



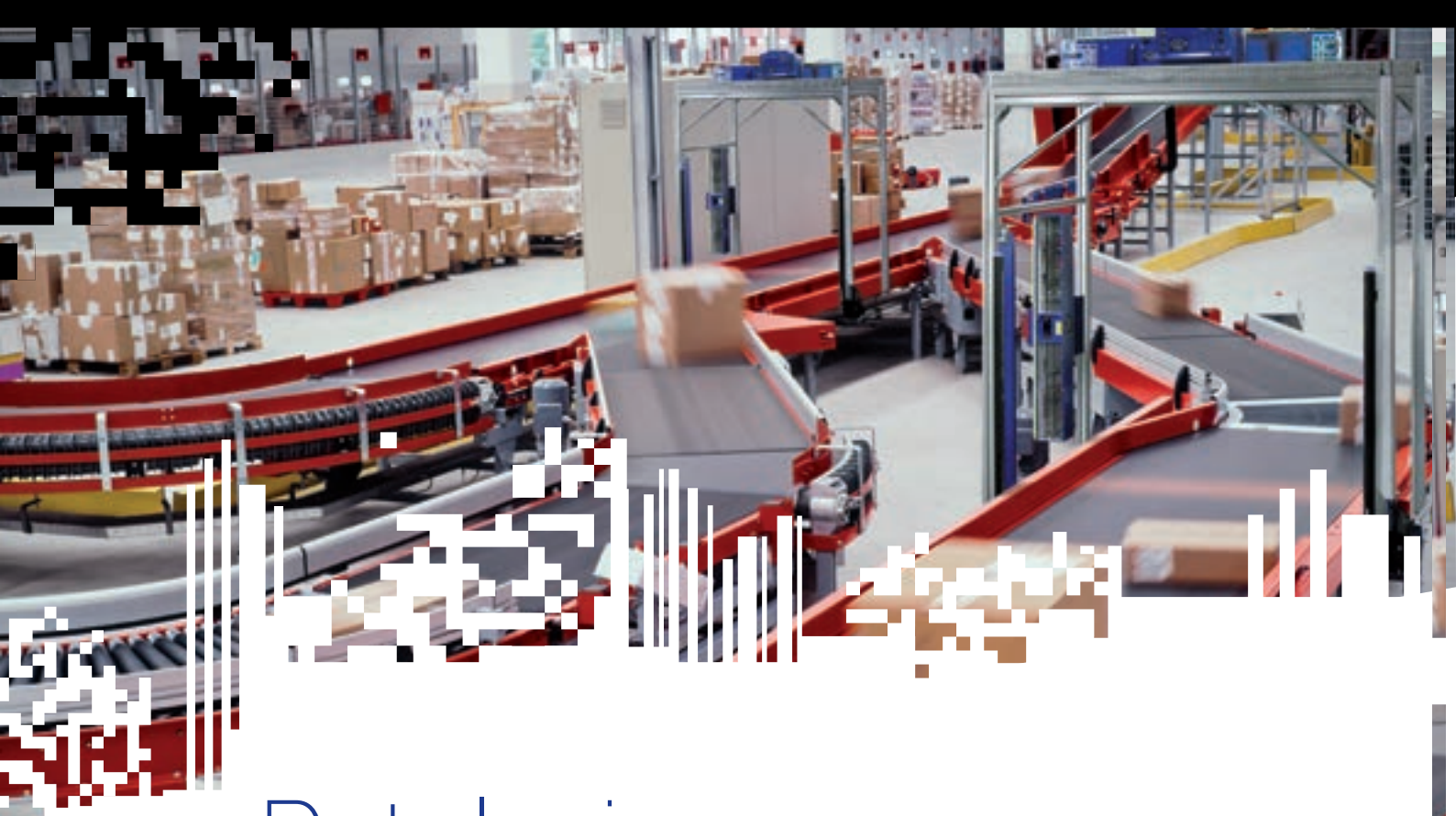
DATALOGIC

the best of both worlds



H I G H L I G H T S 2 0 1 2





Datalogic

Forty years of true excellence

02

Dear Reader,

Datalogic is one of the most important high tech enterprises in Italy which, in 2012, once again confirmed its role as a global company capable of simplifying processes for operators in retail, transportation and logistics and the manufacturing industry, providing products with high technological content.

