



Consolidated Half-Year Financial Report

30 June 2010



DATALOGIC GROUP

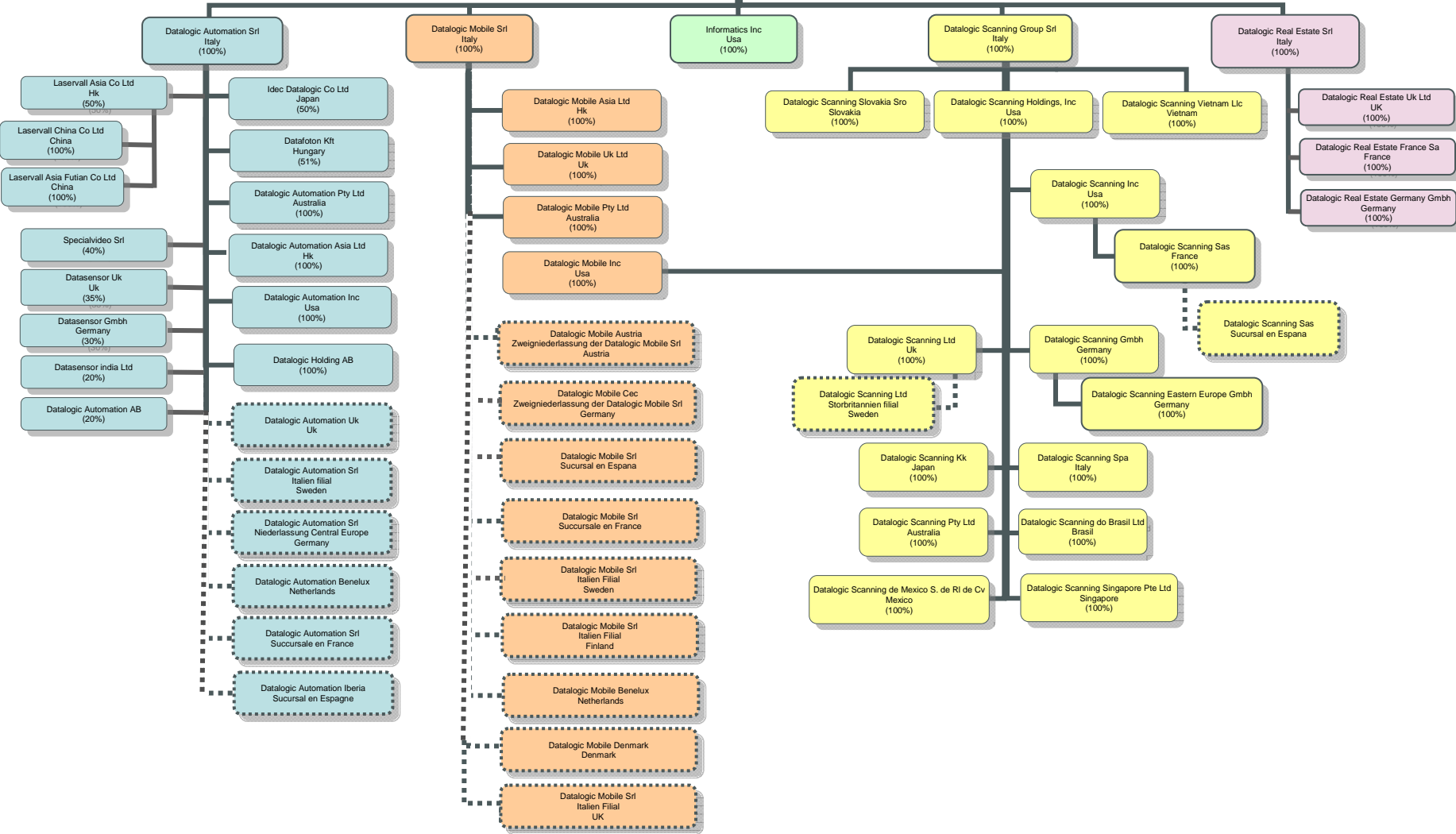
Consolidated Half-Year Financial Report as at 30 June 2010

<i>GROUP STRUCTURE</i>	<i>pag. 1</i>
<i>COMPOSITION OF CORPORATE BODIES</i>	<i>pag. 2</i>
<i>INTERIM MANAGEMENT REPORT</i>	<i>pag. 3</i>
<i>CONSOLIDATED FINANCIAL STATEMENTS</i>	
<i>Balance sheet - assets</i>	<i>pag. 12</i>
<i>Balance sheet - liabilities</i>	<i>pag. 13</i>
<i>Consolidated income statement</i>	<i>pag. 14</i>
<i>Statement of comprehensive income</i>	<i>pag. 15</i>
<i>Cash flow statement</i>	<i>pag. 16</i>
<i>Statement of changes in equity</i>	<i>pag. 17</i>
<i>EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS</i>	
<i>Presentation and content</i>	<i>pag. 18</i>
<i>Information on the balance sheet</i>	<i>pag. 24</i>
<i>Information on the income statement</i>	<i>pag. 42</i>

