

# DATALOGIC (STAR: DAL.MI): APPROVAL OF DRAFT FINANCIAL STATEMENTS FOR YEAR ENDING ON 31 DECEMBER 2005

Bologna, 27th February 2006 - Today the BoD of Datalogic - a company listed in the STAR segment of the Milan Bourse and active in the design, production and distribution of barcode reader systems and RFID (radio frequency identification devices) - approved draft financial statements for the year ending on 31 December 2005.

During 2005 revenues rose to 205.9 million (mn) with a 40.8% increase over 146.3 mn in the previous year.

The Annual General Meeting of Shareholders will be convened for April 20th 2006; the Board of Directors will propose to the AGM of shareholders distribution of a per-share dividend of 0.22 (with coupon detachment on May 8th 2006 and payment on May 11th 2006).

The Group's consolidation area was different to that of 2004, since 2005 revenues also included sales of the US corporation Informatics, acquired and consolidated as from March 2005.

In addition, the newly acquired US corporation PSC - for which the definitive purchase contract was signed on 30 November 2005 - was included in the Group's consolidation area for the month of December, when PSC reported sales of 19.4 mn.

Net of PSC and Informatics, Datalogic's 2005 revenues in any case grew and amounted to 161 mn (+10.1% vs. 2004).

The PSC acquisition - the largest acquisition ever completed by Datalogic - offers excellent opportunities from the industrial standpoint and in terms of integration of product ranges, as well as permitting more balanced development of the Group as regards markets served and geographical distribution.

improved by 24.9% vs. 25.2 mn in 2004. EBIT totalled 24.8 mn (vs. 19.6 mn in 2004), with growth of +26.8% YoY.

2005 ended with net profit of 13 mn (+15.9% vs. 11.2 mn in 2004).

As regards individual business segments, in 2005 the Data Capture division achieved revenues of 146.6 mn (+19% vs. 2004), whilst the Business Development division - thanks to the decisive contribution of the new acquisitions - achieved 59.4 mn (+162% vs. 27.7 mn in 2004).

Going into greater detail, particularly positive performance was delivered by the mobile computers (MC) line (+18%) and unattended scanners (USS) (+4%).

As regards geographical areas, there was evident growth of sales in North America (+159%) and in the Rest of the World (+44%).

The company's net financial position showed net debt of 125.7 mn (vs. net cash of 35.8 mn as at 31 December 2004 and of 38.9 mn as at 30 September 2005). The change was mainly due to the acquisition of PSC, Laservall, and Informatics (for a total of 166 mn) and to a dividend payout of 15 mn). In January 2006 this position had a relevant improvement due to the positive conclusion of the capital increase operation of 76.6 million.

It should be highlighted that, once again in 2005, the Datalogic Group continued its strategy of focusing on R&D, with investments - totally expensed in the income statement - of 14.7 mn (i.e. 7.1% of revenues) and a 28.8% increase vs. 2004.

Since 2000 Datalogic has invested over 60 mn in R&D activities.

"I am truly proud of the business year that has just ended" - stated Roberto Tunioli, Datalogic's CEO - "because the Group's expansion and improvement of its results have been accompanied by investment activity aimed at consolidating our international technological leadership".