



**Quarterly Financial Report  
at 31 March 2014**



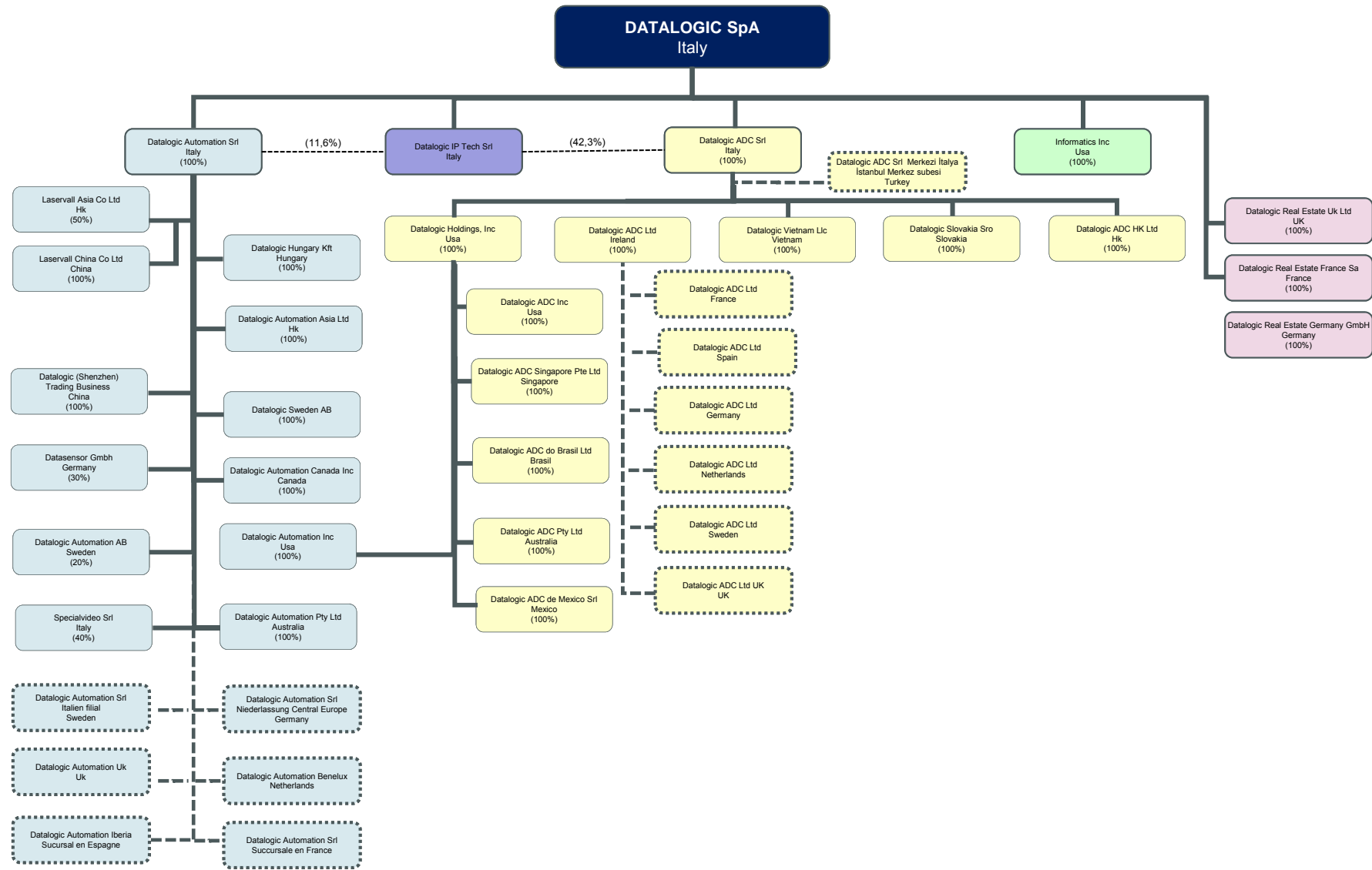
## **DATALOGIC GROUP**

### **Quarterly Financial Report at 31 March 2014**

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## **ANNEXES**

1. *Declaration pursuant to Art. 154-bis, pars. 3 and 4, Legislative Decree 58/1998*



———— Legal entity

..... Branch

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### **Board of Directors** (1)

**Volta Romano**  
Chairman (2)

**Volta Romano**  
Chief Executive Officer (3)

**Bonadiman Emanuela**  
Independent Director

**Caruso Pier Paolo**  
Director

**Cristofori Gianluca**  
Independent Director

**Todescato Piero**  
Director

**Volta Filippo Maria**  
Director

**Volta Valentina**  
Director

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### **Statutory Auditors** (4)

**Cervellera Enrico**  
Chairman

**Ravaccia Mario Stefano Luigi**  
Statutory Auditor

**Muserra Francesca**  
Statutory Auditor

**Fuzzi Mario**  
Alternate Statutory Auditor

**Biordi Stefano**  
Alternate Statutory Auditor

**Bonfranceschi Paola**  
Alternate Statutory Auditor

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### **Auditing company**

Reconta Ernst & Young S.p.A.

(1) The Board of Directors will remain in office until the general meeting that approves the accounts for the financial year ending 31 December 2014.

(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 2015.

## MANAGEMENT REPORT

### REPORT ON OPERATIONS

To our Shareholders,

The report as at 31 March 2014, which we submit to you for review, has been prepared in compliance with the instructions in the Borsa Italiana Regulations.

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

### COMMENTS ON OPERATING AND FINANCIAL RESULTS

The following table summarises the Datalogic Group's key operating and financial results as at 31 March 2014 in comparison with the same period a year earlier (figures in Euro thousands):

	Quarter ended		Change	% change
	31.03.2014	31.03.2013		
<b>Total revenues</b>	<b>108,246</b>	<b>102,041</b>	<b>6,205</b>	<b>6.1%</b>
<b>EBITDA (*)</b>	<b>15,465</b>	<b>11,024</b>	<b>4,441</b>	<b>40.3%</b>
<i>% of total revenues</i>	<i>14.3%</i>	<i>10.8%</i>		
<b>Group net profit/loss</b>	<b>6,951</b>	<b>6,116</b>	<b>835</b>	<b>13.7%</b>
<i>% of total revenues</i>	<i>6.4%</i>	<i>6.0%</i>		
<b>Net financial position (NFP) (**)</b>	<b>(97,352)</b>	<b>(122,048)</b>	<b>24,696</b>	<b>-20.2%</b>

(\*) **EBITDA** is a performance indicator not defined under IFRS. However, the management uses it to monitor and assess the company's operating performance as it is not influenced by 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 8.

As at 31 March 2014, the Datalogic Group had revenues of **€108,246 thousand (€102,041 thousand in the same period of the previous year)**, of which €103,026 thousand derived from product sales and €5,220 thousand from services.

Revenues grew by 6.1% compared with the same period of the previous year. At constant Euro/Dollar exchange rates, they would have grown by 7.8%.

**Group EBITDA was €15,465 thousand, corresponding to 14.3% of total revenues, an increase of €4,441 thousand compared with the same period of the previous year (€11,024 thousand as at 31 March 2013).**

Group net profit, which as at 31 March 2014 was €6,951 thousand, is 13.7% higher than the profit obtained in the same period of the previous year, equal to €6,116 thousand.

## ANALYSIS OF RECLASSIFIED INCOME STATEMENT DATA

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

(in €000)	Quarter ended				Change	% change
	31.03.2014		31.03.2013			
<b>Total revenues</b>	<b>108,246</b>	<b>100.0%</b>	<b>102,041</b>	<b>100.0%</b>	<b>6,205</b>	<b>6.1%</b>
Cost of sales	(55,626)	-51.4%	(53,710)	-52.6%	(1,916)	3.6%
<b>Gross profit</b>	<b>52,620</b>	<b>48.6%</b>	<b>48,331</b>	<b>47.4%</b>	<b>4,289</b>	<b>8.9%</b>
Other revenues	223	0.2%	235	0.2%	(12)	-5.1%
Research and development expenses	(9,739)	-9.0%	(8,277)	-8.1%	(1,462)	17.7%
Distribution expenses	(20,098)	-18.6%	(20,238)	-19.8%	140	-0.7%
General & administrative expenses	(9,819)	-9.1%	(10,995)	-10.8%	1,176	-10.7%
Other operating costs	(509)	-0.5%	(355)	-0.3%	(154)	43.4%
<b>Total operating cost and other costs</b>	<b>(40,165)</b>	<b>-37.1%</b>	<b>(39,865)</b>	<b>-39.1%</b>	<b>(300)</b>	<b>0.8%</b>
<b>Ordinary operating result before non-recurring costs and revenues and administrative costs arising from acquisitions (EBITANR)</b>	<b>12,678</b>	<b>11.7%</b>	<b>8,701</b>	<b>8.5%</b>	<b>3,977</b>	<b>45.7%</b>
Non-recurring costs and revenues	0	0.0%	0	0.0%	0	n.a.
Depreciation & amortisation due to acquisitions (*)	(1,389)	-1.3%	(1,449)	-1.4%	60	-4.1%
<b>Operating result (EBIT)</b>	<b>11,289</b>	<b>10.4%</b>	<b>7,252</b>	<b>7.1%</b>	<b>4,037</b>	<b>55.7%</b>
Net financial income (expenses)	(2,377)	-2.2%	(1,913)	-1.9%	(464)	24.3%
Profits/(losses) from associates	42	0.0%	(11)	0.0%	53	n.a.
Foreign exchange earnings/(losses)	(424)	-0.4%	3,181	3.1%	(3,605)	n.a.
<b>Pre-tax profit/(loss)</b>	<b>8,530</b>	<b>7.9%</b>	<b>8,509</b>	<b>8.3%</b>	<b>21</b>	<b>0.2%</b>
Taxes	(1,579)	-1.5%	(2,393)	-2.3%	814	-34.0%
<b>GROUP NET PROFIT/(LOSS)</b>	<b>6,951</b>	<b>6.4%</b>	<b>6,116</b>	<b>6.0%</b>	<b>835</b>	<b>13.7%</b>
Depreciation and write-downs of Tangible assets	(1,770)	-1.6%	(1,771)	-1.7%	1	-0.1%
Depreciation and write-downs of Intangible assets	(1,017)	-0.9%	(552)	-0.5%	(465)	84.2%
<b>EBITDA</b>	<b>15,465</b>	<b>14.3%</b>	<b>11,024</b>	<b>10.8%</b>	<b>4,441</b>	<b>40.3%</b>

(\*) This item includes extraordinary costs for amortisation arising from acquisitions. To provide a better representation of the Group's ordinary profitability, we chose – 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, tax, acquisitions and not recurring*), hereinafter referred to as “Ordinary operating result”. To permit comparability with the financial statements, we have in any case included a further intermediate profit margin (“Operating result”)

that includes non-recurring costs/income and depreciation and amortisation due to acquisitions and which matches figures reported in year-end financial statements.

