

DATALOGIC

BUY

SECTOR: Industrials

Price (Eu):

6.61

Andrea Randone +39-02-77115.364
e-mail: andrea.randone@intermonte.it

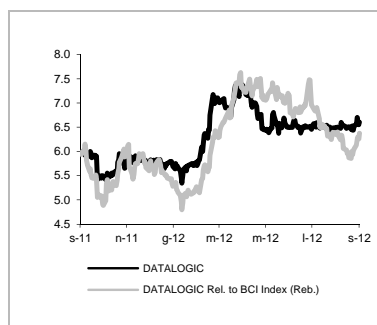
Target Price (Eu):

9.50

Very Strong Fundamentals Despite Some Market Softening In 2012

- Datalogic presented its 2012-14 industrial plan**, projecting very strong 2014 figures but at the same time indicating some softening on 2012 performance due to deteriorating market conditions in Europe and some delays in certain large projects. Nevertheless, the group's positioning was confirmed as being strong, as were underlying growth trends. Encouraging signs of recovery are expected as of 4Q12. We remind that the 2012-2014 business plan takes into account the integration of PPT Vision, acquired at the end of December 2011, and of Accu-Sort Systems, acquired in January 2012.
- Estimates updated in light of company indications.** For 2012, we have basically aligned our revenue and EBITDA estimates to the mid-range of company indications (2012 EPS down 13%). Conversely, for 2014 we have increased our forecasts slightly (2014 EPS up 5%), nevertheless leaving our figures almost 10% below company indications for EBITDA. Finally, for 2013 we have only fine-tuned our estimates, trimming EPS by just 2%: implicitly, in light of a lower 2012 starting base, we have raised 2013 top line growth to 11.5% YoY (previously 6.5%).
- Management indications confirm our positive view on the stock.** As far as 2012 is concerned, Datalogic is still outperforming its main competitors in its reference market, although the market is currently registering a lacklustre performance (in 1H12, the Group's main competitors posted average growth of +0.6% YoY). Great opportunities remain untapped in the two markets in which the Group operates: in the ADC sector, Datalogic aims to grow at a 2011-2014 CAGR of approximately 12% versus the market's 5.7% thanks to increased market shares in North America and emerging markets; Datalogic will also address new sectors with higher potential, such as pharmaceuticals and healthcare. In the Industrial Automation market, Datalogic plans to outperform its reference market, leveraging on the complete integration of the acquired companies into Datalogic Automation and thanks to the promising machine vision technology sector, in which it has gained a foothold through the acquisition of PPT Vision.
- BUY, target Eu9.5 unchanged.** We consider the softening of 2012 market trends as a temporary factor that does not compromise future prospects nor our investment case on the stock, which remains very attractive even after the estimate revision (9.5x 2012 P/E). It is important to point out that Datalogic enjoys an excellent market positioning in its reference markets, major diversification both in terms of customers served and geographical footprint, with fast growing exposure to emerging markets (which currently represent about 20% of turnover) and limited exposure to Italy (about 9% of turnover). Finally, the company's ability to produce strong cashflow allows Datalogic the opportunity to consolidate its positioning further through targeted acquisitions going forward.

DATALOGIC - 12m Performance



RATING: Unchanged

TARGET PRICE (Eu): Unchanged

| Change in EPS est: | 2012E | 2013E |
|--------------------|--------|-------|
| | -12.9% | -2.2% |

STOCK DATA

Reuters code: DAL.MI
Bloomberg code: DAL IM

| Performance | 1m | 3m | 12m |
|----------------|-----------|--------|-------|
| Absolute | 1.7% | 1.6% | 11.0% |
| Relative | 0.3% | -12.4% | 7.4% |
| 12 months H/L: | 7.38/5.35 | | |

SHAREHOLDER DATA

| | |
|--------------------------------|-------|
| No. of Ord. shares (mn): | 58 |
| Total No. of shares (mn): | 58 |
| Mkt Cap Ord (Eu mn): | 386 |
| Total Mkt Cap (Eu mn): | 386 |
| Mkt Float - ord (Eu mn): | 104 |
| Mkt Float (in %): | 26.9% |
| Main shareholder: | |
| Hydra Spa (controlled by Voli) | 67.1% |