In a market scenario of high uncertainty, which resulted in a decline in our main competitors' revenues, Datalogic maintained substantially stable turnover compared to the previous year, further improving its EBITDA and increasing investments in research and development. We deemed this to be a crucial choice to continue offering excellent solutions that meet Customers' needs, an indispensable condition to maintain international leadership in our reference markets.

The Group's capital soundness and sharp cash generation were confirmed. Accu-Sort and PPT, the two recently acquired US companies, were integrated into the Industrial Automation Division during the year, providing considerable contributions, respectively, to our global leadership in the fixed industrial scanner sector and in the acquisition of top-of-the-line technological expertise in vision systems for industrial machines.

We have achieved these results due to factors linked to our technological know-how, the passion and expertise of our human capital and our ability to capture and meet our Customers' needs.

During the year we expanded our skills in identifying bar codes through imaging technology which, different to traditional laser technology, makes it possible to read damaged codes or read codes directly using a smartphone screen. We have developed new solutions in machine vision technology for inspection and quality control, as requested by our leading Customers in the packaging sector.

Ongoing investment in research and development, along with listening to our Customers' needs, resulted in the launch of a unique, revolutionary product in the retail sector in 2012, Jade™, a fully-automated bar code reader which provides a significant reduction in queues in hypermarket checkouts.

In terms of geographical expansion, sales rose sharply in the Industrial Automation Division in China, while the Automatic Data Capture Division laid the foundations for future development in China by launching a range of customised readers for this market and hiring local resources.

A short note on the milestone of forty years of operations, which Datalogic celebrated in 2012. I am proud of having founded this Group and that together we have made it an example of Italian excellence in technology, creativity and vision of the future.

Investments in technology, excellent products and a focus on Customers will be our drivers for growth also in 2013. We will have an even stronger focus on developing new technologies and products that can anticipate and meet the needs of our current and new Customers. We will promote the international expansion of our Group with renewed vigour, specifically in China, Brazil and Korea, invest in human resources to guarantee

they have a high level of motivation and accurate and professional management of their performance, and continue to oversee their professional development.

In conclusion, I would like to sincerely thank all employees of the Group for their commitment and dedication they show in their work, shareholders for their trust in our Company, and all of our Customers for their ever-increasing appreciation for the high quality of our products and solutions.

Romano Volta
Chairman and Chief Executive Officer





The Future Technologies and products for growth

DATALOGIC: THE BEST OF BOTH WORLDS

GLOBAL EXPERT IN MULTI-TECHNOLOGY AUTOMATIC DATA CAPTURE AND INDUSTRIAL AUTOMATION, WITH A CUSTOMER FOCUS

With innovative products used in over a third of world's supermarkets and points of sale, airports, shipping and postal services, Datalogic is in a unique position to deliver solutions that can make life easier and more efficient for people. As a world-class producer of bar code readers, mobile computers, sensors, vision systems and laser marking systems, Datalogic offers innovative solutions for a full range of applications in the retail, transportation & logistics, manufacturing and healthcare industries.

Global products and solutions that start with innovation. Datalogic constitutes 'the history' of the creation of products and solutions that meet the ever-evolving needs of today's world. Records and awards that start from the first bar code readers for supermarket checkouts in 1974, to the first scanner for airports at Linate airport in 1984, which demonstrate the Group's unceasing drive towards innovation, experimentation, the same passion that drove the engineer Romano Volta, founder of Datalogic, to build a success story that has lasted 40 years, an anniversary celebrated in 2012.

The fruit of this passion is comprised of over 1,000 patents, with considerable investments in Research and Development: constantly focused on research as the business driver, Datalogic habitually invests approximately 7% of its turnover in R&D, and has created the IP Tech (Intellectual Property & Technology) Division, a global platform for technology research.

A European leader in the industrial applications sector from the 1980's, Datalogic operates in more than 30 countries and sells products in 120 countries, with long-standing relationships with some of the world's biggest retailers, automotive manufacturers, post offices and

express shipping services, as well as in logistics and transportation, with over 1,000 partners.

Datalogic offers its Customers the most comprehensive range of products and solutions targeted to the needs of the Automatic Data Capture (ADC) and Industrial Automation (IA) sectors available on the market.

In the ADC market, the Group is the global leader in high performance fixed scanners for retail checkouts, the leader in the EMEA market for handheld bar code readers and a top player in the market of mobile devices for warehouse management and data capture at points of sale.