Total revenues reported in the first quarter 2014 amounted to €108.2 million, up by 6.1% yoy (+7.8% at constant exchange rates), compared with €102 million recorded in the first quarter of 2013 and down by 9.8% compared with €119.9 million of the fourth quarter 2013 (the fourth quarter of the year is statistically the best quarter as regards turnover).

The booking over the three-month period (orders already acquired) was equal to €116 million.

The ADC (Automatic Data Capture) Division, specialised in the manufacture of fixed bar code readers for the retail market, manual readers and mobile computers for warehouse management, recorded a turnover of €71.9 million, up by 15.07% compared with €62.5 million reported in the first quarter of 2013, and down compared with €79.8 million of the fourth quarter of 2013. This division reported a remarkable growth in all reference markets, especially for retail, as it still benefits from the launching of new products made last year, in particular in the fixed scanner segment.

The Industrial Automation Division, specialised in the production of automatic identification systems, security, detection and marking for the Industrial Automation market, reported a turnover of €30.5 million, a 4.6% drop compared with €32 million reported in the first quarter of 2013 and 7.3% drop compared with €32.9 million in the fourth quarter of 2013. The lower contribution of the Division, compared with the previous quarter, is primarily due to the Transportation and Logistics sector, in the US market. A positive trend was instead reported in all the other reference markets.

Lastly, Informatics reported a turnover of €6.2 million compared with €7.6 million in the first quarter 2013 and €7.4 million in the fourth quarter 2013.

Gross profit reported a significant improvement, from 47.4% to 48.6% of total revenues.

Operating costs increased by 0.8% in absolute value, compared with the same period of 2013 (at constant exchange rates the increase would have been of 2.89%). The percentage impact on revenues decreased by 2 percentage points.

It is worth noting that the Group increased investments in R&D expenses, both in absolute value (from €8,277 thousand in the first quarter 2013 to €9,739 thousand in the first quarter of 2014), and in percentage on revenues (from 8.1% to 9% in the corresponding quarters), by reason of the fact that these investments are deemed as a key lever for the business development and confirm the strategy launched in the previous year.

As at 31 March 2014, depreciation and amortisation due to acquisitions (totalling €1,389 thousand) broke down as follows:

	Quarter ended		Change
	31.03.2014	31.03.2013	
Acquisition of the PSC Group (on 30 November 2006)	510	528	(18)
Acquisition of Laservall SPA (on 27 August 2004)	110	110	0
Acquisition of Informatics Inc. (on 28 February 2005)	146	152	(6)
Acquisition of Evolution Robotics Retail Inc. (concluded on 1 July 2010)	128	132	(4)
Acquisition of Accu-Sort Inc. (concluded on 20 January 2012)	495	527	(32)
<b>TOTAL</b>	<b>1,389</b>	<b>1,449</b>	<b>(60)</b>

The “Ordinary operating result” (EBITANR) was €12,678 thousand (11.7% of revenues) and down by 45.7% over the amount registered for the same period of the previous year (€8,701 thousand).

The next two tables compare the main operating results achieved in the first quarter of 2014 with the same period in 2013 and the fourth quarter of 2013.

	1st quarter 2014		1st quarter 2013		Change	% change
<b>TOTAL REVENUES</b>	108,246	100.0%	102,041	100.0%	6,205	6.1%
<b>EBITDA</b>	15,465	14.3%	11,024	10.8%	4,441	40.3%
<b>EBITANR (*)</b>	12,678	11.7%	8,701	8.5%	3,977	45.7%
<b>Operating result (EBIT)</b>	11,289	10.4%	7,252	7.1%	4,037	55.7%

	1st quarter 2014		4th quarter 2013		Change	% change
<b>TOTAL REVENUES</b>	108,246	100.0%	119,964	100.0%	(11,718)	-9.8%
<b>EBITDA</b>	15,465	14.3%	16,766	14.0%	(1,301)	-7.8%
<b>EBITANR (*)</b>	12,678	11.7%	14,194	11.8%	(1,516)	-10.7%
<b>Operating result (EBIT)</b>	11,289	10.4%	12,883	10.7%	(1,594)	-12.4%

(\*) see definition on page 4



## ANALYSIS OF FINANCIAL AND CAPITAL DATA

The following table shows the main financial and equity items for the Datalogic Group compared with 31 December 2013.

<b>(in €000)</b>	<b>31.03.2014</b>	<b>31.12.2013</b>
Net intangible assets	56,799	59,058
Goodwill	145,114	145,092
Net tangible assets	51,630	51,328
Unconsolidated equity investments	5,506	5,452
Other non-current assets	37,643	39,441
<b>Non-current capital</b>	<b>296,692</b>	<b>300,371</b>
Net trade receivables vs. Customers	71,278	69,953
Amounts due to suppliers	(66,695)	(84,712)
Inventories	56,607	53,803
<b>Net working capital, trading</b>	<b>61,190</b>	<b>39,044</b>
Other current assets	31,503	26,483
Other current liabilities and provisions for short term risks	(52,708)	(48,838)
<b>Net working capital</b>	<b>39,985</b>	<b>16,689</b>
Other M/L term liabilities	(20,230)	(20,359)
Post-employment benefits	(7,006)	(7,049)
Provisions for risks	(8,622)	(7,398)
<b>Net invested capital</b>	<b>300,819</b>	<b>282,254</b>
<b>Total Shareholders' Equity</b>	<b>(203,467)</b>	<b>(185,247)</b>
<b>Net financial position</b>	<b>(97,352)</b>	<b>(97,007)</b>

As at 31 March 2014, the net financial position was negative for €97,352 thousand, broken down as follows:

	<b>31.03.2014</b>	<b>31.12.2013</b>	<b>31.03.2013</b>
A. Cash and bank deposits	127,750	128,497	74,721
B. Other liquidities	43	42	90
<i>b1. restricted cash deposit</i>	43	42	90
C. Securities held for trading	359	358	9,559
<i>c1. Short-term</i>	0	0	9,202
<i>c2. Long-term</i>	359	358	357
<b>D. Cash and equivalents (A) + (B) + (C)</b>	<b>128,152</b>	<b>128,897</b>	<b>84,370</b>
E. Current financial receivables	1,668	3,297	0
F. Other current financial receivables	0	0	0
<i>f1. hedging transactions</i>	0	0	0
G. Bank overdrafts	102	49	127
H. Current portion of non-current debt	45,272	46,360	68,304
I. Other current financial payables	239	248	306
<i>i1. hedging transactions</i>	2	14	79
<i>i2. payables for lease</i>	237	234	227
<b>J. Current financial debt (G) + (H) + (I)</b>	<b>45,613</b>	<b>46,657</b>	<b>68,737</b>
<b>K. Current financial debt, net (J) - (D) - (E) - (F)</b>	<b>(84,207)</b>	<b>(85,537)</b>	<b>(15,633)</b>
L. Non-current bank borrowing	180,425	181,327	135,808
M. Other non-current financial receivables	0	0	0
N. Other non-current liabilities	1,134	1,217	1,873
<i>n1. hedging transactions</i>	356	371	821
<i>n2. payables for lease</i>	778	846	1,052
<b>O. Non-current financial debt (L) - (M) + (N)</b>	<b>181,559</b>	<b>182,544</b>	<b>137,681</b>
<b>P. Net financial debt (K) + (O)</b>	<b>97,352</b>	<b>97,007</b>	<b>122,048</b>

Net financial debt as at 31 March 2014 amounted to €97,352 thousand, up by 0.4% (€345 thousand) compared with €97,007 thousand as at 31 December 2013.

Note that, over the period, sale/purchase of treasury shares, which generated a positive cash flow, amounting to €12,115 thousand. During the first quarter of 2014, the Group purchased 27,850 treasury shares and sold 1,421,083 shares, thus obtaining a capital gain of €4,469 thousand.

Investments were also made amounting to €2,145 thousand.

Working capital as at 31 March 2014 was €39,985 thousand, up by €23,296 thousand compared with 31 December 2013 (€16,689 thousand), mainly resulting from the decrease in account payables to suppliers, from €84,712 thousand reported at year-end to €66,695 thousand at the end of the first quarter of this year.

The reconciliation between the Parent Company's shareholders' equity and net profit and the corresponding consolidated amounts is as follows:

	31 March 2014		31 December 2013	
	Total equity	Period results	Total equity	Period results
<b>Parent Company shareholders' equity and profit</b>	<b>199,837</b>	<b>(73)</b>	<b>189,084</b>	<b>6,921</b>
Difference between consolidated companies' net equity and their carrying value in the Parent Company's financial statements; effect of equity-based valuation	61,885	7,105	54,340	60,534
Reversal of dividends			0	(39,202)
Amortisation of intangible assets "business combination"	(5,827)		(5,827)	
Effect of acquisition under common control	(31,733)		(31,733)	
Elimination of capital gain on sale of business branch	(18,665)		(18,665)	
Effect of eliminating intercompany transactions	(9,428)	17	(9,445)	(3,693)
Reversal of write-downs and capital gains on equity investments	6,121		6,121	2,175
Sale of know-how	(7)		(7)	
Goodwill impairment	(1,395)		(1,395)	
Other	(1,089)	(139)	(953)	(51)
Deferred taxes	3,768	41	3,727	222
<b>Group portion of shareholders' equity</b>	<b>203,467</b>	<b>6,951</b>	<b>185,247</b>	<b>26,906</b>

## FINANCIAL INCOME (EXPENSES)

Financial income was negative by €2,801 thousand, compared with a negative result of €1,268 thousand, related to the same period of last year, mainly due to a less favourable trend of exchange differences. From a positive situation, as at 31 March 2013, (€3,181 thousand), a loss of €424 thousand was reported as at 31 March 2014. This result is broken down as follows:

	Quarter ended		Change
	31.03.2014	31.03.2013	
Financial income/(expenses)	(1,937)	(1,568)	(369)
Foreign exchange differences	(424)	3,181	(3,605)
Bank expenses	(474)	(316)	(158)
Other	34	(29)	63
<b>Total net financial expenses</b>	<b>(2,801)</b>	<b>1,268</b>	<b>(4,069)</b>

Profits generated by companies carried at equity were recognised in the amount of €42 thousand (loss totalling €11 thousand as at 31 March 2013).