ANNEXES

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

DATALOGIC SpA Italy



———— Legal entity

..... Branch

Board of Directors (1)

Romano Volta

Chairman (2)

Mauro Sacchetto

Chief Executive Officer (3)

Pier Paolo Caruso

Director

Gianluca Cristofori

Director

Luigi Di Stefano

Independent Director

Lodovico Floriani

Independent Director (4)

Angelo Manaresi

Independent Director

Elserino Piol

Director

Giovanni Tamburi

Director

Gabriele Volta

Director

Valentina Volta

Director

Statutory Auditors (5)

Stefano Romani

Chairman

Mario Stefano Luigi Ravaccia

Statutory Auditor

Massimo Saracino

Statutory Auditor

Stefano Biordi

Alternate Statutory Auditor

Magagnoli Massimiliano

Alternate Statutory Auditor

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 2011.

(2) Legal representative with respect to third parties.

(3) Legal representative with respect to third parties.

(4) Resigned with effect from 30 June 2010.

(5) The Statutory Auditors in office until the approval of the accounts for the financial year ending 31.12.11.

MANAGEMENT REPORT

REPORT ON OPERATIONS

To our Shareholders,

The half-year report for the period ended 30 June 2010, which we submit to you for review, was prepared in compliance with the Instructions in the Borsa Italiana SpA Regulations.

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

OPERATING AND FINANCIAL RESULTS

The following table shows a summary of the Datalogic Group's key operating and financial results at 30 June 2010 and a comparison with the same period a year earlier (figures in €000):

Datalogic Group	30/06/2010	30/06/2009	Change	% change
(€000)				
Total revenues	190,832	149,112	41,720	28%
EBITDA (*)	25,923	3,804	22,119	581.5%
% of total revenues	13.6%	2.6%		
Group net profit/loss	11,255	(14,538)	25,793	NO DATA
% of total revenues	5.9%	-9.7%		
Net financial position (NFP) (**)	(92,103)	(120,292)	28,189	-23.4%

(*) **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 the volatility arising from 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 9.

At 30 June 2010 **the Datalogic Group recorded revenues of €190,832 thousand (vs. €149,112 thousand in the same period a year previously)**, broken down as follows:

€183,393 thousand from product sales;

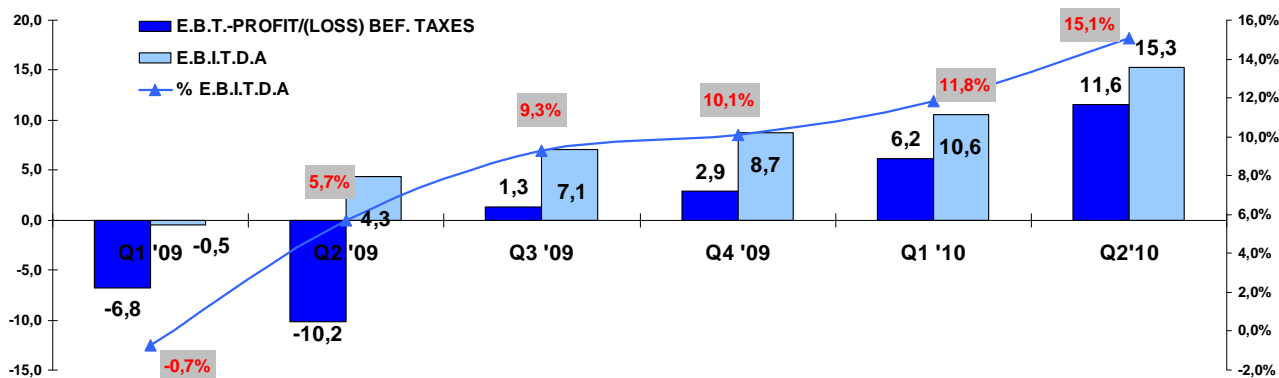
€7,439 thousand from services.

Revenue rose by 28% by comparison with the same period a year earlier. At constant euro/dollar exchange rates, the increase would have much the same, at 27.7%.

Group EBITDA was €25,923 thousand, amounting to 13.6% of total revenues and representing an increase of €2,119 thousand on the previous year (€3,804 thousand at 30 June 2009).

Group net profit at 30 June 2010 was €11,255 thousand, a significant improvement on the loss of €14,538 thousand registered in the same period of 2009.

Demand continued to recover in the second quarter (with revenues of €101 thousand recorded), continuing the trend seen in the previous two quarters. In terms of EBITDA, the second quarter of 2010 was the fourth consecutive quarter of growth.