BALANCE SHEET DATA

| | 2012 |
|---------------------------------|------|
| Book value (Eu mn): | 186 |
| BVPS (Eu): | 3.18 |
| P/BV: | 2.1 |
| Net Financial Position (Eu mn): | -147 |
| Enterprise value (Eu mn): | 533 |

| Key Figures | 2010A | 2011A | 2012E | 2013E | 2014E |
|--------------------|-------|-------|-------|-------|-------|
| Sales (Eu mn) | 393 | 426 | 480 | 535 | 589 |
| Ebitda (Eu mn) | 50 | 51 | 75 | 88 | 97 |
| Net profit (Eu mn) | 18 | 26 | 39 | 45 | 53 |
| EPS - New (Eu) | 0.348 | 0.585 | 0.694 | 0.810 | 0.955 |
| EPS - Old (Eu) | | 0.585 | 0.797 | 0.828 | 0.910 |
| DPS (Eu) | 0.150 | 0.150 | 0.150 | 0.150 | 0.150 |

| Ratios & Multiples | 2010A | 2011A | 2012E | 2013E | 2014E |
|--------------------|-------|-------|-------|-------|-------|
| P/E | 19.0 | 11.3 | 9.5 | 8.2 | 6.9 |
| Div. Yield | 2.3% | 2.3% | 2.3% | 2.3% | 2.3% |
| EV/Ebitda | 9.5 | 7.5 | 6.9 | 5.6 | 4.7 |
| ROCE | 16.0% | 16.3% | 20.4% | 21.2% | 23.7% |

The reproduction of the information, recommendations and research produced by Intermonte SIM contained herein, and of any of its parts, is strictly prohibited. None of the contents of this document may be shared with third parties without Company authorization.