This top position is demonstrated by the presence of mobile solutions for automated data capture in over 400 self-shopping installations worldwide, Datalogic POS scanners in use by all top ten global retailers and handheld readers deployed as the product of choice by more than 30,000 Customers.

In the Industrial Automation market the Group ranks among the leading global producers of products and solutions for automatic identification, detection and marking, which meet the increasing demand for solutions in traceability, inspection and recognition in industrial and logistic processes. More than 1,000 reading stations operating in over 100 airports provide an example of Customers' appreciation for the high quality and competitiveness of the innovative solutions offered.

The acquisition of the US company Accu-Sort Systems Inc., a leader in automatic identification products, has doubled the Group's presence in the industrial automation market, guaranteeing its undisputed leadership in this sector and penetration of the vast North American market. Lastly, the acquisition of the US company PPT Vision strengthens our positioning in the artificial vision sector, the most strategically promising technology for innovating our range of products and services, as it meets the requirement of reducing costs of the manufacturing process while improving product quality.

THE FOUR DRIVERS THAT WILL CREATE VALUE: DATALOGIC'S 3 YEAR PLAN

Strategic positioning

Addressing and focusing the growth strategy on two reference markets, **Automatic Data Capture (ADC)** and **Industrial Automation (IA)**, developing marketing strategies in different sectors and segments, launching new products and solutions: these are the drivers that strengthen Datalogic's competitive positioning.

In 2012 a new **organisational structure** was launched, which, for the first time, divides business management based on the reference market, ADC: Automatic Data Capture and IA: Industrial Automation, with the goal of capturing all the commercial potential through integrated distribution and an increasingly Customer-focused approach.

The new organisation for Datalogic's ADC (Automatic Data Capture) market debuted in January 2012 with the integration of the companies Datalogic Scanning, Datalogic Mobile, Enterprise Business Solutions and Evolution Robotics Retail, creating a benchmark for the widest range of solutions in the automatic data capture sector worldwide.

In the Industrial Automation market, on 1st July 2012, the integration of the companies Datalogic Automation and the newly-acquired Accu-Sort Systems and PPT Vision into a single entity was completed, giving life to a new global structure in the Industrial Automation market, offering the world's most comprehensive range of products, solutions and technologies.

Innovation

Constant product and process innovation is the stronghold of Datalogic, which has enabled us to

become an acknowledged world leader in our reference sectors. Investments in new **Imaging and Vision** technologies, alongside the development of intelligent solutions that combine products, software and services according to the new logics of creating added value, will allow Datalogic to further expand its commercial offer and its market penetration. Offering excellent products and meeting our Customers' needs continue to be the driving force of our work, and in this area we will continue with investments totalling 7% of annual turnover.

International expansion

Strategic alliances and joint ventures with local partners will be the driving force behind development in emerging countries, specifically in the markets in the BRIC area, with high growth potential.

High-end offers of products and solutions with high technological content will, on the other hand, create higher growth rates than market rates in mature countries of Europe and North America, where 80% of turnover is achieved.

Efficiency and productivity

Improvement of **efficiency** and **flexibility**, also by leveraging our international footprint, are Datalogic's two main targets. Global level management of the company supply chain, strengthening of control procedures and reengineering of production processes will lead to a marked improvement in Group operating expenses and working capital.

The **new architecture of Operations** at international level, implemented in 2011 for the ADC Division, has ensured a higher level of industrial productivity and allowed us to obtain significant benefits in terms of cost reduction and the weight of costs on profit margins, already in 2012.





Events

A year of challenges and results

January

- Datalogic becomes the benchmark for the widest range of solutions in the automatic data capture sector worldwide, with the debut of the new organisation for Datalogic's ADC (Automatic Data Capture) market, integrating Datalogic Scanning, Datalogic Mobile, Enterprise Business Solutions and Evolution Robotics Retail.
- Acquisition of Accu-Sort Systems Inc., a US company which is a leader in automatic identification products and solutions, allowing Datalogic to double its presence in the industrial automation market, ranking number one worldwide in the Industrial Bar Code Scanners segment, with a market share of 33%.

February

- Datalogic is awarded a contract in North America with a value of approximately USD 14 million, for the provision of a postal container storage and routing system.
- A new series of safety light curtains - SG Extended - is launched, featuring a totally zero dead zone.