ANALYSIS OF RECLASSIFIED INCOME STATEMENT DATA

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

(€000)	30/06/2010		30/06/2009		Change	% chang e
Total revenues	190,832	100.0%	149,112	100.0%	41,720	28.0%
Cost of sales	(103,298)	-54.1%	(87,608)	-58.8%	(15,690)	17.9%
Gross profit	87,534	45.9%	61,504	41.2%	26,030	42.3%
Other revenues	606	0.3%	1,187	0.8%	(581)	-48.9%
Research and development expenses	(12,659)	-6.6%	(13,631)	-9.1%	972	-7.1%
Distribution expenses	(36,821)	-19.3%	(35,037)	-23.5%	(1,784)	5.1%
General & administrative expenses	(17,587)	-9.2%	(15,429)	-10.3%	(2,158)	14.0%
Other operating costs	(928)	-0.5%	(2,051)	-1.4%	1,123	-54.8%
Total operating costs and other costs	(67,995)	-35.6%	(66,148)	-44.4%	(1,847)	2.8%
Ordinary operating result before non-recurring costs and revenues and administrative costs arising from acquisitions (EBITANR)	20,145	10.6%	(3,457)	-2.3%	23,602	n.a.
Non-recurring costs and revenues	338	0.2%	(7,948)	-5.3%	8,286	n.a.
Depreciation & amortisation due to acquisitions (*)	(1,999)	-1.0%	(2,085)	-1.4%	86	-4.1%
Operating result (EBIT)	18,484	9.7%	(13,490)	-9.0%	31,974	n.a.
Net financial income (expenses)	(3,037)	-1.6%	(3,303)	-2.2%	266	-8.1%
Subsidiaries' earnings/(losses)	86	0.0%	(151)	-0.1%	237	n.a.
Foreign exchange earnings/(losses)	2,290	1.2%	(51)	0.0%	2,341	n.a.
Pre-tax profit/(loss)	17,823	9.3%	(16,995)	-11.4%	34,818	n.a.
Taxes	(6,568)	-3.4%	2,457	1.6%	(9,025)	n.a.
GROUP NET PROFIT/LOSS	11,255	5.9%	(14,538)	-9.7%	25,793	n.a.
Amortisation and write-downs of intangible assets	(3,926)	-2.1%	(4,645)	-3.1%	719	-15.5%
Amortisation and write-downs of intangible assets	(1,852)	-1.0%	(2,616)	-1.8%	764	-29.2%
EBITDA	25,923	13.6%	3,804	2.6%	22,119	581.5%

(*) This item includes extraordinary costs for amortisation arising from acquisitions. In order to ensure better representation of the Group's ordinary profitability, in all tables in the report on operations we chose 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 interest, taxes, acquisition and not recurring). Hereinafter this is indicated with the term "Ordinary operating result". To permit comparability with detailed official accounting statements, we have in any case included a further intermediate profit margin (called "Operating result") that includes non-recurring costs/income and depreciation and amortisation due to acquisitions and matches figures reported in the year-end financial statements.

Gross profit improved significantly compared with the same period of the previous year (from 41.2% of sales to 45.9%), owing to both the lower incidence of fixed production costs (which were spread over a greater sales volume) and lower direct production costs.

In absolute terms, operating costs were slightly higher than in the first half 2009. Note that in 2009, performance-related bonuses were not provisioned for directors and managers (because these had been cancelled), and that the Group resumed this provisioning regularly in 2010.

As at 30 June 2010, non-recurring costs/income (€338 thousand) can be broken down as follows:

ITEM	AMOUNT	DESCRIPTION
2) " Cost of goods sold"	(80)	Release of early retirement incentives
Total	(80)	
7) Other operating expenses	(258)	Release of early retirement incentives to income statement
Total	(258)	
TOTAL NON-RECURRING COSTS (REVENUES)	(338)	

At 30 June 2010, depreciation and amortisation due to acquisitions (in the amount of €1,999 thousand) can be broken down as follows:

€647 thousand pertaining to Datalogic Automation Srl,
 €301 thousand pertaining to Informatics,
 €919 thousand pertaining to Datalogic Scanning Inc;
 €132 thousand pertaining to Mobile Inc.

The ordinary operating result (EBITANR) was €20,145 thousand, corresponding to 10.6% of revenues, and higher (by €23,602 thousand in absolute terms) than in same period last year (negative for €3,457 thousand).

The next two tables compare the main operating results achieved in the second quarter of 2010 and respectively, the same period in 2009 and the first quarter 2010.

	Q2 2010		Q2 2009		Change	% change
TOTAL REVENUES	101,312	100.0%	76,018	100.0%	25,294	33.3%
EBITDA (*)	15,338	15.1%	4,319	5.7%	11,019	255.1%
EBITANR	12,448	12.3%	629	0.8%	11,819	1879.0%
EBIT	11,760	11.6%	(8,346)	-11.0%	20,106	n.a.

	Q2 2010		Q1 2010		Change	% change
TOTAL REVENUES	101,312	100.0%	89,520	100.0%	11,792	13.2%
EBITDA (*)	15,338	15.1%	10,585	11.8%	4,753	44.9%
EBITANR	12,448	12.3%	7,697	8.6%	4,751	61.7%
EBIT	11,760	11.6%	6,724	7.5%	5,036	74.9%

(*) see definition on page 5

PERFORMANCE BY BUSINESS SEGMENT

Operating segments are identified based on the internal statements used by senior management in order to allocate resources and evaluate results.

Below is an illustration of the operating segments in which the Group does business:

Mobile – includes the Mobile Computers (MC) product lines and the self-scanning solution.