## **OUTLOOK FOR CURRENT YEAR AND SUBSEQUENT EVENTS**

The results of the first quarter confirm, and strengthen, the positive trend reported in the second half of 2013, evidence that the strategic measures adopted are valid. It is worth noting, in particular, that the growth highlighted in the ADC Division is primarily related to the success, especially in the USA, of the new products launched on the market during 2013.

While taking account of the positive booking trend recorded over the quarter, in 2014 the company expects both a recovery in the reference markets and that the two main operating division, ADC and Industrial Automation, will be able to seize this opportunity by leveraging the remarkable investments made, and still underway, which are aimed at improving the product range and increasing the market share of fast growing Countries.

## **SECONDARY LOCATIONS**

The Parent Company has no secondary locations.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS (Euro/000)	Notes	31.03.2014	31.12.2013
<b>A) Non current assets (1+2+3+4+5+6+7)</b>		<b>297.051</b>	<b>300.729</b>
<b>1) Tangible assets</b>		<b>51.630</b>	<b>51.328</b>
land	1	5.224	5.223
buildings	1	24.329	24.528
other assets	1	19.759	19.822
assets in progress and payments on account	1	2.318	1.755
<b>2) Intangible assets</b>		<b>201.913</b>	<b>204.150</b>
goodwill	2	145.114	145.092
development costs	2	7.659	6.339
other	2	48.583	50.493
assets in progress and payments on account	2	557	2.226
<b>3) Equity investments in associates</b>	3	<b>1.825</b>	<b>1.783</b>
<b>4) Financial assets</b>		<b>4.040</b>	<b>4.027</b>
equity investments	5	3.681	3.669
securities	5	359	358
<b>5) Loans</b>			
<b>6) Trade and other receivables</b>	7	<b>1.615</b>	<b>1.744</b>
<b>7) Receivables for deferred tax assets</b>	13	<b>36.028</b>	<b>37.697</b>
<b>B) Current assets (8+9+10+11+12+13+14)</b>		<b>288.849</b>	<b>282.075</b>
<b>8) Inventories</b>		<b>56.607</b>	<b>53.803</b>
raw and ancillary materials and consumables	8	14.892	14.072
work in progress and semi-finished products	8	19.459	15.951
finished products and goods	8	22.256	23.780
<b>9) Trade and other receivables</b>	7	<b>88.460</b>	<b>85.475</b>
<b>trade receivables</b>	7	<b>71.278</b>	<b>69.953</b>
due within 12 months	7	69.552	68.406
of which to associates	7	1.724	1.536
of which to related parties	7	2	11
<b>other receivables – accrued income and prepaid expenses</b>	7	<b>17.182</b>	<b>15.522</b>
of which to related parties		75	75
<b>10) Tax receivables</b>	9	<b>14.321</b>	<b>10.961</b>
of which to the parent company		7.051	6.225
<b>11) Financial assets</b>	5	<b>1.668</b>	<b>1.297</b>
securities		0	0
other		1.668	1.297
<b>12) Loans</b>	5		<b>2.000</b>
of which to the parent company		0	2.000
<b>13) Financial assets - Derivatives</b>	6	<b>0</b>	<b>0</b>
<b>14) Cash and cash equivalents</b>	10	<b>127.793</b>	<b>128.539</b>
<b>Total assets (A+B)</b>		<b>585.900</b>	<b>582.804</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

LIABILITIES (Euro/000)	Notes	31.03.2014	31.12.2013
<b>A) Total shareholders' equity (1+2+3+4+5)</b>	11	<b>203.467</b>	<b>185.247</b>
1) Share capital	11	149.115	137.000
2) Reserves	11	(17.000)	(16.154)
3) Profit (loss) of previous years	11	64.401	37.495
4) Group profit (loss) for the period/year	11	6.951	26.906
5) Minority interests	11		
<b>B) Non-current liabilities (6+7+8+9+10+11+12)</b>		<b>217.417</b>	<b>217.350</b>
6) Financial payables	12	181.203	182.173
7) Financial liabilities - Derivatives	6	356	371
8) Tax payables		550	575
9) Deferred tax liabilities	13	16.824	17.136
10) Post-employment benefits	14	7.006	7.049
11) Provisions for risks and charges	15	8.622	7.398
12) Other liabilities	16	2.856	2.648
<b>C) Current liabilities (13+14+15+16+17)</b>		<b>165.016</b>	<b>180.207</b>
13) Trade and other payables	16	104.393	120.740
Trade payables	16	66.695	84.712
of which within 12 months	16	66.341	84.391
of which to associates	16	85	124
of which to related parties	16	269	197
other payables – accrued liabilities and deferred income	16	37.698	36.028
14) Tax payables		8.680	5.763
of which to the parent company		162	138
15) Provisions for risks and charges	15	6.330	7.047
16) Financial liabilities - Derivatives	6	2	14
17) Financial payables	12	45.611	46.643
<b>Total liabilities (A+B+C)</b>		<b>585.900</b>	<b>582.804</b>

## CONSOLIDATED STATEMENT OF INCOME

(Euro /000)	Notes	31.03.2014	31.03.2013
<b>1) Total revenues</b>	17	<b>108.246</b>	<b>102.041</b>
Revenues from sale of products		103.026	96.240
Revenues for services		5.220	5.801
<i>of which to related parties</i>		<i>1.895</i>	<i>1.814</i>
<b>2) Cost of goods sold</b>	18	<b>55.626</b>	<b>53.710</b>
of which non-recurring	18		
<i>of which to related parties</i>		<i>66</i>	<i>14</i>
<b>Gross profit (1-2)</b>		<b>52.620</b>	<b>48.331</b>
<b>3) Other operating revenues</b>	19	<b>223</b>	<b>235</b>
of which non-recurring	19		
<i>of which to related parties</i>			
<b>4) R&amp;D expenses</b>	18	<b>9.739</b>	<b>8.277</b>
of which non-recurring	18		
<b>5) Distribution expenses</b>	18	<b>20.098</b>	<b>20.238</b>
of which non-recurring	18		
<b>6) General and administrative expenses</b>	18	<b>11.208</b>	<b>12.444</b>
of which non-recurring	18		
of which amortisation pertaining to acquisitions	18	1.389	1.449
<i>of which to related parties</i>		<i>264</i>	<i>567</i>
<b>7) Other operating expenses</b>	18	<b>509</b>	<b>355</b>
<b>Total operating costs</b>		<b>41.554</b>	<b>41.314</b>
<b>Operating result</b>		<b>11.289</b>	<b>7.252</b>
<b>8) Financial income</b>	20	<b>4.173</b>	<b>7.612</b>
<i>of which to related parties</i>		<i>11</i>	
<b>9) Financial expenses</b>	20	<b>6.974</b>	<b>6.342</b>
<b>Net financial income (expenses) (8-9)</b>		<b>(2.801)</b>	<b>1.268</b>
<b>10) Profits from associates</b>	3	<b>42</b>	<b>(11)</b>
<b>Profit (loss) before taxes from the operating assets</b>		<b>8.530</b>	<b>8.509</b>
Income tax	21	1.579	2.393
<b>Profit/(loss) for the period</b>		<b>6.951</b>	<b>6.116</b>
Basic earnings/(loss) per share (€)	22	0,1208	0,1076
Diluted earnings/(loss) per share (€)	22	0,1208	0,1076

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Euro /000)	Note:	31.03.2014	31.03.2013
<b>Net profit/(loss) for the period</b>		<b>6.951</b>	<b>6.116</b>
<b>Other components of the statement of comprehensive income:</b>			
<i>Other components of the statement of comprehensive income which will be restated under profit/(loss) for the year:</i>			
Profit/(loss) on cash flow hedges	11	22	188
Profit/(loss) due to translation of the accounts of foreign companies	11	167	3.636
Profit/(loss) on exchange rate adjustments for financial assets available for sale	11		
Reserve for exchange rate adjustment	11	(1.035)	
<b>Total profit/(loss) of Comprehensive Income Statement</b>		<b>(846)</b>	<b>3.824</b>
<b>Total net profit/(loss) for the period</b>		<b>6.105</b>	<b>9.940</b>
Attributable to:			
Parent company shareholders		6.105	9.940
Minority interests		0	0



## CONSOLIDATED STATEMENT OF CASH FLOW

(Euro /000)	31.03.2014	31.03.2013
<b>Pre-tax profit</b>	<b>8.530</b>	<b>8.509</b>
Depreciation and amortisation of tangible and intangible assets and write-downs	4.176	3.772
Change in employee benefits reserve	(43)	5
Allocation to provision for doubtful receivables	265	143
Net financial expenses/(income) including exchange rate differences	2.801	(1.268)
Adjustments to value of financial assets	(42)	11
<b>Cash flow from operations before changes in working capital</b>	<b>15.687</b>	<b>11.172</b>
Change in trade receivables (net of provisions)	(1.590)	5.257
Change in final inventories	(2.804)	(5.552)
Change in current assets	(1.660)	(1.371)
Other medium-/long-term assets	129	32
Change in trade payables	(18.017)	(6.457)
Changes in other current liabilities	1.670	1.202
Other medium/long-term assets	208	(661)
Change in provisions for risks and charges	507	581
Commercial foreign exchange gains/(losses)	(460)	(759)
<b>Cash flow from operations after changes in working capital</b>	<b>(6.330)</b>	<b>3.444</b>
Change in tax	(690)	(1.372)
Interest paid and banking expenses	(2.377)	(1.913)
<b>Cash flow generated from operations (A)</b>	<b>(9.397)</b>	<b>159</b>
(Increase)/decrease in intangible assets excluding exchange rate effect	(2.145)	(886)
(Increase)/decrease in tangible assets excluding exchange rate effect		(1.029)
Change in unconsolidated equity interests	(12)	51
<b>Changes generated by investment activity (B)</b>	<b>(2.157)</b>	<b>(1.864)</b>
Change in LT/ST financial receivables	1.627	23
Change in short-term and medium-/long-term financial payables	(2.082)	(19.010)
Financial foreign exchange gains/(losses)	36	3.940
Purchase/sale of treasury shares	12.115	
Change in reserves and exchange rate effect of financial assets/liabilities, equity and tangible and intangible assets	(942)	(3.165)
Dividend payment		
<b>Cash flow generated (absorbed) by financial assets (C)</b>	<b>10.754</b>	<b>(18.212)</b>
<b>Net increase (decrease) in available cash (A+B+C)</b>	<b>(800)</b>	<b>(19.917)</b>
<b>Net cash and cash equivalents at start of period (Note 10)</b>	<b>128.448</b>	<b>94.511</b>
<b>Net cash and cash equivalents at start of period (Note 10)</b>	<b>127.648</b>	<b>74.594</b>

## CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

Description	Share capital and capital reserves			Statement of compr. income						Profits of previous years						
	Share capital	Treasury shares	Total share capital and capital reserves	Cash-flow hedge reserve	Translation reserve	Reserve for exchange rate adjustment	Actuarial gains/(losses) reserve	Held-for-sale financial assets reserve	Total Statement of compr. income	Earnings carried forward	Capital contribution reserve	Legal reserve	IAS reserve	Total	Profit for the year	Total Group shareholder s' equity
<b>01.01.2013</b> Restated (*)	<b>30.392</b>	<b>104.880</b>	<b>135.272</b>	<b>(835)</b>	<b>(6.901)</b>		<b>(142)</b>	<b>1</b>	<b>(7.877)</b>	<b>22.050</b>	<b>958</b>	<b>4.082</b>	<b>8.671</b>	<b>35.761</b>	<b>10.247</b>	<b>173.403</b>
Allocation of earnings			0						0	9.941		306		10.247	(10.247)	0
Dividends					0				0	(8.525)				(8.525)		(8.525)
Translation reserve			0						0					0		0
Change in IAS reserve			0						0					0		0
Sale/purchase of treasury shares		1.728	1.728						0					0		1.728
Other changes									0	0			12	12		12
Profit/(loss) as at 31.12.2013			0						0					0	26.906	26.906
Total other components of the statement of comprehensive income				555	(5.828)	(2.767)	(236)	(1)	(8.277)							(8.277)
<b>31.12.2013</b>	<b>30.392</b>	<b>106.608</b>	<b>137.000</b>	<b>(280)</b>	<b>(12.729)</b>	<b>(2.767)</b>	<b>(378)</b>	<b>0</b>	<b>(16.154)</b>	<b>23.466</b>	<b>958</b>	<b>4.388</b>	<b>8.683</b>	<b>37.495</b>	<b>26.906</b>	<b>185.247</b>

Description	Share capital and capital reserves			Statement of compr. income						Profits of previous years						
	Share capital	Treasury shares	Total share capital and capital reserves	Cash-flow hedge reserve	Translation reserve	Reserve for exchange rate adjustment	Actuarial gains/(losses) reserve	Held-for-sale financial assets reserve	Total Statement of compr. income	Earnings carried forward	Capital contribution reserve	Legal reserve	IAS reserve	Total	Profit for the year	Total Group shareholder s' equity
<b>01.01.2014</b>	<b>30.392</b>	<b>106.608</b>	<b>137.000</b>	<b>(280)</b>	<b>(12.729)</b>	<b>(2.767)</b>	<b>(378)</b>	<b>0</b>	<b>(16.154)</b>	<b>23.466</b>	<b>958</b>	<b>4.388</b>	<b>8.683</b>	<b>37.495</b>	<b>26.906</b>	<b>185.247</b>
Allocation of earnings			0						0	26.906				26.906	(26.906)	0
Dividends					0				0					0		0
Translation reserve			0						0					0		0
Change in IAS reserve			0						0					0		0
Sale/purchase of treasury shares		12.115	12.115						0					0		12.115
Other changes									0					0		0
Profit/(loss) as at 31.03.2014			0						0					0	6.951	6.951
Total other components of the statement of comprehensive income				22	167	(1.035)			(846)							(846)
<b>31.03.2014</b>	<b>30.392</b>	<b>118.723</b>	<b>149.115</b>	<b>(258)</b>	<b>(12.562)</b>	<b>(3.802)</b>	<b>(378)</b>	<b>0</b>	<b>(17.000)</b>	<b>50.372</b>	<b>958</b>	<b>4.388</b>	<b>8.683</b>	<b>64.401</b>	<b>6.951</b>	<b>203.467</b>

(\*) Figures disclosed for comparison purposes have been restated due to the application of IAS 19R, as specified in note 11

## **EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

### **INTRODUCTION**

The Datalogic Group produces and sells handheld readers, fixed scanners for the industrial market, mobile computers, fixed scanners for the retail market and sensors. The Group is also active in self scanning solutions and products for industrial marking.

Datalogic SpA (hereinafter, "Datalogic", the "Parent Company" or the "Company") is a joint-stock company listed on the STAR segment of Borsa Italiana, with its registered office in Italy. The address of the registered office is Via Candini, 2 - Lippo di Calderara (BO).

The Company is a subsidiary of Hydra S.p.A., which is also based in Bologna and is controlled by the Volta family.

This Interim report on operations as at 31 March 2014 includes the figures of the Parent Company and its subsidiaries (defined hereinafter as the "Group") and its minority interests in associated companies. It was prepared by the Board of Directors on 07 May 2014.

### **PRESENTATION AND CONTENT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

This Interim report on operations as at 31 March 2014 was prepared pursuant to Article 154 ter of the Italian Legislative Decree no. 58/1998, and to the Consob provisions in this field.

The International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) issued by the International Financial Reporting Interpretations Committee (IFRIC), endorsed by the European Commission and in force when this Report is approved, were applied for the evaluation and measurement of the accounting balances.

The criteria and accounting standards are consistent with those used for the financial statements as at 31 December 2013 to which reference is made for further details.

## GROUP STRUCTURE

The consolidated financial statements include the statements of the 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 ended 31 March 2014 are as follows:

Company	Registered office	Share capital	Total shareholders' equity (€000)	Profit/loss for the period (€000)	% Ownership
Datalogic SpA	Bologna – Italy	Euro 30,392,175	199,837	(73)	
Datalogic Real Estate France Sa	Parigi – France	Euro 2,227,500	3,562	(3)	100%
Datalogic Real Estate Germany gmbh	Erkenbrechtsweiler-Germany	Euro 1,025,000	1,713	(29)	100%
Datalogic Real Estate UK Ltd	Redbourn- England	GBP 3,500,000	4,570	(5)	100%
Datalogic IP tech srl	Bologna – Italy	Euro 65,677	2,402	(639)	100%
Informatics Inc.	Plano Texas - USA	USD 9,996,000	15,616	(52)	100%
Datalogic Automation srl	Monte San Pietro (BO) - Italy	Euro 10,000,000	8,391	142	100%
Datalogic Sweden AB	Malmö - Sweden	KRS 200,000	26	-	100%
Datalogic Automation INC	Telford, USA	USD 6,009,352	37,898	(1,043)	100%
Datalogic Automation PTY LTD	Mount Waverley (Melbourne)-Australia	\$AUD 3,188,118	(290)	7	100%
Datalogic Automation Asia Limited	Hong-Kong -China	HKD 7,000,000	(334)	30	100%
Datalogic (Shenzhen) Trading Business China	Shenzhen - China	USD 2,136,696	375	(166)	100%
Datalogic Hungary kft	Fonyod-Hungary	HUF 3,000,000	751	155	100%
Accu-Sort Gmbh	Berlin - Germany	USD 100	294	(17)	100%
Datalogic ADC srl	Bologna – Italy	Euro 10,000	156,139	91	100%
Datalogic Mobile Asia	Hong-Kong -China	HKD 100,000	(65)	(123)	100%
Datalogic ADC Ltd Irlanda	Dublino - Irland	Euro 100	14,282	873	100%
Datalogic Slovakia sro	Tvrn-Slovakia	Euro 66,388	6,014	2,243	100%
Datalogic Holdings Inc.	Eugene OR-USA	USD 100	70,004	(237)	100%
Datalogic ADC Inc.	Eugene OR-USA	USD 11	78,690	1,190	100%
Datalogic ADC do Brasil	Sao Paulo - Brazil	R\$ 159,525	(119)	(107)	100%
Datalogic ADC Mexico	Colonia Cuauhtemoc-Mexico	USD -	(1,748)	(69)	100%
Datalogic Scanning GMBH	Darmstadt-Germany	Euro 306,775	3,636	(24)	100%
Datalogic Scanning Eastern Europe Gmbh	Darmstadt-Germany	Euro 30,000	2,240	32	100%
Datalogic ADC PTY	Sidney-Australia	\$AUD 2	1,141	2	100%
Datalogic Vietnam LLC	Vietnam	USD 3,000,000	26,084	5,777	100%
Datalogic ADC Singapore	Singapore	SGD 100,000	233	33	100%

The following companies were consolidated at equity as at 31 March 2014:

<b>Company</b>	<b>Registered office</b>	<b>Share capital</b>	<b>Total shareholders' equity (€000)</b>	<b>Profit/loss for the period (€000)</b>	<b>% Ownership</b>
Laservall Asia Co. Ltd	Hong-Kong – CHina HKD	460,000	3,498	84	50%

### ***Change in the scope of consolidation***

A Branch of ADC srl was established on 29 January 2014, with registered office in Istanbul.

## INFORMATION ON STATEMENT OF FINANCIAL POSITION

### ASSETS

#### Note 1. Tangible assets

Details of movements as at 31 March 2014 and 31 December 2013 are as follows:

	31.03.2014	31.12.2013	Change
Land	5,224	5,223	1
Buildings	24,329	24,528	(199)
Other assets	19,759	19,822	(63)
Assets in progress and payments on account	2,318	1,755	563
<b>Total</b>	<b>51,630</b>	<b>51,328</b>	<b>302</b>

The "Other assets" item as at 31 March 2014 mainly includes the following categories: Plant and machinery (€3,844 thousand), Trade and industrial equipment (€7,144 thousand), Office furniture and machines (€6,173 thousand), General plant (€1,734 thousand), Motor vehicles (€247 thousand), and Maintenance on third-party assets (€434 thousand).

The main increases over the period relate to the purchase of moulds (€450 thousand) and Office furniture and electronic equipment (€483 thousand).

The balance of "Assets in progress and payments on account" mainly comprises investments, equal to €1,056 thousand, related to the building of two new factories in Brazil and Hungary (€778 thousand, increase over the first quarter 2014) and down payments for equipment, instruments and moulds for normal production activities.