March

- Datalogic creates the new European logistics hub of DHL Express in Carpiano (Milan, Italy) providing solutions based on linear vision systems capable of sorting over 15,000 packages per hour to more than 100 destinations.
- For the fourth consecutive year, CRF recognises Datalogic as a Top Employer in the field of human resources management, in addition to a Special Award in the *Training and Development sector*.
- One of the top Dutch retailers decides to automate checkout transactions using over 3,000 PowerScan 8300 mobile scanners with keyboards.
- The new Matrix 450™ 2D code reader is available, the first to automate mid and high-level applications in transportation and logistics.

April

- Over 4,000 Magellan 8500XT on-counter imagers, ideal for managing high checkout volumes, are installed in a large US supermarket chain, for a total value of USD 3.5 million.
- Thanks to the Datalogic's Joya and Shopevolution solutions, Auchan receives the prestigious Best Customer Experience award from EHI - Retail Institute for EuroCIS, at the Retail Technology Awards Europe.

May

- Lamborghini chooses Gryphon imagers to control access to all the European competitions in the world-renowned *Blancpain Super Trofeo races*.
- The most famous international furniture chain in North America installs over 17,000 Skorpio mobile devices, for its stores and for goods handling.

June

- Continental chooses the STS400™ solution for traceability of tires in each production phase in the Otrokovice plant in the Czech Republic, in the Timisoara plant in Romania and in the Puchov plant in Slovakia.
- 1,000 Falcon X3 mobile terminals installed in a famous department store chain in the United States to manage their distribution centres. This chain already uses 10,000 Falcon 4400 terminals to optimise warehouse operations.



July

- Datalogic completes the integration of the companies Datalogic Automation, Accu-Sort Systems and PPT Vision and defines a new global structure in the Industrial Automation market which offers the largest range of products, solutions and technologies available from a single manufacturer.
- The Skorpio™ X3 mobile terminal launched, specifically designed for data capture applications in retail environments, due to its compact, ergonomic shape and large display.
- The first OEM Gryphon™ GFS4400 2D scan module available, characterised by an extremely small size, can be easily integrated into self-service kiosks and other semi-automated devices.

August

- Sinai Hospital in Baltimore, US, purchased 800 Gryphon mobile imagers, specifically constructed in antiseptic plastic treated with anti-microbial additives, for electronic management of patient records, permitting the identification and administration of the correct medications.

September

- Increased safety and efficiency of personnel in managing the Volkswagen spare parts warehouse in Verona due to the SG-BWS-T4-MT safety control unit equipped with 2 SG2 safety light curtains for hand protection and presence control.
- Business Plan 2012-2014 approved, based on increasing competitive edge in the two reference markets – Automatic Data Capture (ADC) and Industrial Automation (IA), development in emerging countries and continuous improvement in efficiency and industrial productivity.

October

- Datalogic celebrates its first 40 years of operations and renews its commitment to maintaining high levels of technological innovation, the highest quality and the widest range of products and solutions in the world for Customers in the automatic data capture and industrial automation markets.
- Datalogic completes the DHL's hub in Bologna with the installation of 14 NVS9000 systems and video cameras for traceability applications at couriers and shippers.
- REWE, the German food giant, purchases 8,500 Datalogic Elf PDAs to improve store management procedures in all of its points of sale.
- The new medium-power fiber laser marking system AREX 30W available for the leading Direct Part Marking and Engraving applications for metallic parts and components in the automotive field. Along with Arex 10 and 20, Arex 30 completes the range of fibre marking systems.
- The new Touch TD offers companies operating in the retail and services sectors, technological performance and resistance similar to higher classes of products, at a clearly competitive price.

November

- Datalogic announces the new Lynx PDA with excellent features, such as pocket format, design and robustness which make it ideal for indoor and outdoor applications.

December

- Sales of the Magellan 2200VS scanner in Brazil reach the record level of 18,000 units. The on-counter vertical bar code reader is the leading POS scanner sold in the country.
- The Chengdu and Guiyang airports in China use Datalogic's identification solutions to set up two high performance baggage handling and sorting systems which can identify 120 bags per minute.
- Datalogic donates 5 cars to the ANT Italia Onlus Foundation for their free residential assistance programs for cancer patients.