Automation – includes product lines related to: fixed scanners for the industrial market (USS), industrial marking products, radio frequency scanners (RFID) and photoelectrical sensors and devices.

Scanning – includes product lines related to: hand-held readers (HHR) and checkout scanners for the retail market.

Informatics – includes distribution of products for automatic identification.

Other – includes the corporate and real-estate activities of the Group.

Intersegment sales transactions are executed at arm's length conditions, based on the Group transfer pricing policies.

The **financial information relating to operating sectors** at 30.06.10 and 30.06.09 are as follows (€000):

	Mobile		Automation		Scanning		Informatics		Other		Adj.		Total group	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
External sales	41,871	30,804	43,165	32,335	89,246	71,422	16,561	14,551			(11)		190,832	149,112
Intersegment sales	55	86	186	133	70	89			6,906	6,574	(7,217)	(6,882)	0	0
Total revenues	41,926	30,890	43,351	32,468	89,316	71,511	16,561	14,551	6,906	6,574	(7,228)	(6,882)	190,832	149,112
(EBITANR)	4,312	(1,846)	3,279	(4,678)	9,310	(135)	2,172	1,428	1,783	1,769	(711)	5	20,145	(3,457)
% of revenues	10.3%	-6.0%	7.6%	-14.4%	10.4%	-0.2%	13.1%	9.8%	25.8%	26.9%	9.8%	-0.1%	10.6%	-2.3%
(EBIT)	4,266	(3,083)	2,804	(11,122)	8,471	(1,972)	1,871	1,128	1,783	1,554	(711)	5	18,484	(13,490)
% of revenues	10.2%	-10.0%	6.5%	-34.3%	9.5%	-2.8%	11.3%	7.8%	25.8%	23.6%	9.8%	-0.1%	9.7%	-9.0%
Financial income/(expenses)	(552)	353	(179)	(953)	(1,092)	(1,775)	(86)	(5)	9,701	13,515	(8,453)	(14,640)	(661)	(3,505)
Tax income/(expenses)	(1,488)	614	(1,707)	2,939	(1,722)	338	(621)	(415)	(1,192)	(539)	162	(480)	(6,568)	2,457
Amortisation and depreciation	(1,297)	(1,554)	(2,293)	(3,317)	(2,992)	(3,269)	(423)	(437)	(772)	(769)		0	(7,777)	(9,346)
EBITDA	5,477	(490)	4,925	(2,009)	11,383	2,195	2,294	1,565	2,555	2,538	(711)	5	25,923	3,804
% of revenues	13.1%	-1.6%	11.4%	-6.2%	12.7%	3.1%	13.9%	10.8%	37%	38.6%	9.8%	-0.1%	13.6%	2.6%
R&D expenses	(2,993)	(3,241)	(3,289)	(4,191)	(5,991)	(5,692)	(299)	(258)	(118)	(262)	31	13	(12,659)	(13,631)
% of revenues	-7.1%	-10.5%	-7.6%	-12.9%	-6.7%	-8.0%	-1.8%	-1.8%	-1.7%	-4.0%	-0.4%	-0.2%	-6.6%	-9.1%

The Group registered a substantial improvement in performance across all its divisions compared with the same period of 2009, in terms of both revenues and profit growth.

The balance sheet information for the operating segments in the first half of 2010 compared with the data at 31 December 2009 are as follows (€000):

	Mobile		Automation		Scanning		Informatics		Other		Adj.		Total group	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Total assets	63,674	57,001	77,840	75,269	258,786	203,621	24,813	20,788	312,953	289,563	(287,011)	(248,580)	451,055	397,662

The reconciliation between EBITDA, EBITANR and profit/(loss) before tax is as follows:

	30/06/2010	30/06/2009
EBITDA	25,923	3,804
Amortisation and write-downs of intangible assets	(3,926)	(4,645)
Amortisation and write-downs of intangible assets	(1,852)	(2,616)
EBITANR	20,145	(3,457)
Non-recurring costs and revenues	338	(7,948)
Depreciation & amortisation due to acquisitions (*)	(1,999)	(2,085)
EBIT (gross earnings)	18,484	(13,490)
Financial income	10,194	4,116
Financial charges	(10,941)	(7,470)
Profits from associated companies	86	(151)
Pre-tax profit/(loss)	17,823	(16,995)

ANALYSIS OF FINANCIAL AND CAPITAL DATA

At 30 June 2010, the net financial position was negative for €92,103 thousand, broken down as follows:

Datalogic Group	30/06/2010	31/12/2009	30/06/2009
A. Cash and bank deposits	88,204	71,026	62,204
B. Other available cash	725	667	430
b1. restricted cash deposit	725	667	430
C. Securities held for trading	360	360	366
c1. Short-term	1	1	7
c2. Long-term	359	359	359
D. Cash and equivalents (A) + (B) + (C)	89,289	72,053	63,000
E. Current financial receivables	120	0	198
F. Other current financial receivables	136	0	0
f1. hedging transactions	136	0	0
G. Bank overdrafts	81	113	364
H. Current portion of non-current debt	86,992	123,138	39,024
I. Other current financial payables	452	814	136
I1. hedging transactions	452	814	136
J. Current financial debt (G) + (H) + (I)	87,525	124,065	39,524
K. Current financial debt, net (J) - (D) - (E) - (F)	(2,020)	52,012	(23,674)
L. Non-current bank borrowing	91,747	46,749	141,419
M. Other non-current financial receivables	209	180	183
N. Other non-current liabilities	2,585	1,917	2,730
n1. Hedging instruments	2,585	1,917	2,730
O. Non-current financial debt (L) + (M) + (N)	94,123	48,486	143,966
P. Net financial debt (K) + (O)	92,103	100,498	120,292