#### Note 2. Intangible assets

Details of movements as at 31 March 2014 and 31 December 2013 are as follows:

	31.03.2014	31.12.2013	Change
Goodwill	145,114	145,092	22
Development costs	7,659	6,339	1,320
Others	48,583	50,493	(1,910)
Assets in progress and payments on account	557	2,226	(1,669)
<b>Total</b>	<b>201,913</b>	<b>204,150</b>	<b>(2,237)</b>

Goodwill, totalling €145,114 thousand, consisted of the following items:

	31.03.2014	31.12.2013	Change
CGU ADC	84,676	84,667	9
CGU IA	48,940	48,929	11
CGU Informatics	11,498	11,496	2
<b>Total</b>	<b>145,114</b>	<b>145,092</b>	<b>22</b>

The change in "Goodwill" by comparison with 31 December 2013 is mainly attributable to translation differences.

Goodwill has been allocated to the CGUs (cash generating units) corresponding to the individual companies and/or sub-groups to which they pertain.

As highlighted in the paragraph included in the section on accounting standards and policies used in the financial statements for the year ended 31 December 2013, to which reference should be made, in compliance with IFRS 3 goodwill has not been amortised since 1 January 2004 and is tested for impairment each year unless loss indicators suggest the need for more frequent impairment testing. The estimated 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 discounted cash flow method.

There were no write-downs as at 31 March 2014.

"**Development costs**", which amount to €7,659 thousand, consist of specific development projects capitalised when they meet IAS 38 requirements and in compliance with Group policies, which call for the capitalisation only of projects relating to development of products featuring significant innovation. An increase of €1,755 was reported over the period, related to a project completed in January 2014.

The "**Other**" item, which amounts to €48,583 thousand, consists primarily of intangible assets acquired through business combinations carried out by the Group, which are specifically identified and valued in the context of purchase accounting. Details are shown in the following table:

	<b>31.03.2014</b>	<b>31.12.2013</b>	<b>Useful life</b>
<b>Acquisition of the PSC Group (on 30 November 2006)</b>	<b>18,211</b>	<b>18,712</b>	
<i>PATENTS</i>	17,240	17,603	20
<i>TRADE MARK</i>	493	563	10
<i>CLIENT PORTFOLIO</i>	478	546	10
<b>Acquisition of Laservall SPA (on 27 August 2004)</b>	<b>110</b>	<b>221</b>	
<i>COMMERCIAL STRUCTURE</i>	110	221	10
<b>Acquisition of Informatics Inc. (on 28 February 2005)</b>	<b>532</b>	<b>676</b>	
<i>COMMERCIAL STRUCTURE</i>	532	676	10
<b>Acquisition of Evolution Robotics Retail Inc. (concluded on 1 July 2010)</b>	<b>3,175</b>	<b>3,301</b>	
<i>PATENTS</i>	529	550	10
<i>TRADE SECRETS</i>	2,646	2,751	10
<b>Acquisition of Accu-Sort Inc. (concluded on 20 January 2012)</b>	<b>15,819</b>	<b>16,308</b>	
<i>PATENTS</i>	9,361	9,645	10
<i>TRADE SECRETS</i>	6,458	6,663	10
<b>Licence agreement</b>	<b>6,661</b>	<b>6,948</b>	5-15
<b>Other</b>	<b>4,075</b>	<b>4,327</b>	
<b>TOTAL OTHER INTANGIBLE ASSETS</b>	<b>48,583</b>	<b>50,493</b>	

The “Other” item mainly consists of software licences.

the “Assets in progress and payments on account” item, amounting to €557 thousand, is attributable to the capitalisation of costs relating to the two research and development projects with the features required by IAS 38 that are currently still underway.

### **Note 3. Equity investments in associates**

Equity investments owned by the Group as at 31 March 2014 were as follows:

	31.12.2013	Increases	Decreases	Exch. differences	Share of profit	31.03.2014
<b>Associates</b>						
Laservall Asia CO. Ltd	1,707				42	1,749
Datalogic Automation AB	2					2
Specialvideo srl	29					29
Datasensor GMBH	45					45
<b>Total associates</b>	<b>1,783</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>42</b>	<b>1,825</b>

The change in “Associates” is due to the result pertaining to the Group and obtained by the associate Laservall Asia Co..

### **Note 4. Financial instruments by category**

The statement of financial position items coming within the scope of “financial instruments” as defined by IAS/IFRSs are as follows:

31.03.2014	Loans and receivables	Derivatives	Held for trading	Available for sale	Total
<b>Non-current financial assets</b>	<b>1,615</b>	<b>0</b>	<b>0</b>	<b>4,040</b>	<b>5,655</b>
Financial assets – equity investments (5)				3,681	3,681
Financial assets - Securities				359	359
Other receivables (7)	1,615				1,615
<b>Current financial assets</b>	<b>216,120</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>216,120</b>
Trade receivables from third parties (7)	69,552				69,552
Other receivables from third parties (7)	17,107				17,107
Financial assets - Other (5)	1,668		0		1,668
Cash and cash equivalents (10)	127,793				127,793
<b>TOTAL</b>	<b>217,735</b>	<b>0</b>	<b>0</b>	<b>4,040</b>	<b>221,775</b>



31.03.2014	Derivatives	Other financial liabilities	Total
<b>Non-current financial liabilities</b>	<b>356</b>	<b>184,059</b>	<b>184,415</b>
Financial payables (12)		181,203	181,203
Financial liabilities - Derivative instruments (6)	356		356
Other payables (16)		2,856	2,856
<b>Current financial liabilities</b>	<b>2</b>	<b>149,650</b>	<b>149,652</b>
Trade payables to third parties (16)		66,341	66,341
Other payables (16)		37,698	37,698
Financial liabilities - Derivative instruments (6)	2		2
Short-term financial payables (12)		45,611	45,611
<b>TOTAL</b>	<b>358</b>	<b>333,709</b>	<b>334,067</b>

### Fair value – hierarchy

All the financial instruments measured at fair value are classified in the three categories defined below:

**Level 1:** market prices

**Level 2:** valuation techniques (based on observable market data)

**Level 3:** valuation techniques (not based on observable market data).

31.03.2014	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Financial assets - Equity Investments (5)	3,106		575	3,681
Financial assets - LT securities (5)	359			359
Financial assets - Other (5)			1,668	1,668
<b>Assets measured at fair value</b>	<b>3,465</b>	<b>0</b>	<b>2,243</b>	<b>5,708</b>
<b>Liabilities measured at fair value</b>				
Financial liabilities - LT Derivative instruments (6)		356		356
Financial liabilities - ST derivative instruments (6)		2		2
<b>Total Liabilities measured at fair value</b>	<b>0</b>	<b>358</b>	<b>0</b>	<b>358</b>

### Note 5. Available-for-sale financial assets and Loans

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

	31.03.2014	31.12.2013	Change
<b>Securities</b>	<b>2,027</b>	<b>1,655</b>	<b>372</b>
Long-term government bonds	359	358	1
Other	1,668	1,297	371
<b>Other equity investments</b>	<b>3,681</b>	<b>3,669</b>	<b>12</b>
<b>Total</b>	<b>5,708</b>	<b>5,324</b>	<b>384</b>

The “Other” item comprises receivables from factoring companies regarding trade receivables disposed without recourse, for which the amount of the sale has not yet been entirely collected as at 31 March 2014.

As at 31 March 2014, equity investments owned by the Group in other companies were as follows:

	31.12.2013	Increases	Decreases	Adj. to fair value	Write-downs	31.03.2014
Listed shares	3,106					3,106
Unlisted shares	563	12				575
<b>Total equity investments</b>	<b>3,669</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,681</b>

The amount of the “Unlisted shares” item is mainly represented by 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. The change for the period is due to the purchase of 86 quotas of the aforementioned fund.

It should be noted that the Parent Company holds a minority interest in the Alien Technology Corporation which was written down completely as at 31 December 2010.

	31.03.2014	31.12.2013
Financial receivables	0	2,000
<b>Total Financial receivables</b>	<b>0</b>	<b>2,000</b>

The financial receivables, equal to €2,000 thousand, subscribed on 20 December 2013 was reimbursed on 27 March 2014.

### **Note 6. Financial derivatives**

	31.03.2014		31.12.2013	
	Assets	Liabilities	Assets	Liabilities
<b>Financial instruments measured at fair value and recognised in the statement of comprehensive income</b>				
Interest rate derivatives - LT cash flow hedges		356		371
Interest rate derivatives - ST cash flow hedges		2		14
<b>Total</b>	<b>0</b>	<b>358</b>	<b>0</b>	<b>385</b>

#### **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 €358 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.

As at 31 March 2014, the notional principal of interest swaps totalled €23,349 thousand (€27,350 thousand as at 31 December 2013).

Currency derivatives

As at 31 March 2014 the Group had no active forward contracts for exchange rate risk.

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

	31.03.2014	31.12.2013	Change
Third-party trade receivables	71,796	70,665	1,131
Deducted: provision for doubtful receivables	2,244	2,259	(15)
<b>Net third-party trade receivables</b>	<b>69,552</b>	<b>68,406</b>	<b>1,146</b>
<b>Receivables from associates</b>	<b>1,724</b>	<b>1,536</b>	<b>188</b>
Laservall Asia	853	541	312
Datasensor GMBH	140	202	(62)
Specialvideo	11	41	(30)
Datalogic Automation AB	720	752	(32)
<b>Related-party receivables</b>	<b>2</b>	<b>11</b>	<b>(9)</b>
<b>Total Trade receivables</b>	<b>71,278</b>	<b>69,953</b>	<b>1,325</b>
Other receivables – current accrued income and prepaid expenses	17,182	15,522	1,660
Other receivables – non-current accrued income and prepaid expenses	1,615	1,744	(129)
<b>Total other receivables - accrued income and prepaid expenses</b>	<b>18,797</b>	<b>17,266</b>	<b>1,531</b>
Deducted: non-current portion	1,615	1,744	(129)
<b>Trade and other receivables - current portion</b>	<b>88,460</b>	<b>85,475</b>	<b>2,985</b>

Trade receivables

“Trade receivables falling due within 12 months” as at 31 March 2014 are equal to €71,278 thousand, up by 2% by comparison with 31 December 2013.

As at 31 March 2014, trade receivables transferred to factoring companies amounted to €18,927 thousand (compared to €17,443 thousand at end 2013).

Receivables from associates arise from commercial transactions carried out at arm’s length conditions.

Customer trade receivables are posted net of doubtful debt provision totalling €2,244 thousand (€2,259 thousand as at 31 December 2013).