DATALOGIC - KEY FIGURES

| | 2010A | 2011A | 2012E | 2013E | 2014E | |
|----------------------------------|--------------------------------------|------------|------------|------------|------------|-------|
| | 31/12/2010 | 31/12/2011 | 31/12/2012 | 31/12/2013 | 31/12/2014 | |
| Fiscal year end | | | | | | |
| PROFIT & LOSS (Eu mn) | Sales | 393 | 426 | 480 | 535 | 589 |
| | EBITDA | 50 | 51 | 75 | 88 | 97 |
| | EBIT | 35 | 36 | 57 | 71 | 79 |
| | Financial income (charges) | (7) | (4) | (10) | (10) | (7) |
| | Associates & Others | 0 | 0 | 0 | 0 | 0 |
| | Pre-tax profit (Loss) | 28 | 33 | 52 | 61 | 73 |
| | Taxes | (10) | (7) | (12) | (17) | (20) |
| | Tax rate (%) | 36.0% | 22.0% | 24.0% | 27.0% | 27.0% |
| | Minorities & discontinue activities | 0 | 0 | 0 | 0 | 0 |
| | Net profit | 18 | 26 | 39 | 45 | 53 |
| | Total extraordinary items | (2) | (8) | (1) | (3) | (3) |
| | Ebitda excl. extraordinary items | 49 | 59 | 77 | 88 | 97 |
| | Ebit excl. extraordinary items | 38 | 49 | 63 | 74 | 83 |
| | Net profit restated | 20 | 34 | 41 | 47 | 56 |
| PER SHARE DATA (Eu) | Total shares out (mn) - average fd | 58 | 58 | 58 | 58 | 58 |
| | EPS stated fd | 0.308 | 0.443 | 0.674 | 0.765 | 0.909 |
| | EPS restated fd | 0.348 | 0.585 | 0.694 | 0.810 | 0.955 |
| | BVPS fd | 2.398 | 2.913 | 3.177 | 3.791 | 4.551 |
| | Dividend per share (ord) | 0.150 | 0.150 | 0.150 | 0.150 | 0.150 |
| | Dividend per share (sav) | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| | Dividend pay out ratio (%) | 48.6% | 33.8% | 22.3% | 19.6% | 16.5% |
| CASH FLOW (Eu mn) | Gross cash flow | 34 | 40 | 57 | 63 | 71 |
| | Change in NWC | 22 | 3 | (10) | (3) | (3) |
| | Capital expenditure | (10) | (14) | (14) | (16) | (16) |
| | Other cash items | 0 | 0 | 0 | 0 | 0 |
| | Free cash flow (FCF) | 46 | 30 | 34 | 44 | 52 |
| | Acquisitions, divestments & others | (20) | (4) | (104) | 0 | 0 |
| | Dividend | 0 | (8) | (9) | (9) | (9) |
| | Equity financing/Buy-back | 0 | 0 | (3) | 0 | 0 |
| | Change in Net Financial Position | 24 | 17 | (88) | 36 | 43 |
| BALANCE SHEET (Eu mn) | Total fixed assets | 206 | 222 | 313 | 311 | 310 |
| | Net working capital | 17 | 14 | 24 | 27 | 29 |
| | Long term liabilities | (7) | (7) | (4) | (4) | (5) |
| | Net capital employed | 217 | 230 | 333 | 333 | 334 |
| | Net financial position | (76) | (59) | (147) | (112) | (68) |
| | Group equity | 140 | 170 | 186 | 222 | 266 |
| | Minorities | 0 | 0 | 0 | 0 | 0 |
| | Net equity | 140 | 170 | 186 | 222 | 266 |
| ENTERPRISE VALUE (Eu mn) | Average mkt cap - current | 386 | 386 | 386 | 386 | 386 |
| | Adjustments (associate & minorities) | 0 | 0 | 0 | 0 | 0 |
| | Net financial position | (76) | (59) | (147) | (112) | (68) |
| | Enterprise value | 463 | 445 | 533 | 498 | 455 |
| RATIOS(%) | EBITDA margin* | 12.5% | 13.9% | 16.0% | 16.5% | 16.5% |
| | EBIT margin* | 9.7% | 11.5% | 13.1% | 13.9% | 14.1% |
| | Gearing - Debt/equity | 54.6% | 34.9% | 79.4% | 50.5% | 25.7% |
| | Interest cover on EBIT | 5.0 | 10.1 | 5.8 | 7.3 | 11.9 |
| | Debt/Ebitda | 1.54 | 1.17 | 1.96 | 1.26 | 0.70 |
| | ROCE* | 16.0% | 16.3% | 20.4% | 21.2% | 23.7% |
| | ROE* | 14.0% | 16.7% | 22.1% | 21.9% | 21.8% |
| | EV/CE | 2.1 | 2.0 | 1.9 | 1.5 | 1.4 |
| | EV/Sales | 1.2 | 1.0 | 1.1 | 0.9 | 0.8 |
| | EV/Ebit | 12.1 | 9.1 | 8.5 | 6.7 | 5.5 |
| | Free Cash Flow Yield | 11.8% | 7.7% | 8.7% | 11.5% | 13.5% |
| GROWTH RATES (%) | Sales | 25.9% | 8.3% | 12.8% | 11.5% | 10.0% |
| | EBITDA* | 149.2% | 21.0% | 29.7% | 15.2% | 10.0% |
| | EBIT* | 500.6% | 27.9% | 29.2% | 18.2% | 11.6% |
| | Net profit | nm | 43.7% | 52.0% | 13.4% | 18.9% |
| | EPS restated | nm | 68.1% | 18.7% | 16.7% | 17.9% |

* Excluding extraordinary items

Source: Intermonte SIM estimates

Datalogic approves 2012-2014 business plan

On 28th September, Datalogic presented its 2012-14 industrial plan, projecting very strong 2014 figures but at the same time indicating some softening on 2012 performance due to deteriorating market conditions in Europe and some delays in certain large projects. Nevertheless, the group's positioning was confirmed as being strong, as were underlying growth trends. Encouraging signs of recovery trends are expected as of 4Q12.