Net financial debt was €92,103 thousand at 30 June 2010, representing an improvement of €8,395 thousand on 31 December 2009, when it stood at €100,498 thousand, and of €28,189 thousand compared with 30 June 2009.

Transactions carried out in the period included:

- purchase of treasury stock for €569 thousand;
- cash disbursements for early retirement incentives of €2,973 thousand, already provisioned in 2009.

Investments were also made in the amount of €3,898 thousand.

Net working capital at 30 June 2010 was €46,614 thousand, up €3,370 thousand on 31 December 2009 (€43,244 thousand).

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

30 June 2010		
	Total equity	Period results
<i>Datalogic SpA shareholders' equity and profit</i>	167.832	10.364
Difference between consolidated companies' net equity and their carrying value in Datalogic SpA's statement; effect of equity-based valuation	(29,443)	10,082
Reversal of dividends	0	(8,387)
Amortisation of intangible assets "business combination"	0	0
Goodwill from acquisitions	7,234	0
Effect of acquisition under common control		0
Elimination of capital gain on sale of business branch	(1,809)	0
Effect of eliminating intercompany transactions	(1,302)	(13)
Reversal of write-downs and capital gains on equity investments	0	(481)
Transfer of Know How	0	0
Impairment goodwill	(948)	(149)
Other	(832)	(75)
Taxes	1,323	(86)
<i>Group portion of shareholders' equity</i>	142,055	11,255

FINANCIAL INCOME AND EXPENSES

Financial income was negative for €747 thousand and can be broken down as follows:

	30/06/2010	30/06/2009	Change
Financial income/(expenses)	(2,328)	(2,812)	484
Forex losses	2,290	(51)	2,341
Bank expenses	(469)	(256)	(213)
Other	(240)	(235)	(5)
Total net financial expenses	(747)	(3,354)	2,607

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

Profits generated by companies carried at equity were recognised in the amount of €86 thousand (compared with a loss of €151 thousand at 30 June 2009).

OUTLOOK FOR CURRENT YEAR AND SUBSEQUENT EVENTS

In the second quarter of 2010 the Group continued to see the strong profit growth which, together with cost-structuring initiatives carried out during 2009, allowed it to achieve profits in line with the years preceding the financial crisis.

Regarding the second half of the year, while some signs of weakness are evident in macroeconomic terms, there is likely to be a strong upturn in demand compared with last year. We consequently expect to see substantial growth in profits in the full-year by comparison with 2009.

Note that, on 1 July 2010, Datalogic acquired California-based Evolution Robotics Retail Inc., which has unique expertise in visual pattern recognition technology for retail applications. The acquisition has high strategic value for Datalogic, expanding its ability to offer innovative technological solutions and allowing for major group synergies in business sectors with a strong outlook for growth. The operation is worth \$25,500,000. The acquired company has no financial debt and the acquisition was financed through the Group's own resources.

SECONDARY LOCATIONS

The Parent Company has no secondary locations.

DATALOGIC SpA
CONSOLIDATED BALANCE SHEET

	Note	30-06-2010 Euro/000	31-12-09 Euro/000
ASSETS			
A) NON-CURRENT ASSETS (1+2+3+4+5+6+7)		221.738	203.919
1) Tangible fixed assets		51.888	50.822
Land	1	5.156	4.975
Buildings	1	24.007	22.208
Other assets	1	20.838	22.177
Assets in progress and payments on account	1	1.887	1.462
2) Intangible fixed assets		140.949	126.702
Goodwill	2	99.394	87.081
Development costs	2	201	363
Other	2	41.256	39.204
Assets in progress and payments on account	2	98	54
3) Equity investments in associate companies	3	1.897	1.644
4) Financial assets available for sale		1.497	1.390
Equity investments	5	1.138	1.031
Securities	5	359	359
5) Loans		209	180
of which to associate companies		209	180
6) Trade and other receivables	7	1.886	1.242
7) Receivables for deferred tax assets	13	23.412	21.939
of which from parent company		2.086	2.545
B) CURRENT ASSETS (8+9+10+11+12+13)		229.317	193.743
8) Inventories	8	47.266	39.082
Raw and ancillary materials and consumables	8	24.774	20.655
Work in progress and semi-finished products	8	7.037	4.575
Finished products and goods	8	15.455	13.852
9) Trade and other receivables	7	89.282	75.559
Trade receivables	7	77.691	65.455
within 12 months	7	74.782	63.801
after 12 months	7		
of which from associate companies	7	2.898	1.534
of which from parent company	7		
of which from related parties	7	11	120
Other receivables - accrued income and prepayments	7	11.591	10.104
of which from associate companies			
receivables from parent company			
10) Tax receivables	9	3.583	7.408
of which from the parent company		281	1.295
11) Financial assets available for sale (ST)	5	1	1
Securities		1	1
12) Loans		120	
of which to associate companies		120	
12) Financial assets - Derivatives	6	136	
13) Cash and cash equivalents	10	88.929	71.693
TOTAL ASSETS (A+B)		451.055	397.662