Other receivables – accrued income and prepaid expenses

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

	31.03.2014	31.12.2013	Change
Other current receivables	2,533	2,291	242
Other long-term receivables	1,615	1,744	(129)
VAT Tax Credit	12,006	10,842	1,164

Accrued income and prepaid expenses	2,643	2,389	254
<b>Total</b>	<b>18,797</b>	<b>17,266</b>	<b>1,531</b>

**Note 8. Inventories**

	31.03.2014	31.12.2013	Change
Raw and ancillary materials and consumables	14,892	14,072	820
Work in progress and semi-finished products	19,459	15,951	3,508
Finished products and goods	22,256	23,780	(1,524)
<b>Total</b>	<b>56,607</b>	<b>53,803</b>	<b>2,804</b>

**Note 9. Tax receivables and tax liabilities**

As at 31 March 2014, the item “tax receivables” amounts to €14,321 thousand and records an increase of €3,360 thousand (€10,961 thousand as at 31 December 2013). This item includes the amount receivable from Parent Company Hydra relating to the IRES (corporate tax) credit arising from participation in tax consolidation, of €7,051 thousand with an increase of €826 thousand (€6,225 thousand as at 31 December 2013).

As at 31 March 2014, the item “tax payables” amounts to €3,680 thousand and records an increase of €2,917 thousand (€5,763 thousand as at 31 December 2013); this item includes the amount payable to Parent Company Hydra relating to the IRES (corporate tax) credit arising from participation in tax consolidation; as at 31 March 2014, the item was €162 thousand, whereas it amounted to €138 thousand as at 31 December 2013.

**Note 10. Cash and cash equivalents**

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

	31.03.2014	31.12.2013	Change
Cash and cash equivalents shown on financial statements	127,793	128,539	(746)
Restricted cash	(43)	(42)	(1)
Current account overdrafts	(102)	(49)	(53)
<b>Cash and cash equivalents for statement</b>	<b>127,648</b>	<b>128,448</b>	<b>(800)</b>

According to the requirements of CONSOB Communication no. 15519 of 28 July 2006, the Group's financial position is reported in the following table:

	<b>31.03.2014</b>	<b>31.12.2013</b>	<b>31.03.2013</b>
A. Cash and bank deposits	127,750	128,497	74,721
B. Other cash and cash equivalents	43	42	90
<i>b1. restricted cash deposit</i>	43	42	90
C. Securities held for trading	359	358	9,559
<i>c1. Short-term</i>	0	0	9,202
<i>c2. Long-term</i>	359	358	357
<b>D. Cash and equivalents (A) + (B) + (C)</b>	<b>128,152</b>	<b>128,897</b>	<b>84,370</b>
E. Current financial receivables	1,668	3,297	0
F. Other current financial receivables	0	0	0
<i>f1. hedging transactions</i>	0	0	0
G. Bank overdrafts	102	49	127
H. Current portion of non-current debt	45,272	46,360	68,304
I. Other current financial payables	239	248	306
<i>I1. hedging transactions</i>	2	14	79
<i>I2. payables for lease</i>	237	234	227
<b>J. Current financial debt (G) + (H) + (I)</b>	<b>45,613</b>	<b>46,657</b>	<b>68,737</b>
<b>K. Current financial debt, net (J) - (D) - (E) - (F)</b>	<b>(84,207)</b>	<b>(85,537)</b>	<b>(15,633)</b>
L. Non-current bank borrowing	180,425	181,327	135,808
M. Other non-current financial receivables	0	0	0
N. Other non-current liabilities	1,134	1,217	1,873
<i>n1. hedging transactions</i>	356	371	821
<i>n2. payables for lease</i>	778	846	1,052
<b>O. Non-current financial debt (L) - (M) + (N)</b>	<b>181,559</b>	<b>182,544</b>	<b>137,681</b>
<b>P. Net financial debt (K) + (O)</b>	<b>97,352</b>	<b>97,007</b>	<b>122,048</b>

Net financial debt as at 31 March 2014 amounted to €97,352 thousand, up by 0.4% (€345 thousand) compared with €97,007 thousand as at 31 December 2013.

Note that, over the period, sale/purchase of treasury shares, which generated a positive cash flow amounting to €12,115 thousand. During the first quarter of 2014, the Group purchased 27,850 treasury shares and sold 1,421,083 shares, thus obtaining a capital gain of €4,469 thousand.

Investments were also made amounting to €2,145 thousand.

Working capital as at 31 March 2014 was €39,985 thousand, up by €23,296 thousand compared to 31 December 2013 (€16,689 thousand), mainly resulting from the decrease in account payables to suppliers, from €84,712 thousand reported at year-end to €66,695 thousand at the end of the first quarter of this year.

## INFORMATION ON STATEMENT OF FINANCIAL POSITION - 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:

	31.03.2014	31.12.2013
Share capital	30,392	30,392
Share premium reserve	108,966	100,863
Extraordinary share-cancellation reserve	2,813	2,813
Treasury shares held in portfolio	6,944	(5,171)
Treasury share reserve	0	8,103
<b>Share capital and capital reserves</b>	<b>149,115</b>	<b>137,000</b>
Cash-flow hedge reserve	(258)	(280)
Translation reserve	(12,562)	(12,729)
Reserve for exchange rate adjustment	(3,802)	(2,767)
Actuarial gains/(losses) reserve	(378)	(378)
<b>Other reserves</b>	<b>(17,000)</b>	<b>(16,154)</b>
<b>Profits of previous years</b>	<b>64,401</b>	<b>37,495</b>
Earnings carried forward	50,372	23,466
Capital contribution reserve	958	958
Legal reserve	4,388	4,388
IAS reserve	8,683	8,683
Profit (loss) for the year	6,951	26,906
<b>Total Group shareholders' equity</b>	<b>203,467</b>	<b>185,247</b>

### Share capital

Movements in share capital as at 31 December 2013 and 31 March 2014 are reported below (in €/000):

	Number of shares	Share capital	Extraordinary share-cancellation reserve	Share premium reserve	Treasury shares	Treasury share reserve	Total
<b>01.01.2014</b>	<b>57,053,258</b>	<b>30,392</b>	<b>2,813</b>	<b>100,863</b>	<b>(5,171)</b>	<b>8,103</b>	<b>137,000</b>
Purchase of treasury shares	(27,850)			(218)	(218)	218	(218)
Sale of treasury shares	1,421,083			8,321	8,321	(8,321)	8,321
Capital gains/(capital losses) from the sale of treasury shares					4,469		4,469
Costs for the purchase/sale of treasury shares					(457)		(457)
<b>31.03.2014</b>	<b>58,446,491</b>	<b>30,392</b>	<b>2,813</b>	<b>108,966</b>	<b>6,944</b>	<b>0</b>	<b>149,115</b>

### *Ordinary shares*

As at 31 March 2014 the total number of ordinary shares was 58,446,491, no treasury shares were owned due to the fact that on 11 March 2014 they had been all transferred through an Accelerated Bookbuilding proceeding, with a capital gain of €4,469 thousand. The shares have a nominal unit value of €0.52 and are fully paid up.

### *Treasury shares*

The "Treasury shares" item, positive by €6,944 thousand as at 31 March 2014, includes only income and charges related to the sale of treasury shares by reason of the fact that, as above-mentioned, treasury shares were sold. In the first quarter of 2014 the Group purchased 27,850 treasury shares and sold 1,421,083 shares, with a capital gain of €4,469 thousand.

Following the transfer of all treasury shares, the equity reserve (Treasury shares reserve), formed in compliance of provisions set out by Art. 2357 of the Italian Civil Code, was fully released.

### **Other Reserves**

#### *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 by €358 thousand) and amounts are shown net of the tax effect (€100 thousand).

#### *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.

#### *Reserve for exchange rate adjustment*

In application to IAS 21.15, this reserve comprises profit/losses generated by monetary elements which are an integral part of the net investment of foreign managements. In particular, it relates to the effect of exchange rates measurement at year-end for receivables for loans in US dollars supplied by the Parent Company Datalogic SpA to the subsidiaries Datalogic Automation Inc., Datalogic Automation S.r.l. and Datalogic Holdings Inc., and granted to acquire the Accu-Sort Inc. Group. For these loans no regulation and/or a defined reimbursement plan is provided nor is it deemed probable that they will be reimbursed in the foreseeable future.

#### *Actuarial gains/(losses) reserve*

This reserve comprises actuarial gains and losses which, according to IAS 19R, are now recognised under other components in the comprehensive income statement and permanently excluded from the income statement.

**Profits of previous years**

*IAS reserve*

This reserve was created upon first-time adoption of international accounting standards as at 1 January 2004 (Consolidated Financial statements for the year ended 31 December 2003) pursuant to IFRS 1.

*Profits/losses of previous years*

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

**Dividends**

On 23 April 2014, the Ordinary Shareholders' Meeting of Datalogic SpA decided to distribute an ordinary dividend of €0.16 per share (€0.15 in 2013). The overall dividends will be paid as from 15 May 2014.

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

	<b>31 March 2014</b>		<b>31 December 2013</b>	
	<b>Total equity</b>	<b>Period results</b>	<b>Total equity</b>	<b>Period results</b>
<b><i>Parent Company shareholders' equity and profit</i></b>	<b>199,837</b>	<b>(73)</b>	<b>189,084</b>	<b>6,921</b>
Difference between consolidated companies' net equity and their carrying value in the Parent Company's financial statements; effect of equity-based valuation	61,885	7,105	54,340	60,534
Reversal of dividends			0	(39,202)
Amortisation of intangible assets "business combination"	(5,827)		(5,827)	
Effect of acquisition under common control	(31,733)		(31,733)	
Elimination of capital gain on sale of business branch	(18,665)		(18,665)	
Effect of eliminating intercompany transactions	(9,428)	17	(9,445)	(3,693)
Reversal of write-downs and capital gains on equity investments	6,121		6,121	2,175
Sale of know-how	(7)		(7)	
Goodwill impairment	(1,395)		(1,395)	
Other	(1,089)	(139)	(953)	(51)
Deferred taxes	3,768	41	3,727	222
<b><i>Group shareholders' equity</i></b>	<b>203,467</b>	<b>6,951</b>	<b>185,247</b>	<b>26,906</b>



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

The breakdown of this item is as detailed below:

	31.03.2014	31.12.2013	Change
Bank loans	225,684	227,674	(1,990)
EU financing	13	13	0
Payables for lease	1,015	1,080	(65)
Bank overdrafts (ordinary current accounts)	102	49	53
<b>Total financial payables</b>	<b>226,814</b>	<b>228,816</b>	<b>(2,002)</b>

The breakdown of changes in the “Bank loans” item as at 31 March 2014 and 31 December 2013 is shown below:

	2014	2013
<b>1 January</b>	<b>227,674</b>	<b>222,806</b>
Foreign exchange differences	5	1,399
Increases	0	0
Repayments	0	(17,000)
Decreases for loan repayments	(1,995)	(3,184)
<b>31 March</b>	<b>225,684</b>	<b>204,021</b>

Bank loans have maturities until 2020 and approximate annual average interest rates of 3%. The fair value of the loans (current and non-current) coincides substantially with their book value.