We remind that the 2012-2014 business plan takes into account the integration of PPT Vision, acquired at the end of December 2011, and of Accu-Sort Systems, acquired in January 2012.

| €mln | 2011 | Estimate | |
|--------------------|-------|-------------|----------------|
| | | Target 2014 | CAGR 2011-2014 |
| Revenues | 425.5 | 600-620 | >13% |
| EBITDA | 59.2 | 105-110 | >23% |
| EBITDA margin | 14% | 17%-18% | |
| ROE | 17.7% | 22-23% | |
| NFP ⁽¹⁾ | (59) | (40-50) | |

Main assumptions underlying the plan: in the ADC sector, Datalogic aims to grow at a 2011-2014 CAGR of approximately 12% versus the market's 5.7% (VDC market estimates), the group's market share is expected to increase in North America and in emerging markets such as China, South-East Asia, Latin America and Eastern Europe. Datalogic will also address new sectors with higher potential, such as pharmaceuticals and healthcare. In the highly-fragmented Industrial Automation market, Datalogic plans to grow at a 2011-2014 CAGR of +7% (like-for-like) compared with +5.3% expected by VDC for the whole reference market, leveraging on the complete integration of the acquired companies into Datalogic Automation and thanks to the promising machine vision technology sector, following the acquisition of PPT Vision.

Looking at historical trends (at the end of 2008 and throughout 1H09 the market was really weak, but in 2010 it recovered dramatically) we remain confident on 2014 expectations and confirm our positive view on the stock.

Focus on 2012

As far as 2012 is concerned, Datalogic's reference market is currently registering a lacklustre performance (in 1H12, the Group's main competitors posted average growth of +0.6% YoY), mainly in Europe. Datalogic is also suffering from delays to some important projects, which largely relate to Accu-Sort's core activities. For these reasons, the company's 2012 projections are below our previous expectations: in detail, revenues are forecast to increase by 12-14% YoY, while EBITDA is expected to increase by 25-30% YoY. Notably, Datalogic is still outperforming its main competitors in its reference market. Our new estimates are now aligned to the mid-range of company guidance.

Datalogic - 2012 guidance vs. Intermonte old est.

| | 2012E guidance | | Intermonte old estimates |
|----------|----------------|-------|-----------------------------|
| | MIN | MAX | |
| Revenues | 476.6 | 485.1 | 508.8 |
| YoY | 12.0% | 14.0% | |
| EBITDA | 74.0 | 77.0 | 83.3 |
| % margin | 15.5% | 15.9% | 16.4% |

Source: Company data and Intermonte SIM estimates

We expect 3Q12 revenues to represent the lowest quarterly contribution in the year, whereas 4Q12 results should show a comfortable recovery.

The tax rate in FY12 has been confirmed at around 23-24%.

Finally, the strong focus on working capital management is expected to generate healthy cashflow in the final part of the year, taking net debt below Eu150mn by YE12 from Eu171.8mn as at the end of June 2012.