DATALOGIC SpA
CONSOLIDATED BALANCE SHEET

LIABILITIES	Note	30-06-2010 Euro/000	31-12-09 Euro/000
A) TOTAL SHAREHOLDERS' EQUITY (1+2+3+4+5)	11	142.055	116.695
1) Share capital	11	124.222	124.791
2) Reserves	11	-2.225	-16.896
3) Financial assets available for sale	11	8.803	20.964
4) Group profit (loss) for the period/year	11	11.255	-12.164
5) Minority interests		0	0
B) NON-CURRENT LIABILITIES (6+7+8+9+10+11+12)		127.958	78.097
6) Financial debt	12	91.747	46.749
7) Financial liabilities - Derivatives (*)	6	2.585	1.917
8) Tax liabilities		164	383
9) Deferred tax liabilities	13	17.341	15.531
10) Post-employment benefits	14	7.101	7.739
11) Provisions for risks and charges	15	7.300	4.319
12) Other liabilities	16	1.720	1.459
C) CURRENT LIABILITIES (13+14+15+16+17)		181.042	202.870
13) Trade and other payables	16	82.788	66.836
Trade payables	16	51.968	43.816
within 12 months	16	51.716	43.585
payables to associate companies	16	16	30
payables to related parties	16	236	201
Other payables - accrued liabilities and deferred income	16	30.820	23.020
14) Tax liabilities		5.985	5.334
of which to the parent company		1.483	618
15) Provisions for risks and charges	15	4.744	6.635
16) Financial liabilities - Derivatives	6	452	814
17) Short-term financial debt	12	87.073	123.251
TOTAL LIABILITIES (A+B+C)		451.055	397.662

DATALOGIC SpA
CONSOLIDATED INCOME STATEMENT

	Note	30-06-2010 Euro/000	30-06-2009 Euro/000
1) TOTAL REVENUES	17	190.832	149.112
Revenues from product sales		183.393	141.882
Revenues for services		7.439	7.230
2) Cost of goods sold	18	103.218	88.390
of which non-recurring	18	-80	782
GROSS PROFIT (1-2)		87.614	60.722
3) Other operating revenues	19	606	1.187
of which non-recurring	19	0	0
4) R&D expenses	18	12.659	13.723
of which non-recurring	18	0	92
3) Equity interests in associate companies			
5) Distribution expenses	18	36.821	35.746
4) Financial assets available for sale	18	0	709
6) General and administrative expenses	18	19.586	18.071
of which non-recurring	18	0	557
of which amortisation pertaining to acquisitions	18	1.999	2.085
7) Other operating expenses	18	670	7.859
of which non-recurring	18	-258	5.808
Total operating costs (4+5+6+7)		69.736	75.399
OPERATING RESULT		18.484	-13.490
8) Financial income	20	10.194	4.116
9) Financial charges	20	10.941	7.470
Financial management result (8-9)	20	-747	-3.354
10) Profits from associate companies	3	86	-151
PRE-TAX PROFIT/(LOSS)		17.823	-16.995
Taxes	21	6.568	-2.457
Profit/(loss) for the period		11.255	-14.538
Minority interests' share of profit/(loss)		0	0
Group profit/(loss)		11.255	-14.538
Basic earnings/(loss) per share (€)	22	0,2050	-0,2630
Diluted earnings/(loss) per share (€)	22	0,2050	-0,2630

DATALOGIC SpA
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	30-06-2010 Euro/000	30-06-2009 Euro/000
NET PROFIT/(LOSS) FOR THE PERIOD		11.255	-14.538
Other components of the statement of comprehensive income:			
Profit/(loss) on cash flow hedges	11	-252	-532
Profit/(loss) due to translation of the accounts of foreign companies	11	14.861	-799
Profit/(loss) on exchange rate adjustments for financial assets available for sale	11	62	-94
Total other profit/ (loss) net of the tax effect		14.671	-1.425
COMPREHENSIVE NET PROFIT/(LOSS) FOR THE PERIOD		25.926	-15.963
Attributable to:			
Shareholders of the parent company		25.926	-15.963
Minority interests		0	0