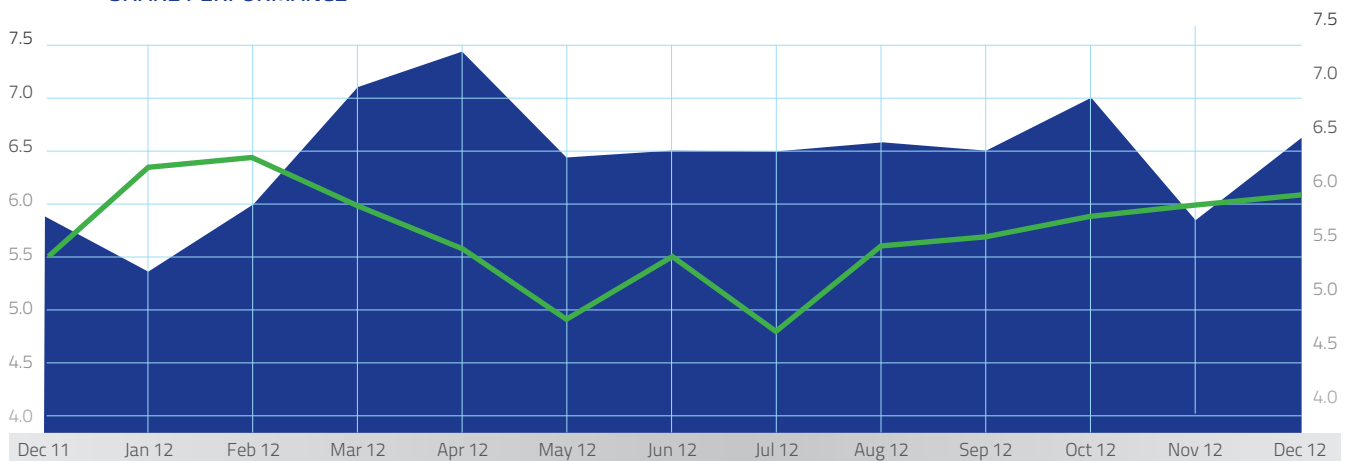
Value

An ongoing commitment for stakeholders

2012 STOCK MARKET DATA

Segment	STAR - MTA	
Bloomberg code	DAL.IM	
Reuters code	DAL.MI	
MKT Cap	386 million Euros at 31 st December 2012	
Number of shares	58,446,491 (including n. 1,608,357 treasury shares)	 Datalogic S.p.A.
2012 max	7.3 Euros (30 th April 2012)	 FTSE Italy, All
2012 min	5.26 Euros (8 th February 2012)	Share Fixed (IT) (Rebased)

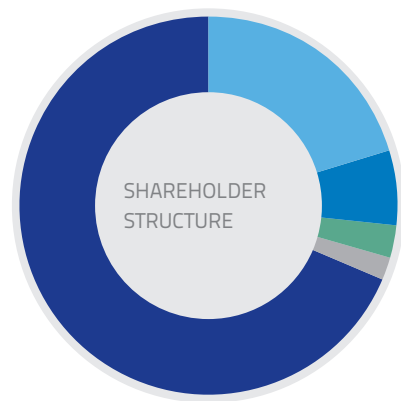
SHARE PERFORMANCE



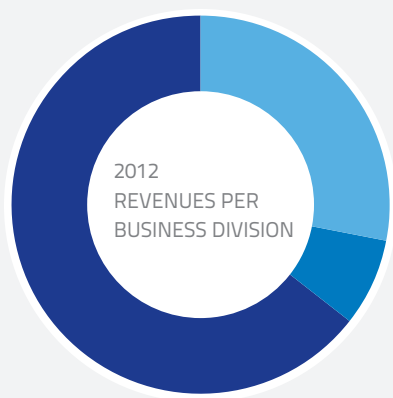
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Throughout 2012 the share outperformed shares in the FTSE Italy index by 7% and performed in line with those in the STAR index. The share reached a day high price of 7.3 Euros per share on 30th April 2012 and a day low price of 5.26 Euros on 8th February 2012.