Datalogic - Quarterly figures

| (Eu mn) | 1Q11A | 2Q11A | 1H11A | 2H11A | 2011 A | 1Q12A | 2Q12A | 1H12A | 2H12E | 2012 E |
|--------------------|-------|-------|-------|-------|--------|-------|-------|-------|-------|--------|
| Net sales | 105.0 | 105.3 | 210.2 | 215.3 | 425.5 | 115.4 | 121.5 | 236.9 | 243.2 | 480.0 |
| YoY growth | 17.2% | 3.9% | 10.2% | 6.6% | 8.3% | 9.9% | 15.4% | 12.7% | 12.9% | 12.8% |
| EBITDA | 14.9 | 16.9 | 31.8 | 27.4 | 59.2 | 18.5 | 22.2 | 40.6 | 34.6 | 75.2 |
| Ebitda margin | 14.2% | 16.0% | 15.1% | 12.7% | 13.9% | 16.0% | 18.2% | 17.2% | 14.2% | 15.7% |
| Non recurring | 0.0 | (7.4) | (7.4) | (1.0) | (8.4) | 0.0 | (1.6) | (1.6) | 0.0 | (1.6) |
| D&A | (3.8) | (3.6) | (7.4) | (7.0) | (14.4) | (3.3) | (4.4) | (7.8) | (8.4) | (16.2) |
| EBIT | 11.1 | 5.8 | 16.9 | 19.5 | 36.4 | 15.2 | 16.1 | 31.3 | 26.2 | 57.5 |
| Ebit margin | 10.6% | 5.5% | 8.0% | 9.1% | 8.6% | 13.2% | 13.3% | 13.2% | 10.8% | 12.0% |
| Net financials | (1.5) | (1.4) | (2.9) | (0.7) | (3.6) | (0.6) | (3.3) | (3.9) | (6.0) | (9.9) |
| Associates / forex | (1.4) | (0.7) | (2.1) | 2.5 | 0.4 | (4.2) | 8.7 | 4.5 | (0.3) | 4.3 |
| Pre tax profit | 8.2 | 3.7 | 11.9 | 21.3 | 33.2 | 10.4 | 21.6 | 32.0 | 19.8 | 51.8 |
| Taxes | (2.5) | (1.5) | (4.1) | (3.6) | (7.3) | (0.4) | (5.1) | (5.4) | (5.4) | (12.4) |
| Tax rate | 30.9% | 41.7% | 34.2% | 17.0% | 22.0% | 3.5% | 23.5% | 17.0% | 27.0% | 24.0% |
| Minorities | | | | | 0.0 | | | | | 0.0 |
| Net profit | 5.7 | 2.2 | 7.8 | 17.7 | 25.9 | 10.0 | 16.5 | 26.6 | 14.5 | 39.4 |

Change in estimates

Datalogic - Change in estimates

| | New Estimates | | | Old estimates | | | % change | | |
|-------------------------|---------------|--------------|--------------|---------------|--------------|--------------|---------------|--------------|-------------|
| | 2012 | 2013 | 2014 | 2012 | 2013 | 2014 | 2012 | 2013 | 2014 |
| Net sales | 480.0 | 535.4 | 588.9 | 508.8 | 541.9 | 562.0 | -5.7% | -1.2% | 4.8% |
| YoY growth | 12.8% | 11.5% | 10.0% | 19.6% | 6.5% | 3.7% | | | |
| EBITDA reported | 75.2 | 88.5 | 97.3 | 83.3 | 90.1 | 93.8 | -9.7% | -1.8% | 3.8% |
| Ebitda margin | 15.7% | 16.5% | 16.5% | 16.4% | 16.6% | 16.7% | | | |
| YoY growth | 48.0% | 17.6% | 10.0% | 63.9% | 8.1% | 4.1% | | | |
| D&A tang | (17.7) | (17.9) | (18.2) | (17.9) | (18.1) | (18.2) | | | |
| Goodwill | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | | | |
| D&A intang. | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | | | |
| EBIT reported | 57.5 | 70.5 | 79.1 | 65.4 | 72.0 | 75.6 | -12.1% | -2.0% | 4.7% |
| Ebit margin | 12.0% | 13.2% | 13.4% | 12.9% | 13.3% | 13.4% | | | |
| YoY growth | 57.8% | 22.7% | 12.2% | 79.4% | 10.1% | 5.0% | | | |
| Net financials | (9.9) | (9.7) | (6.7) | (9.9) | (9.7) | (6.7) | | | |
| Associates | 0.3 | 0.4 | 0.4 | 0.3 | 0.4 | 0.4 | | | |
| FOREX | 4.0 | 0.0 | 0.0 | 4.0 | 0.0 | 0.0 | | | |
| Pre tax profit | 51.8 | 61.2 | 72.8 | 59.7 | 62.7 | 69.2 | -13.2% | -2.3% | 5.1% |
| Taxes | (12.4) | (16.5) | (19.7) | (14.3) | (16.9) | (18.7) | | | |
| tax rate | 24.0% | 27.0% | 27.0% | 24.0% | 27.0% | 27.0% | | | |
| Minorities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | | | |
| Net income | 39.4 | 44.7 | 53.1 | 45.4 | 45.7 | 50.6 | -13.2% | -2.3% | 5.1% |
| Rest. Net Income | 40.6 | 47.3 | 55.8 | 46.6 | 48.4 | 53.2 | -12.9% | -2.2% | 4.9% |
| YoY growth | 18.7% | 16.7% | 17.9% | 36.2% | 3.9% | 9.9% | | | |