DATALOGIC SpA
CONSOLIDATED CASH FLOW STATEMENT

	30-06-2010 Euro/000	30-06-2009 Euro/000
Pre-tax profit	17.823	-16.995
Amortisation and depreciation of tangible and intangible fixed assets and write-downs	7.777	9.346
Change in employee benefits reserve	-638	-170
Provision to doubtful debt reserve	308	897
Net financial expenses/(income) including exchange rate differences	747	3.354
Adjustments to the value of financial assets	-86	151
Cash flow from operations before changes in working capital	25.931	-3.417
Change in trade receivables (net of provisions)	-12.544	13.234
Change in final inventories	-8.184	4.785
Change in other current assets	-1.487	2.417
3) Equity interests in associate companies	-644	611
Change in trade payables	8.152	-12.581
4) Financial assets available for sale	7.797	-2.788
Other medium-/long-term liabilities	261	22
Change in provisions for risks and charges	1.090	-2.991
Commercial foreign exchange gains/(losses)	-855	319
Foreign exchange effect of working capital	2.209	405
	21.726	16
Change in tax	-1.974	-2.401
Foreign exchange effect of tax	272	-122
Interest paid and banking expenses	-3.037	-3.303
Cash flow generated from operations (A)	16.987	-5.810
(Increase)/decrease in intangible fixed assets excluding exchange rate effect	-3.322	109
(Increase)/decrease in tangible fixed assets excluding exchange rate effect	-576	-4.425
Change in unconsolidated equity interests	-274	329
Change in liabilities due to exercising of put option (Note 2)		-216
Changes generated by investment activity (B)	-4.172	-4.203
Change in LT/ST financial receivables	-343	-229
Change in short-term and medium-/long-term financial debt	9.158	23.848
Financial foreign exchange gains/(losses)	3.145	-370
Purchase of treasury shares	-569	-816
Change in reserves and exchange rate effect of financial assets/liabilities, shareholders' equity and tangible and intangible fixed assets	-6.996	-214
Dividend payment		-1.933
Foreign exchange effects of financial assets/liabilities and equity		0
Cash flow generated (absorbed) by financial assets (C)	4.395	20.286
Net increase (decrease) in available cash (A+B+C)	17.210	10.273
Net cash and cash equivalents at start of period (Note 10)	70.913	51.567
Net cash and cash equivalents at end of period (Note 10)	88.123	61.840

Datalogic SpA
CHANGES IN CONSOLIDATED EQUITY

Description	Share capital and capital reserves	Other reserves				Profits from previous years					Profit for the year	Total Group shareholders' equity	
	Total share capital and capital reserves	Cash-flow hedge reserve	Conversion reserve	Held-for-sale financial assets reserve	Total other reserves	Earnings carried forward	Capital grant reserve	Legal reserve	Treasury shares reserve	IFRS reserve			Total
01.01.2009	126.567	-1.434	-12.262	-	-13.696	-6.837	958	2.262	-	8.720	5.103	17.844	135.818
Allocation of earnings	-	-	-	-	-	17.676	-	168	-	-	17.844	-17.844	-
Dividends	-	-	-	-	-	-1.933	-	-	-	-	-1.933	-	-1.933
Conversion reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in IFRS reserve	-	-	-	-	-	-	-	-	-	-14	-14	-	-14
Sale/purchase of treasury shares	-818	-	-	-	-	-	-	-	-	-	-	-	-818
Result as at 30.06.09	-	-	-	-	-	-	-	-	-	-	-	-14.538	-14.538
Other components of the comprehensive statement of income:	-	-532	-799	-94	-1.425	-	-	-	-	-	-	-	-1.425
30.06.2009	125.749	-1.966	-13.061	-94	-15.121	8.906	958	2.430	-	8.706	21.000	-14.538	117.090

Description	Share capital and capital reserves	Other reserves				Profits from previous years					Profit for the year	Total Group shareholders' equity	
	Total share capital and capital reserves	Cash-flow hedge reserve	Conversion reserve	Held-for-sale financial assets reserve	Total other reserves	Earnings carried forward	Capital grant reserve	Legal reserve	Treasury shares reserve	IFRS reserve			Total
01.01.2010	124.791	-1.936	-14.853	-107	-16.896	8.875	958	2.430	-	8.701	20.964	-12.164	116.695
Allocation of earnings	-	-	-	-	-	(12.919)	-	755	-	-	-12.164	12.164	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-
Conversion reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in IFRS reserve	-	-	-	-	-	-	-	-	-	-13	-13	-	-13
Sale/purchase of treasury shares	-569	-	-	-	-	-	-	-	-	-	-	-	-569
Other changes	-	-	-	-	-	16	-	-	-	-	16	-	16
Result as at 30.06.10	-	-	-	-	-	-	-	-	-	-	-	11.255	11.255
Other components of the comprehensive statement of income:	-	-252	14.861	62	14.671	-	-	-	-	-	-	-	14.671
30.06.2010	124.222	-2.188	8	-45	-2.225	-4.028	958	3.185	-	8.688	8.803	11.255	142.055

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

INTRODUCTION

Datalogic Group SpA (hereinafter “Datalogic”, the “Parent Company” or the “Company”) is a company operating under Italian law. This Half-Year Consolidated Financial Report to 30 June 2010 includes the figures of the Parent Company and its subsidiaries (hereinafter the “Group”) and its minority interests in associated companies.

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

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

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

These consolidated financial statements for the half-year ended 30 June 2010 were prepared by the Board of Directors on 30 June 2010.