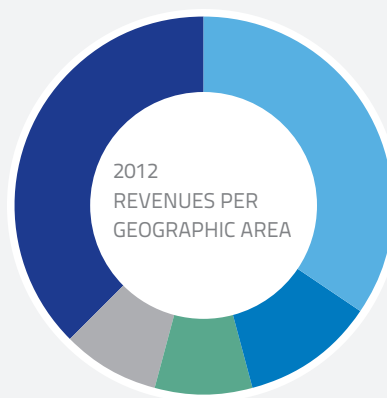
Average daily volumes traded in 2012 came to approximately 34,500 shares (double the average shares traded in 2011, equal to 17,000), with trades exceeding the average coming up on the presentation of the Business Plan 2012-2014 on 25th October 2012.



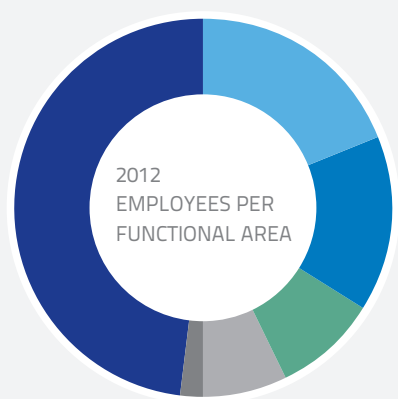
■ Hydra S.p.A.	68.40
■ Market	20.42
■ Tamburi Investment Partners	6.40
■ Treasury shares	2.75
■ D'Amico Società di Navigazione S.p.A.	2.03



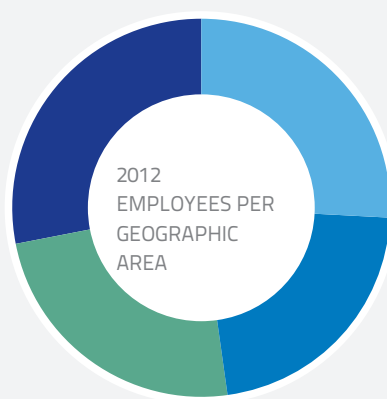
	million Euros	%
■ Datalogic ADC	297.52	64.4
■ Datalogic Automation	130.60	28.2
■ Informatics	34.13	7.4
Total	462.25	100



	million Euros	%
■ Europe	172.44	37.3
■ North America	159.23	34.5
■ Asia/Pacific	52.70	11.4
■ Italy	38.98	8.4
■ Rest of the world	38.90	8.4
Total	462.25	100

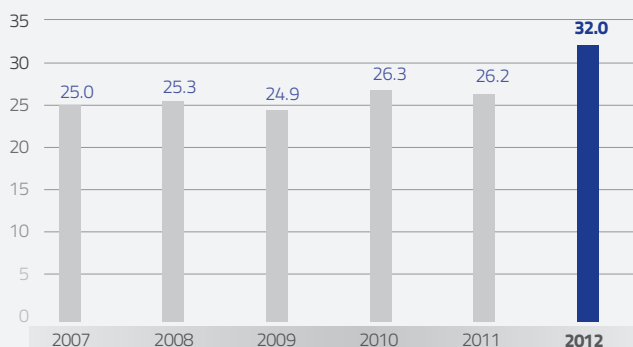


		%
■ Operations	1.154	48
■ Mkt & Sales	450	19
■ R&D	355	15
■ G&A	210	9
■ Customer Service & Tech support	175	7
■ Other	40	2
Total	2.384	100

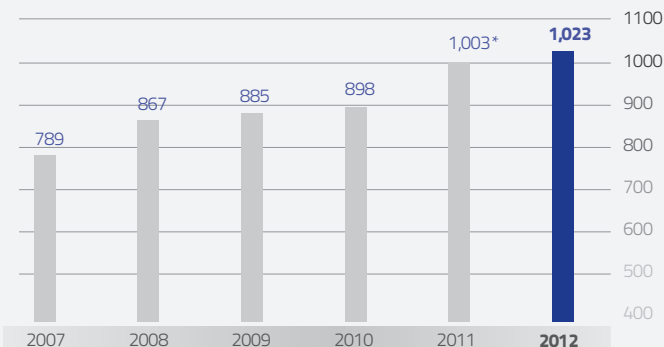


		%
■ North America	665	28
■ Italy	614	26
■ Europe	525	22
■ Asia/Pacific	580	24
■ Rest of the world	0	0
Total	2.384	100

R & D Costs (million Euros)