**Covenants**

The companies have been asked to respect certain financial covenants for the following loans, on a semi-annual or annual basis, as summarised in the table below:

Bank	Company	Currency	Outstanding debt	Covenant	Frequency	Reference statements
Carisbo	1 Datalogic SpA	Eur	1,000,000	DFL PN	annual	Datalogic SpA
Pop Vr_Gespro	2 Datalogic SpA	Eur	2,500,000	PFN/PN PFN/Ebitda	annual	Datalogic Group
Mediobanca	3 Datalogic SpA	Eur	24,000,000	EBITDA/OFN PFN/Ebitda	semi-annual	Datalogic Group
BNL	4 Datalogic SpA	Usd	26,817,143	PFN/PN PFN/Ebitda	semi-annual	Datalogic Group
BNL	5 Datalogic SpA	Eur	41,250,000	EBITDA/OFN PFN/Ebitda	semi-annual	Datalogic Group
Unicredit	6 Datalogic SpA	Eur	9,375,000	PFN/PN PFN/Ebitda	semi-annual	Datalogic Group
Unicredit	7 Datalogic SpA	Eur	18,750,000	EBITDA/OFN PFN/Ebitda	semi-annual	Datalogic Group
Club Deal	8 Datalogic SpA	Eur	110,000,000	EBITDA/OFN PFN/Ebitda	semi-annual	Datalogic Group

Key: PN = Shareholders' Equity; PFN = Net Financial Position; DFL = Gross Financial Payables; OFN = Net Financial Expenses

**Note 13. Deferred taxes**

Deferred tax assets and liabilities stem both from positive items already recognised in the income statement and subject to deferred taxation under current tax regulations and temporary differences between consolidated balance-sheet assets and liabilities and their relevant taxable value.

The breakdown per company of deferred taxes (net balance between taxes payable and receivable) is shown below:

	<b>31.03.2014</b>	<b>31.12.2013</b>	<b>Change</b>
Datalogic Automation INC	6,683	6,162	521
Datalogic Automation srl (*)	896	1,016	(120)
Datalogic ADC HK Ltd	(2)	(2)	0
Datalogic ADC srl	(1,284)	(1,200)	(84)
Datalogic RE France Sa	52	52	0
Datalogic RE Germany gmbh	(75)	(75)	0
Datalogic RE Uk ltd	107	107	0
Datalogic scanning GMBH	(504)	(504)	0
Datalogic Holding Inc	4,314	3,923	391
Datalogic ADC Ltd Irland	54	37	17
Datalogic ADC Inc	(241)	(132)	(109)
Datalogic ADC PTY	96	91	5
Datalogic Slovakia sro	843	841	2
Datalogic ADC VN	308	308	
Datalogic SpA	(1,727)	(91)	(1,636)
Informatics Inc	(69)	(70)	1
Datalogic IP TECH srl	8,318	8,817	(499)
<b>Total net long-term deferred taxes</b>	<b>17,769</b>	<b>19,280</b>	<b>(1,511)</b>
<b>Deferred taxes recognized due to the consolidation entries</b>	<b>1,435</b>	<b>1,281</b>	<b>154</b>
<b>Total net long-term deferred taxes</b>	<b>19,204</b>	<b>20,561</b>	<b>(1,357)</b>

**Note 14. Post-employment benefits**

The breakdown of changes in the "Post-employment benefits" item as at 31 March 2014 and 31 December 2013 is shown below:

	<b>2014</b>	<b>2013</b>
<b>1 January</b>	<b>7,049</b>	<b>7,367</b>
Amount allocated in the period	396	358
Uses	(194)	(113)
Social security receivables for the employee severance indemnity reserve	(245)	(240)
<b>31 March</b>	<b>7,006</b>	<b>7,372</b>

**Note 15. Provisions for risks and charges**

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

	<b>31.03.2014</b>	<b>31.12.2013</b>	<b>Change</b>
Short-term provisions for risks and charges	6,330	7,047	(717)
Long-term provisions for risks and charges	8,622	7,398	1,224
<b>Total</b>	<b>14,952</b>	<b>14,445</b>	<b>507</b>

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

	<b>31.12.2013</b>	<b>Increases</b>	<b>(Uses) and (Releases)</b>	<b>31.03.2014</b>
Product warranty provision	8,008	804	(167)	8,645
Corporate restructuring fund	23		(13)	10
Provision for management incentive scheme	2,740	600		3,340
Other	3,674	22	(739)	2,957
<b>Total Provisions for risks and charges</b>	<b>14,445</b>	<b>1,426</b>	<b>(919)</b>	<b>14,952</b>

The "**product warranty provision**" covers the estimated cost of repairing products sold as up to 31 March 2014 and covered by periodical warranty; this provision amounts to €8,645 thousand (of which €4,797 thousand long-term) and is considered sufficient in relation to the specific risk it covers.

The increase in the "**Provision for management incentive scheme**" is attributable to the estimate on the portion pertaining to the provision for a long-term plan for directors and managers for the period 2013-2015.

The "**Other**" item mainly comprises:

- €2,362 thousand for a "stock rotation" provision for the ADC Group and Informatics;
- €300 thousand for outstanding tax dispute related to some Italian companies;
- €272 thousand for agent termination indemnities.

**Note 16. Trade and other payables**

This table shows the details of trade and other payables:

	31.03.2014	31.12.2013	Change
Trade payables due within 12 months	66,341	84,391	(18,050)
<b>Third-party trade payables</b>	<b>66,341</b>	<b>84,391</b>	<b>(18,050)</b>
<b>Payables to associates</b>	<b>85</b>	<b>124</b>	<b>(39)</b>
<i>Laservall Asia</i>	70	101	(31)
<i>Datasensor GMBH</i>	3	2	1
<i>Datalogic Automation AB</i>	12	21	(9)
<b>Payables to related parties</b>	<b>269</b>	<b>197</b>	<b>72</b>
<b>Total Trade payables</b>	<b>66,695</b>	<b>84,712</b>	<b>(18,017)</b>
Other payables – current accrued liabilities and deferred income	37,698	36,028	1,670
Other payables – non-current accrued liabilities and deferred income	2,856	2,648	208
<b>Total other payables – accrued liabilities and deferred income</b>	<b>40,554</b>	<b>38,676</b>	<b>1,878</b>
Deducted: non-current portion	2,856	2,648	208
<b>Current portion</b>	<b>104,393</b>	<b>120,740</b>	<b>(16,347)</b>

**Other payables – accrued liabilities and deferred income**

The detailed breakdown of this item is as follows:

	31.03.2014	31.12.2013	Change
Other current payables:	18,265	17,591	674
<i>Payables to employees</i>	10,686	10,708	(22)
<i>Payables to pension and social security agencies</i>	3,997	3,287	710
<i>Directors' remuneration payable</i>	292	431	(139)
<i>Other payables</i>	3,290	3,165	125
Other long-term payables	2,856	2,648	208
VAT liabilities	3,155	3,536	(381)
Accrued liabilities and deferred income	16,278	14,901	1,377
<b>Total</b>	<b>40,554</b>	<b>38,676</b>	<b>1,878</b>

Amounts payable to employees represent the amount due for salaries and vacations accrued by employees as at the reporting date.

The increase in "Payables to pension and social security agencies" is attributable to the fact that in 2013 the company benefited from CIGS tax reductions.

Item "Other payables" comprises the residual payables (€2,175 thousand) for the purchase, occurred in 2013, of a licence agreement, capitalised under item Intangible assets. Payment will be made in April 2014.

## INFORMATION ON THE INCOME STATEMENT

### Note 17. Revenues

	Quarter ended		
	31.03.2014	31.03.2013	Change
Revenues from sale of products	103,026	96,240	6,786
Revenues for services	5,220	5,801	(581)
<b>Total</b>	<b>108,246</b>	<b>102,041</b>	<b>6,205</b>

Revenues earned from sales of products and services increased by 6.1% compared to last year (7.8% at constant exchange rates).

Below is the regional breakdown of revenues in percentage terms:

	31.03.2014	31.03.2013	Change
Revenues in Italy	11%	9%	2%
Revenues – EU	39%	39%	0%
Revenues – Rest of World	50%	52%	-2%

### 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.

	Quarter ended		
	31.03.2014	31.03.2013	Change
<b>TOTAL COST OF GOODS SOLD (1)</b>	<b>55,626</b>	<b>53,710</b>	<b>1,916</b>
<b>TOTAL OPERATING COSTS (2)</b>	<b>41,554</b>	<b>41,314</b>	<b>240</b>
Research and Development expenses	9,739	8,277	1,462
Distribution expenses	20,098	20,238	(140)
General and administrative expenses	11,208	12,444	(1,236)
<i>of which amortisation pertaining to acquisitions</i>	<i>1,389</i>	<i>1,449</i>	<i>(60)</i>
Other operating costs	509	355	154
<b>TOTAL (1+2)</b>	<b>97,180</b>	<b>95,024</b>	<b>2,156</b>
<b>of which amortisation pertaining to acquisitions</b>	<b>1,389</b>	<b>1,449</b>	<b>(60)</b>

The amortisation from acquisitions (equal to €1,389 thousand) included under “General and administrative expenses” are comprised of:

	Quarter ended		Change
	31.03.2014	31.03.2013	
Acquisition of the PSC Group (on 30 November 2006)	510	528	(18)
Acquisition of Laservall SPA (on 27 August 2004)	110	110	0
Acquisition of Informatics Inc. (on 28 February 2005)	146	152	(6)
Acquisition of Evolution Robotics Retail Inc. (concluded on 1 July 2010)	128	132	(4)
Acquisition of Accu-Sort Inc. (concluded on 20 January 2012)	495	527	(32)
<b>TOTAL</b>	<b>1,389</b>	<b>1,449</b>	<b>(60)</b>

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

This item increased by 3.57% compared to the same period in 2013. At constant exchange rates and net of extraordinary costs, the percentage increase would have been equal to 5.8%. This value is lower by around two percentage points, than the increase in revenues, thus confirming the Group's recovery in efficiency.

