	Change
Revenues from sale of products	86,130	69,631	16,499
Revenues for services	3,390	3,463	(73)
Total revenue	89,520	73,094	16,426

Revenue from sales and services increased by 22.5% year-on-year (25.7% at constant exchange rates).

Below is the geographical breakdown of revenue in percentage terms:

	31/03/2010	31/03/2009	Change
Revenue in Italy	10%	13%	-3%
Revenue – EU	39%	42%	-3%
Revenue – Rest of World	51%	45%	6%

Note 18 - Cost of goods sold and operating costs

Pursuant to the introduction of IAS principles, the following table reports non-recurring costs and amortisation arising from acquisitions as extraordinary items no longer listed separately but included in ordinary operations.

	31/03/2010	31/03/2009	Change
TOTAL COST OF GOODS SOLD (1)	49,046	44,122	4,924
<i>of which non-recurring</i>	-	-	
TOTAL OPERATING COSTS (2)	34,088	34,688	(600)
R&D expenses	6,067	6,802	(735)
<i>of which non-recurring</i>	-	-	
Distribution expenses	17,826	18,025	(199)
<i>of which non-recurring</i>	-	-	
General & administrative expenses	9,665	9,129	536
<i>of which non-recurring</i>	-	-	
<i>of which amortisation pertaining to acquisitions</i>	973	1,058	(85)
Other operating costs	530	732	(202)
<i>of which non-recurring</i>	-	-	
TOTAL (1+2)	83,134	78,810	4,324
<i>of which non-recurring</i>	-	-	
<i>of which amortisation pertaining to acquisitions</i>	973	1,058	(85)

Depreciation & amortisation pertaining to acquisitions (amounting to €973 thousand), included in the item "General & administrative expenses" are comprised as follows:

1. €324 thousand pertaining to Datalogic Automation Srl,
2. €145 thousand pertaining to Informatics,
3. €440 thousand pertaining to Datalogic Scanning Inc, and
4. €64 thousand pertaining to Datalogic Mobile Inc.

Total cost of goods sold (1)

This item increased by 11% compared with the same period of 2009, with an increase of 22% in revenue. This was mainly owing to the internalisation of a portion of production following the opening of the plant in Vietnam, and the sale of more profitable products compared with the previous year.

Total operating costs (2)

Operating costs, net of non-recurring items and amortisation and depreciation relating to acquisitions, fell from €33,630 thousand to €33,115 thousand. More specifically,

- "R&D expenses" fell by €735 thousand (- €581 thousand at constant exchange rates) versus the same period the previous year. This fall was mainly due to lower payroll and employee benefits costs (down €283 thousand at constant exchange rates) and the fall in costs relating to amortisation, depreciation and write-downs (down €275 thousand at constant exchange rates) following the reclassification of depreciation of the moulds category, which in 2010 were included under "costs of goods sold".
- "distribution expenses" totalled €17,826 thousand, and were in line with the same period last year; specifically, at constant exchange rates, an increase in payroll and employee benefits costs (€598 thousand) was offset by a general fall in other expenditure items.
- "general and administrative expenses" amounted to €9,665 thousand. This item, net of extraordinary items and at constant exchange rates, registers an increase of approximately €775 thousand, versus the same period of last year, mainly owing to the increase in payroll and employee benefits costs (€887 thousand at constant exchange rates).

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

	31/03/2010	31/03/2009	Change
Capital losses on assets	20	7	13
Contingent liabilities	5	10	(5)
Provisions for doubtful accounts	294	402	(108)
Allocation to the risk reserve	-	-	-
Non-income taxes	147	160	(13)
Cost charge backs	62	80	(18)
Other	2	73	(71)
Total other operating costs	530	732	(202)