Source: Intermonte SIM estimates

In light of company indications we have updated our estimates. For 2012, we have basically aligned our revenue and EBITDA estimates to the mid-range of company indications. Conversely, for 2014 we have slightly increased our forecasts, nevertheless leaving our figures almost 10% below company EBITDA indications. Finally, for 2013 we have only fine-tuned our estimates, trimming EPS by just 2%: implicitly, in light of a lower 2012 starting base, we have raised 2013 top line growth to 11.5% YoY (previously 6.5%).

Datalogic - 2012-14 Business Plan and Intermonte Estimates

| (Eu mn) | Intermonte | | | Company targets 2014 E | Intermonte vs. targets 2014 E |
|----------------------|------------|---------|--------|---------------------------|----------------------------------|
| | 2012 E | 2013 E | 2014 E | | |
| Revenues | 480.0 | 535.4 | 588.9 | 600-620 | -3.5% |
| EBITDA | 75.2 | 88.5 | 97.3 | 105-110 | -9.5% |
| EBITDA margin | 15.7% | 16.5% | 16.5% | 17%-18% | |
| ROE | 22.9% | 21.9% | 20.0% | 22%-23% | |
| Net Debt | (147.4) | (111.9) | (68.5) | 40-50 | |

Source: Company data and Intermonte SIM estimates

DATALOGIC Peer Group - Absolute Performances

| Stock | Price | Ccy | Mkt cap | 1M | 3M | 6M | YTD | 1Y | 2Y |
|-------------------------|------------|------------|--------------|-------------|-------------|--------------|--------------|--------------|--------------|
| DATALOGIC | 6.6 | EUR | 386.0 | 1.7% | 1.6% | -5.7% | 14.9% | 11.0% | 50.8% |
| INTERMEC | 6.2 | USD | 373.3 | 2.5% | 1.1% | -19.6% | -9.5% | 0.2% | -49.7% |
| PSION | 0.9 | GBP | 123.9 | 0.7% | 0.9% | 47.9% | 100.6% | 57.8% | -7.9% |
| ZEBRA TECH | 37.5 | USD | 1,937.6 | 0.9% | 13.8% | -10.0% | 4.8% | 22.8% | 15.4% |
| ZETES INDUST | 13.8 | EUR | 72.5 | 2.0% | 2.4% | -13.7% | -13.1% | -13.7% | -17.6% |
| Mean performance | | | | 1.6% | 4.0% | -0.2% | 19.5% | 15.6% | -1.8% |
| Italy Fixed | 15,095.8 | EUR | 172,739 | 0.7% | 12.7% | -8.2% | 0.0% | 2.4% | -26.5% |

Source: FactSet

DATALOGIC Peer Group - Multiple Comparison

| Stock | Price | Ccy | Mkt cap | EV/Sales | EV/Sales | EV/Ebitda | EV/Ebitda | EV/Ebit | EV/Ebit | P/E | P/E | Div Yield | Div Yield |
|------------------|------------|------------|--------------|------------|------------|------------|------------|------------|------------|-------------|-------------|-------------|-------------|
| | | | | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 |
| DATALOGIC | 6.6 | EUR | 386.0 | 1.1 | 0.9 | 6.9 | 5.6 | 8.5 | 6.7 | 9.5 | 8.2 | 2.3% | 2.3% |
| INTERMEC | 6.2 | USD | 373.3 | 0.4 | 0.4 | 8.3 | 5.0 | | 14.8 | | 19.4 | | |
| PSION | 0.9 | GBP | 123.9 | 0.6 | 0.6 | 10.1 | 8.4 | 24.6 | 16.9 | 41.9 | 25.9 | 4.5% | 1.7% |
| ZEBRA TECH | 37.5 | USD | 1,937.6 | 1.6 | 1.4 | 7.9 | 6.8 | 9.3 | 8.0 | 15.2 | 13.8 | | |
| ZETES INDUST | 13.8 | EUR | 72.5 | 0.3 | 0.3 | 4.3 | 3.6 | 10.3 | 6.8 | 14.5 | 11.3 | 4.0% | 4.0% |
| Median | | | | 0.6 | 0.6 | 7.9 | 5.6 | 9.8 | 8.0 | 14.9 | 13.8 | 4.0% | 2.3% |