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

The operating costs, net of the non-recurring items and the amortisation inherent in the acquisitions, increased from €39,865 thousand to €40,165 thousand. At constant exchange rates and net of extraordinary costs, there is an increase of €1,154 thousand (2.9%), fully attributable to R&D costs.

In particular:

- **“R&D expenses”** increased by €1,462 thousand compared with the same period of the previous year (+€1,637 thousand at constant exchange rates, equal to 19.8%). This increase, at constant exchange rates, is primarily attributable to the increase in payroll & employee benefits, in the amount of €1,145 thousand and higher amortisation, totalling €402 thousand, €360 thousand of which related to two special development projects (capitalised as they meet IAS 38 requirements). These projects started to be amortised in February 2014 and October 2013, respectively.
- the **“distribution expenses”** amounted to €20,098 thousand and are almost unchanged compared to the same period of the previous year. A €364 thousand increase, equal to 1.8%, is however reported in the trend analysis at constant exchange rates. At constant exchange rates, it should be noted a decrease in operating expenses and amortisation/depreciation in the amount of €463 thousand, as well as an increase in payroll & employee benefits of €827 thousand.
- **“General and administrative expenses”** were €11,208 thousand. Net of extraordinary items and at constant exchange rates, this item decreased by €1,016 thousand compared with the same period of the previous year (equal to -9.2%). At constant exchange rates, it is worth noting a decrease primarily attributable to consultancy expenses, equal to €663 thousand, and in the director's remunerations (€301 thousand), as well as an increase in payroll & employee benefits of €203 thousand.

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

	Quarter ended		
	31.03.2014	31.03.2013	Change
Capital losses on assets	3	1	2
Allocation to provisions for doubtful accounts	265	143	122
Non-income taxes	171	208	(37)
Cost charge backs	144	(6)	150
Other	(74)	9	(83)
<b>Total</b>	<b>509</b>	<b>355</b>	<b>154</b>

The “Other” item, totalling €74 thousand, comprises revenues in the amount of €105 thousand due to the redemption of a reserve.

### Breakdown of costs by type

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

	Quarter ended		
	31.03.2014	31.03.2013	Change
Purchases	44,553	44,484	68
Inventory change	(6,841)	(6,045)	(795)
Payroll & employee benefits	33,419	31,251	2,168
Amortisation, depreciation and write-downs	4,176	3,772	404
Goods receipt & shipment	3,347	3,427	(80)
Technical, legal and tax advisory services	2,238	2,889	(651)
Marketing expenses	1,934	1,539	395
Travel & accommodation	1,659	1,924	(265)
Building expenses	1,473	1,530	(57)
Material collected from the warehouse	1,293	829	464
Repairs	1,108	1,434	(326)
Vehicle expenses	956	889	67
EDP expenses	715	695	20
Royalty fees	555	34	521
Consumables	542	495	47
Utilities	502	442	60
Telephone expenses	495	452	43
Directors' remuneration	469	776	(307)
Meeting expenses	339	308	31
Commissions	283	222	61
Insurance	259	257	2
Quality certification expenses	253	287	(34)
R&D materials	230	67	163
Subcontracted work	216	128	88
Entertainment expenses	195	215	(20)
Accounts certification expenses	168	491	(323)
Leasing and maintenance of plant and machinery	119	148	(29)
Stationery and printings	104	118	(14)
Other	2,421	1,966	455
<b>Total (1+2)</b>	<b>97,180</b>	<b>95,024</b>	<b>2,156</b>

As already highlighted in the paragraph above, the increase in item "Amortisation, depreciation and write-downs" is primarily connected with amortisation/depreciation, equal to €351 thousand, related to two special development projects (capitalised as they meet IAS 38 requirements). These projects started to be amortised in February 2014 and October 2013, respectively.

The increase in item "Marketing expenses" is primarily attributable to the increase in marketing co-participation expenses.

The "Other" item mainly consists of several costs all of which are lower than €100 thousand.

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

	Quarter ended		Change
	31.03.2014	31.03.2013	
Wages and salaries	25,050	23,823	1,227
Social security charges	5,647	5,093	554
Employee severance indemnities	377	396	(19)
Retirement and similar benefits	215	239	(24)
Medium- to long-term managerial incentive plan	600	456	144
Other costs	1,530	1,244	286
<i>of which leaving incentives</i>	<i>377</i>	<i>38</i>	<i>339</i>
<b>Total</b>	<b>33,419</b>	<b>31,251</b>	<b>2,168</b>

The "Wages and salaries" item, equal to €25,050 thousand, includes *Sales commissions and incentives* of €2,716 thousand (€2,634 thousand as at 31 March 2013).

The "Other costs" item includes leave incentives, equal to €377 thousand, which are not classified under "non-recurring costs and revenues" as they refer to the normal managerial turnover.

### **Note 19. Other operating revenues**

The detailed breakdown of this item is as follows:

	Quarter ended		Change
	31.03.2014	31.03.2013	
Miscellaneous income and revenues	72	177	(105)
Rents	19	18	1
Capital gains on asset disposals	5	14	(9)
Contingent assets	6	1	5
Grants to research and development expenses	33	0	33
Other	88	25	63
<b>Total</b>	<b>223</b>	<b>235</b>	<b>(12)</b>



**Note 20. Net financial income (expenses)**

	Quarter ended		
	31.03.2014	31.03.2013	Change
Interest expenses on bank current accounts/loans	2,016	1,621	395
Foreign exchange losses	4,470	4,331	139
Bank expenses	474	316	158
Other	15	76	(61)
<i>Total financial expenses</i>	<i>6,975</i>	<i>6,344</i>	<i>631</i>
Interest income on bank current accounts/loans	79	53	26
Foreign exchange gains	4,046	7,512	(3,466)
Other	49	47	2
<i>Total financial income</i>	<i>4,174</i>	<i>7,612</i>	<i>(3,438)</i>
<b>Net financial income (expenses)</b>	<b>(2,801)</b>	<b>1,268</b>	<b>(4,069)</b>

**Total financial expenses**

The "Foreign exchange losses" item, equal to €4,470 thousand, is attributable to the Automatic Data Capture Group, for €3,711 thousand, the Industrial Automation Group, for €471 thousand and the Parent Company, for €266 thousand.

**Total financial income**

The "Foreign exchange gains" item, equal to €4,046 thousand, is mainly attributable to the Automatic Data Capture Group (€3,409 thousand), the Parent Company (€357 thousand) and the Industrial Automation Group (€280 thousand).

**Note 21. Taxes**

	Quarter ended		
	31.03.2014	31.03.2013	Change
Income tax	998	123	875
Deferred taxes	581	2,270	(1,689)
<b>Total</b>	<b>1,579</b>	<b>2,393</b>	<b>(814)</b>

The average tax rate comes to 18.52% (28.12% as at 31 March 2013).

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

	Quarter ended	
	31.03.2014	31.03.2013
Group profit/(loss) for the period	6,951,000	6,116,000
Average number of shares	57,517,669	56,838,134
<b>Basic earnings/loss per share</b>	<b>0.1208</b>	<b>0.1076</b>

Basic EPS as at 31 March 2014 was calculated by dividing Group net profit of €6,951 thousand (Group net profit of €6,116 thousand as at 31 March 2013) by the weighted average number of ordinary shares outstanding as at 31 March 2014, equal to 57,517,669 shares (56,838,134 as at 31 March 2013).

**TRANSACTIONS WITH SUBSIDIARIES THAT ARE NOT FULLY CONSOLIDATED, ASSOCIATES AND RELATED PARTIES**

For the definition of “Related parties”, see both IAS 24, approved by EC Regulation 1725/2003, and the internal Regulation approved by the Board of Directors on 4 November 2010.

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

Intragroup 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 and non-instrumental premises 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, revenues and cost to the related parties are not a significant proportion of the total amount of the financial statements.

<b>RELATED PARTIES</b>	<b>Hydra (holding company)</b>	<b>Hydra Immobiliare</b>	<b>Non-consolidated Automation Group companies</b>	<b>Studio Associato Caruso</b>	<b>Laservall Asia</b>	<b>TOTAL 31.03.14</b>
	<b>holding company</b>	<b>company controlled by Chairman of BoD</b>	<b>Associated companies</b>	<b>company controlled by a company Body member</b>	<b>Associated company</b>	
<b>Equity investments</b>	-	-	76	-	127	<b>203</b>
Automation Group			76		127	203
<b>Trade receivables - accrued income and prepayments</b>	-	77	871	-	853	<b>1,801</b>
Automation Group		75	816		853	1,744
DI SpA		2				2
ADC Group			55			55
<b>Receivables pursuant to tax consolidation</b>	<b>7,051</b>	-	-	-	-	<b>7,051</b>
Datalogic IP Tech Srl	2,844					2,844
DI Automation Srl	799					799
DI Spa	3,408					3,408
<b>Liabilities pursuant to tax consolidation</b>	<b>162</b>	-	-	-	-	<b>162</b>
DI ADC Srl	162					162
<b>Trade payables</b>	-	109	15	160	70	<b>354</b>
DI Spa				108		108
DI IP Tech Srl				9		9
ADC Group			8	16		24
Automation Group		109	7	27	70	213
<b>Sales / service expenses</b>	-	140	16	60	114	<b>330</b>
DI Spa		17		46		63
DI IP Tech Srl				4		4
Automation Group		123	16	10	114	263
<b>Commercial revenues</b>	-	-	847	-	1,048	<b>1,895</b>
ADC Group			44			44
Automation Group			803		1,048	1,851
<b>Financial revenues</b>	<b>11</b>	-	-	-	-	<b>11</b>
DI Spa	11					11
<b>Profits from associates</b>	-	-	-	-	42	<b>42</b>
Automation Group					42	42

**NUMBER OF EMPLOYEES**

	Quarter ended		
	31.03.2014	31.03.2013	Change
Industrial Automation Group	798	776	22
Automatic Data Capture Group	1,390	1,415	(25)
Corporate Group	101	102	(1)
Informatics	103	117	(14)
<b>Total</b>	<b>2,392</b>	<b>2,410</b>	<b>(18)</b>

The Chairman of the Board of Directors  
*Mr. Romano Volta*

**DICHIARAZIONE AI SENSI DELL'ART. 154 BIS, COMMA 2, D.LGS. N. 58/1998****Resoconto Intermedio di gestione al 31 marzo 2014**

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 2014 corrisponde alle risultanze documentali, ai libri e alle scritture contabili.

Datalogic S.p.A.

(Marco Rondelli)