Breakdown of costs by type

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

	31/03/2010	31/03/2009	Change
Purchases	36,122	31,877	4,245
Payroll & employee benefits	27,348	26,852	496
Amortisation, depreciation and write-downs	3,861	4,629	(768)
Goods receipt & shipment	2,664	2,533	131
Subcontracted work	1,936	1,454	482
Technical, legal, and tax advisory services	1,382	1,432	(50)
Marketing expenses	1,374	1,324	50
Building expenses	1,262	1,354	(92)
Repairs	1,114	1,058	56
Travel & accommodation	1,108	1,025	83
Material collected from the warehouse	981	546	435
Vehicle expenses	834	890	(56)
Telephone expenses	563	567	(4)
Other operating costs	530	732	(202)
Repair warranty provision	518	(277)	795
Utilities	492	534	(42)
Directors' remuneration	434	373	61
Accounts certification expenses	360	339	21
Patents and branding	311	283	28
Consumables	272	221	51
EDP expenses	267	351	(84)
Entertainment expenses	211	227	(16)
Inventory change	(3,599)	(2,441)	(1,158)
Other	2,789	2,927	(138)
Total (1+2)	83,134	78,810	4,324

Marketing costs totalled €1,374 thousand. The main items are as follows: €668 thousand for advertising and sponsorship expenses, €337 thousand for the company's share of the marketing expenses incurred by commercial partners, and €256 thousand for trade-event costs. The YOY increase reflects the shared costs of marketing expenses borne by commercial partners, while other expenditure items decreased

The increase in the item "Repair warranty provision" is related to the rise in sales.

The detail of the item "Other operating costs" is provided under Note 18, point 2.

The "Other" item is made up of a number of expenses, all amounting to less than €200 thousand.

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

	31/03/2010	31/03/2009	Change
Wages and salaries	21,010	20,326	684
Social security charges	4,281	4,529	(248)
Staff leaving indemnities	417	473	(56)
Retirement and similar benefits	190	179	11
Medium- to long-term managerial incentive plan	692	181	511
Other costs	758	1,164	(406)
- of which leaving incentives	(4)	83	(87)
Total	27,348	26,852	496

The item "Wages and salaries" equal to €21,010 thousand, includes Sales commissions and incentive payments for €3,653 thousand (€1,206 thousand at 31 March 2009).

The decrease in "Other costs" is attributable to the decrease in benefits paid out by the US companies following the staff cuts in April – May 2009.

Note 19 - Other operating revenues

The detailed breakdown of this item is as follows:

	31/03/2010	31/03/2009	Change
Miscellaneous income and revenue	248	365	(117)
Rents and lease amounts	44	55	(11)
Capital gains on asset disposals	3	14	(11)
Incidental income and cost cancellation	11	21	(10)
Grants to research and development expenses	18	85	(67)
Other	14	32	(18)
Total other revenues	338	572	(234)

20. Net financial income

	31/03/2010	31/03/2009	Change
Interest expenses on bank current accounts/loans	1,220	1,897	(677)
Foreign exchange losses	3,056	2,087	969
Bank expenses	235	132	103
Other	137	4	133
Total financial expenses	4,648	4,120	528
Interest income on bank current accounts/loans	162	334	(172)
Foreign exchange gains	3,936	2,190	1,746
Other	10	1	9
Total financial income	4,108	2,525	1,583
Net financial income (expenses)	(540)	(1,595)	1,055

Total financial expenses

The item "Foreign exchange losses" amounted to €3,056 thousand and refers mainly to the parent company (€1,232 thousand), the Scanning Group (€999 thousand), the Mobile Group (€600 thousand) and the Automation Group (€190 thousand).

This item includes €273 thousand arising from exchange rate risk hedge transactions.

Total financial income

The item "Foreign exchange gains" totalled €3,936 thousand and refers mainly to the parent company (€2,040 thousand), the Scanning Group (€1,022 thousand), the Mobile Group (€470 thousand) and the Automation Group (€403 thousand).

This item includes €139 thousand arising from exchange rate risk hedge transactions.

Note 21 - Taxes

	31/03/2010	31/03/2009
Income tax	2,865	(1,184)
Deferred tax	(787)	(86)
Total	2,078	(1,270)

The average tax rate comes to 33.4% (18.69% at 31 March 2009).