Source: Intermonte SIM estimates for covered companies, FactSet consensus estimates for peer group

DATALOGIC - Estimates Comparison with Consensus

| (Eu mn) | 2012 | | | 2013 | | |
|-------------------|------------|-----------|--------|------------|-----------|--------|
| | Intermonte | Consensus | %diff | Intermonte | Consensus | %diff |
| Revenues | 480.0 | 512.0 | -6.3% | 535.4 | 548.5 | -2.4% |
| Ebitda | 75.2 | 85.2 | -11.8% | 88.5 | 93.7 | -5.6% |
| Net Profit | 39.4 | 46.0 | -14.3% | 44.7 | 51.6 | -13.5% |
| EPS | 0.7 | 0.8 | -11.3% | 0.8 | 0.9 | -9.2% |
| Net Debt | (147.4) | (140.8) | 4.7% | (111.9) | (98.0) | 14.2% |

Source: Intermonte SIM estimates and Factset consensus estimates

DISCLAIMER (for more details go to <http://intermonte.it/disclosures.asp>)

SHORT-SELLING: RESTRICTIONS ON SHORT-SELLING OF FINANCIAL SECTOR SHARES

CONSOB (with resolution n. 18298 dated 27th July 2012 resolved to extend the restrictions on the short-selling of shares in the financial sector, originally provided by Resolution no. 18283 of 23rd July 2012, until 14th September 2012. The sale of shares in the banking and insurance sectors is prohibited unless shares are both owned by the seller and available for transfer. The obligation to report to CONSOB significant net short positions on shares listed in Italy and the prohibition of "uncovered" short sales of other shares (not in the financial sector) remain in place, with no scheduled deadline.

IMPORTANT DISCLOSURES

The reproduction of the information, recommendations and research produced by Intermonte SIM contained herein and of any its parts is strictly prohibited. None of the contents of this document may be shared with third parties without authorisation from Intermonte. This report is directed exclusively at market professional and other institutional investors (Institutions) and is not for distribution to person other than "Institution" ("Non-Institution"), who should not rely on this material. Moreover, any investment or service to which this report may relate will not be made available to Non-Institution. The information and data in this report have been obtained from sources which we believe to be reliable, although the accuracy of these cannot be guaranteed by the Intermonte. In the event that there be any doubt as to their reliability, this will be clearly indicated. The main purpose of the report is to offer up-to-date and accurate information in accordance with regulations in force covering "recommendations" and is not intended nor should it be construed as a solicitation to buy or sell securities. This disclaimer is constantly updated on Intermonte's website www.intermonte.it under DISCLOSURES. Valuations and recommendations can be found in the text of the most recent research and/or reports on the companies in question.

ANALYST CERTIFICATION

For each company mentioned in this report the respective research analyst hereby certifies that all of the views expressed in this research report accurately reflect the analyst's personal views about any or all of the subject issuer (s) or securities. The analyst (s) also certify that no part of their compensation was, is or will be directly or indirectly related to the specific recommendation or view in this report.

The analyst (s) responsible for preparing this research report receive(s) compensation that is based upon various factors, including Intermonte's total profits, a portion of which is generated by Intermonte's corporate finance activities, although this is minimal in comparison to that generated by brokerage activities. Intermonte's internal procedures and codes of conduct are aimed to ensure the impartiality of its financial analysts. The exchange of information between the Corporate Finance sector and the Research Department is prohibited, as is the exchange of information between the latter and the proprietary equity desk in order to prevent conflicts of interest when recommendations are made.

GUIDE TO FUNDAMENTAL RESEARCH

Reports on all companies listed on the S&PMB40 Index, most of those on the MIDEX Index and the main small caps (regular coverage) are published at least once per quarter to comment on results and important newsflow.

A draft copy of each report may be sent to the subject company for its information (without target price and/or recommendations), but unless expressly stated in the text of the report, no changes are made before it is published.