Patent Portfolio



*Including patents from acquisitions

Consolidated Profit and Loss (million Euros)	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Total revenues	111.7	118.0	131.5	146.3	205.9	381.6	404.0	379.8	312.0	392.7	425.5	462.3
EBITDA	16.1	17.0	21.3	25.2	31.5	38.2	50.1	47.8	19.6	49.8	59.2	62.7
EBITANR ⁽¹⁾	8.6	7.9	11.0	19.6	24.8	26.0	37.8	35.3	6.2	38.1	48.8	53.0
EBT	2.6	6.7	10.3	18.7	22.7	9.0	26.6	25.9	-12.8	28.2	33.2	9.1
Net profit	0.8	5.4	7.2	11.2	13.0	4.1	18.1	17.8	-12.2	18.0	25.9	9.9

Number of employees	698	735	775	875	1.808	1.897	1.906	2.202	1.982	2.019	2.427	2.384
EBITDA %	14.4	14.4	16.2	17.2	15.3	10.0	12.4	12.6	6.3	12.7	13.9	13.6
EBITANR %	7.7	6.7	8.4	13.4	12.0	6.8	9.4	9.3	2.0	9.7	11.5	11.5
R&D %	8.0	7.2	7.3	7.8	7.1	6.9	6.2	6.7	8.0	6.7	6.2	6.9
Dividend per share (Euros)	0.05	0.15	0.18 ⁽²⁾	1.22	0.22 ⁽³⁾	0.06	0.07	0.035	--	0.15	0.15	0.15
Dividend paid (million Euros)	--	0.58	1.70	2.11	15.04	3.5	3.8	4.1	1.9	--	8.1	8.5

(1) EBITANR = Ordinary operating profit before non recurring costs/revenues and amortization of intangible assets from acquisition.

(2) Euro 1 extraordinary dividend (October 2005).

(3) In May 2006, execution of share capital split with a ratio of 4:1.

In May 2008, execution of share capital reduction by means of cancellation of nr. 5,409,981 treasury shares.

Annual results from 2001 to 2003 are prepared in accordance with Italian Accounting Standards; annual results from 2004 are prepared in accordance with IAS/IFRS.

Consolidated Balance Sheet (million Euros)	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Fixed assets	37.3	38.1	34.7	71.5	254.0	227.3	207.0	216.5	203.4	223.5	244.2	313.55
Current assets	62.4	65.6	72.4	75.1	145.9	142.9	152.8	152.4	122.0	131.5	150.9	157.28
Current liabilities	-21.1	-29.6	-34.7	-40.4	-74.7	-78.0	-90.3	-92.7	-78.8	-104.2	-121.0	-142.67
Net Working Capital	41.3	36.0	37.7	34.7	71.3	64.9	62.5	59.7	43.2	27.2	29.8	14.6
Invested capital	73.7	68.9	66.5	80.3	255.6	245.0	236.0	242.8	217.2	216.7	229.7	294.5
Net Equity	98.6	102.3	106.0	116.2	129.8	186.6	173.5	135.8	116.7	140.2	170.2	173.4
Net Financial Position ⁽⁴⁾	24.9	33.4	39.5	35.9	-125.7	-58.4	-62.5	-106.9	-100.5	-76.5	-59.4	-121.1

Capex	10.0	6.8	5.1	18.1	6.8	7.9	12.6	9.4	7.3	7.8	13.6	14.4
NWC (Net Working Capital) %	37.0	30.5	28.7	23.7	34.6	17.0	15.5	15.7	13.9	6.9	7.0	3.2
ROCE %	12.7	11.1	16.2	26.7	14.8	10.4	15.7	14.8	2.7	17.6	21.9	20.2
ROE %	1.2	5.4	6.9	10.1	10.6	2.6	10.0	11.5	-9.6	14.0	16.7	5.8

(4) In 2005, the acquisitions of Laservall, Informatics and PSC had an impact of 178 million Euros.

In January 2006, conclusion of capital increase for a total value of 76.6 million Euros.

During 2008 Datasensor S.p.A. was acquired for 45 million Euros.

During 2010, Evolution Robotics Retail Inc. was acquired for 20.98 million Euros.