Note 22. Earnings/loss per share**Basic Earnings/loss per share**

	31/03/2010	31/03/2009
Group profit/(loss) for period	4,135,000	(5,522,000)
Average number of shares	54,934,626	55,322,832
Basic earnings/(loss) per share	0.0753	-0.0998

Basic earnings per share at 31 March 2010 is calculated by dividing the Group net profit of €4,135 thousand (group net loss of €5,522 thousand as at 31 March 2009) by the weighted average number of ordinary shares outstanding at 31 March 2010 (54,934,626 shares, compared with 55,322,832 at 31 March 2009).

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.

The parent company of the Datalogic Group is Hydra S.p.A.

Infragroup transactions are executed as part of the ordinary operations and at arm's length conditions. Furthermore, there are other relationships with related parties, chiefly with parties that control the parent company, or with individuals that carry out the coordination and management of Datalogic S.p.A..

Related-party transactions refer chiefly to commercial and securities transactions (instrumental spaces for the Group under lease or leased to the parent company) as well as to companies joining the scope of tax consolidation. None of these assumes particular economic or strategic importance for the Group since receivables, payables, revenue and cost to the related parties are not a significant proportion of the total amount of the financial statements.

RELATED PARTIES	Idec DI Co. Ltd.	Hydra (parent company)	Hydra Immobiliare	Non consolidated Automation Group companies	MSP Imm	Studio Associato Caruso	Tamburi Investment Partners SpA	Laservall Asia	TOTAL 31/03/10
	associate	parent company	company headed by Chairman of BoD	associates, associated companies	subsidiary of the Hydra S.p.A. Group	controlled by a company director.	controlled by a company director.	associate	
Equity investments	789	-	-	126	-	-	-	800	1,715
DI Automation Srl	789			126				800	1,715
Trade receivables	273	11	68	857	120	-	-	943	2,272
Datalogic Real Estate srl		11							11
DI Automation Srl	273		68	857	120			943	2,261
Receivables pursuant to tax consolidation	2,845	755	-	-	-	-	-	-	3,600
DI Spa		755							755
DI Automation Srl	2,845								2,845
Financial receivables	-	-	-	-	-	-	-	191	191
DI Automation Srl								191	191
Liabilities pursuant to tax consolidation	-	1,242	-	-	-	-	-	-	1,242
DI Mobile Srl		838							838
Datalogic Real Estate srl		20							20
DI Scanning Group Srl		384							384
Trade payables	36	-	125	-	-	46	17	28	252
DI Spa			1			37	17		55
Datalogic Real Estate srl						1			1
DI Automation Srl	36		124					28	188
DI Mobile Srl						8			8
Distribution / service expenses	26	-	44	-	14	78	17	28	207
DI Spa			9		4	46	17		76
Datalogic Real Estate srl						1			1
DI Automation Srl	26		35		10	18		28	117
DI Scanning Group Srl						5			5
DI Mobile Srl						8			8
Commercial revenue	423	-	-	604	-	-	-	962	1,989
DI Automation Srl	423			604				962	1,989

NUMBER OF EMPLOYEES

	31/03/2010	31/03/2009	Change
Automation Group	600	713	(113)
Mobile Group	344	414	(70)
DL S.p.A.	44	47	(3)
Scanning Group	898	846	52
Informatics	107	111	(4)
DL Real Estate	7	8	(1)
TOTAL	2,000	2,139	(139)

The Chairman of the Board of Directors
Romano Volta

DICHIARAZIONE AI SENSI DELL'ART. 154 BIS, COMMA 2, D.LGS. N. 58/1998

Oggetto: Resoconto Intermedio di gestione al 31 marzo 2010

Il sottoscritto Dott. Marco Rondelli, quale Dirigente Preposto alla redazione dei documenti contabili societari di Datalogic S.p.A.

attesta

in conformità a quanto previsto dal secondo comma dell'art. 154 bis, comma secondo, del decreto legislativo 24 febbraio 1998, n. 58 che il resoconto intermedio di gestione al 31 marzo 2010 corrisponde alle risultanze documentali, ai libri e alle scritture contabili.

Datalogic S.p.A.



(Marco Rondelli)

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