Explanation of our ratings system:

BUY: stock expected to outperform the market by over 25% over a 12 month period;

OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;

NEUTRAL: stock performance expected at between +10% and - 10% compared to the market over a 12 month period ;

UNDERPERFORM: stock expected to underperform the market by between -10% and -25% over a 12 month period;

SELL: stock expected to underperform the market by over 25% over a 12 month period.

The stock price indicated is the reference price on the day prior to the publication of the report.

CURRENT INVESTMENT RESEARCH RATING DISTRIBUTIONS

Intermonte SIM is authorised by CONSOB to provide investment services and is listed at n° 246 in the register of brokerage firms. As at June 30th 2012 Intermonte's Research Department covered 127 companies.

Intermonte's distribution of stock ratings is as follows:

BUY: 16.69%

OUTPERFORM: 33.86%

NEUTRAL: 36.21%

UNDERPERFORM: 10.24%

SELL: 0.00%

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (32 in total) is as follows:

BUY: 21.88%

OUTPERFORM: 46.88%

NEUTRAL: 31.24%

UNDERPERFORM: 0.00%

SELL: 0.00%

CONFLICT OF INTEREST

In order to disclose its possible conflicts of interest Intermonte SIM states that:

- o within the last year, Intermonte SIM managed or co-managed/is managing or is co-managing (see companies indicated in bold type) an Institutional Offering and/or , managed or co-managed/is managing or is co-managing (see companies indicated in bold type) an offering with firm commitment underwriting of the securities of the following Companies: **Intesa Sanpaolo**, Enel Green Power, TerniGreen, TBS Group, UBI, UniCredit;
- o Intermonte SIM is Specialist and/or Corporate Broker and/or Broker in charge of the share buy back activity of the following Companies: Biancamano, B&C Speakers, Buongiorno, Carraro, Cattolica Assicurazioni, Cell Therapeutics, Credito Valtellinese, Datalogic, DeA capital, Digital bros, EL En, EEMS, Fiera Milano, Fintel Energia Group, Gefran, IGD, IGI Kinexia, Meridie, QF Alpha Immobiliare, OF Beta Immobiliare, Reno de Medici, Reply, Saes Getters, Servizi Italia, TESMEC, TBS Group, TerniGreen, Ternienergia, Vittoria Assicurazioni, VR Way .
- o Intermonte SIM SpA and its subsidiaries do not hold a stake of equal to or over 1% in any class of common equity securities of the subject company.
- o Intermonte SIM SpA acts as Financial Advisor to the following companies: Cattolica Assicurazioni.

DETAILS ON STOCKS RECOMMENDATION

| Stock NAME | DATALOGIC | | |
|----------------------|------------|-----------------------|------------|
| Current Recomm: | BUY | Previous Recomm: | BUY |
| Current Target (Eu): | 9.50 | Previous Target (Eu): | 9.50 |
| Current Price (Eu): | 6.61 | Previous Price (Eu): | 6.56 |
| Date of report: | 01/10/2012 | Date of last report: | 31/07/2012 |

© Copyright 2010 by Intermonte SIM - All rights reserved

It is a violation of national and international copyright laws to reproduce all or part of this publication by email, xerography, facsimile or any other means. The Copyright laws impose heavy liability for such infringement. The Reports of Intermonte SIM are provided to its clients only. If you are not a client of Intermonte SIM and receive emailed, faxed or copied versions of the reports from a source other than Intermonte SIM you are violating the Copyright Laws. This document is not for attribution in any publication, and you should not disseminate, distribute or copy this e-mail without the explicit written consent of Intermonte SIM.

INTERMONTE will take legal action against anybody transmitting/publishing its Research products without its express authorization.

INTERMONTE Sim strongly believes its research product on Italian equities is a value added product and deserves to be adequately paid.

Intermonte Sim sales representatives can be contacted to discuss terms and conditions to be supplied the INTERMONTE research product.

INTERMONTE SIM is MIFID compliant - for our Best Execution Policy please check our Website www.intermonte.it/mifid
Further information is available