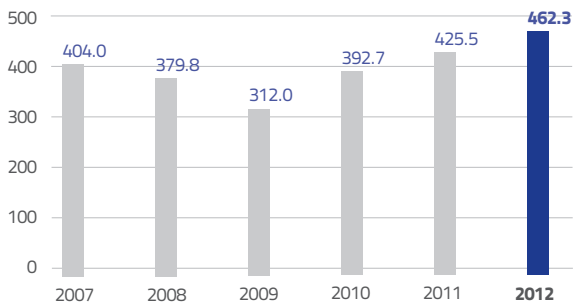
During 2011, PPT Vision Inc. was acquired for 4.1 million Euros and "one-shot" costs were born for approx. 12 million Euros, of which 10.2 million related to the WCO project and 1.7 million for acquisitions.

During 2012, Accu-Sort Systems Inc. was acquired for 100.3 million Euros.

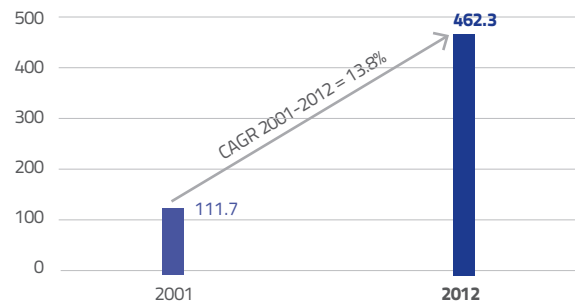
Annual results from 2001 to 2003 are prepared in accordance with Italian Accounting Standards; annual results from 2004 are prepared in accordance with IAS/IFRS.



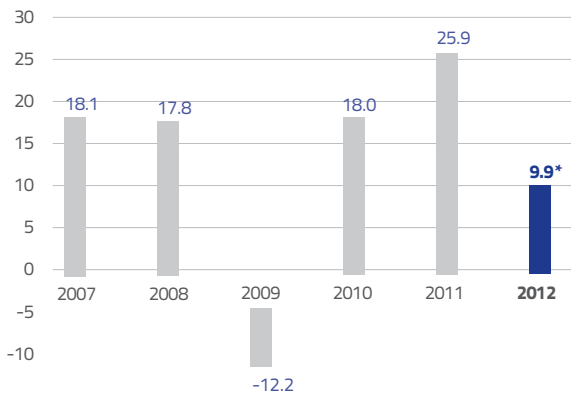
Revenues (million Euros)



Total Revenues (million Euros)

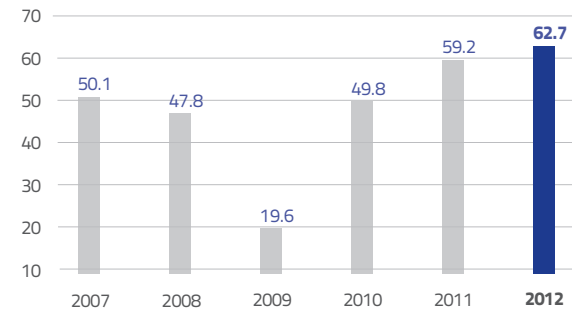


Net Profit (million Euros)

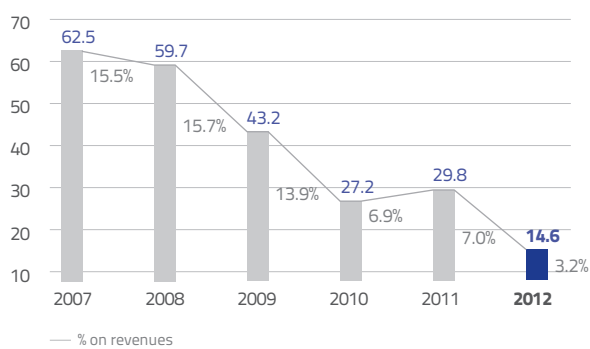


* Net profit was affected by an impairment for 27 million Euros.

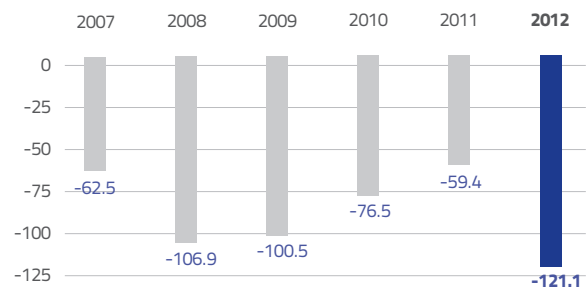
EBITDA (million Euros)



Net Working Capital (million Euros)



Net Financial Position (million Euros)



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