PRESENTATION AND CONTENT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements to June 30 2010 in abridged form (the “Half-Year Financial Report”) were prepared pursuant to IAS 34 “Interim Financial Reporting”, with provision of the summary notes mandated by this international accounting standard, as well as additional information for the purposes of greater disclosure where this was deemed necessary. As such, this Half-Year Financial Report should be considered together with the consolidated financial statements and related notes presented at 31 December 2009 and prepared in accordance with international financial reporting standards (IFRSs).

Financial statements

The Group presents its income statement by function (“at the cost of goods sold”), which it regards as more representative than presentation by nature. The balance sheet is presented with a distinction of balance sheet items between non-current assets and liabilities and current assets and liabilities, and the cash flow statement was prepared using the indirect method.

Preparation criteria

When drawing up the interim financial statements, managers are required to make estimates and assumptions that affect the value of revenues, costs, assets and liabilities and disclosure relating to potential assets and liabilities at the date of the interim financial statements. If at a future date these estimates and assumptions, which are based on the managers' best assessment, should differ from real circumstances, they would be altered in an appropriate manner in the period in which these circumstances change. For a

more detailed description of the principal evaluation processes used for the Group, see the section "Use of estimates" in the consolidated financial statements at 31 December 2009.

Furthermore, these evaluation processes, particularly those which are more complex, such as the calculation of loss in the value of non-current assets, are generally only carried out in a complete manner at the meeting to prepare the annual financial statements, when all necessary information is available, unless there are impairment indicators that require immediate measurement of any loss in value.

Actuarial valuations needed to calculate reserves for employee benefits are also usually carried out at the time of preparation of the annual financial statements.

Income taxes are recognised according to the best estimate of the average weighted tax rate expected for the full year.

The accounting methods used to prepare the summary consolidated half-year financial statements are the same as those used to prepare the consolidated financial statements to 31 December 2009, except for the adoption, from 1 January 2010, of the following new standards and interpretations:

- ***IFRS 2 – Share-based Payment***

The IASB has issued an amendment to IFRS 2 which clarifies the recognition of transactions involving share-based payment at Group level. The amendment supersedes IFRIC 8 and IFRIC 11. Its adoption has had no effect on the Group's financial position or performance.

- ***IFRS 3 – Business Combinations (revised) and IAS 27 – Consolidated and Separate Financial Statements***

The Group adopted the revised version of the standard from 1 January 2010. IFRS 3 (revised) makes substantial changes to the recognition of business combinations occurring after this date. The changes relate to the measurement of minority interests, recognition of transaction costs, initial recognition and subsequent measurement of any contingent considerations and business combinations achieved in stages. The changes will affect the amount of goodwill posted, results registered in the period during which acquisition takes place and future results.

IAS 27 (revised) mandates recognition of changes in the ownership structure of a subsidiary (without loss of control) as a transaction between shareholders in their capacity as shareholders. These transactions will therefore no longer generate goodwill, profits or losses. The amended standard also introduces changes relating to recognition of losses registered by subsidiaries and loss of control of subsidiaries. The changes contained in IFRS 3 (revised) and IAS 27 (revised) relate to the future acquisition or loss of control of subsidiaries and transactions with minority interests.

- ***IAS 39 - Financial instruments: Recognition and Measurement – Eligible Hedged Items***

The change relates to designation of a one-sided risk in a hedged item and designation of inflation as hedged risk or as a portion of risk in certain situations. The adoption of this amendment has had no effect on the Group's financial position or performance.

- ***IFRIC 17 - Distribution of Non-cash Assets to Owners***

This interpretation provides a guide for the recognition of transactions in which the Company distributes non-cash assets to shareholders, for both dividend and reserves distribution. The interpretation has had no effect on either the Group's balance sheet or its performance.

- **Improvements to IFRS (issued in May 2008)**

In May 2008, the IASB issued a series of improvements to the standards, mainly with a view to eliminating existing inconsistencies and clarifying terminology. All the improvements to the standards were adopted by the Group on 31 December 2009, with the exception of the following:

IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations: clarifies that additional information requested in relation to non-current assets and to groups being disposed of and classified as held for sale, or relative to operational assets sold, is now restricted to that mandated by IFRS 5. This improvement has had no effect on either the Group's balance sheet or its performance.

- **Improvements to IFRS (issued in April 2009)**

In April 2009, the IASB issued a series of improvements to the standards, mainly with a view to eliminating existing inconsistencies and clarifying terminology. Each standard sets out specific temporary rules. The adoption of the following improvements has given rise to changes in accounting policies but has had no effect on either the Group's balance sheet or its performance.

IFRS 8 - Operating Segments: clarifies that assets and liabilities entered for the operating segment only have to be presented if they are included in reporting used by the highest level of decision-making. Since the highest decision-making level at the Group reviews assets and liabilities in the segment, the Group has continued to provide this information in its note on segment information.

IAS 7 - Statement of Cash Flows: explicitly states that only investments involving recognition of an asset on the balance sheet may be classified under cash flows from investment activities. This amendment has had no effect on the Group's balance sheet.

IAS 36 - Impairment of Assets: the change clarifies that, for reporting purposes, the largest unit to which it is possible to allocate goodwill acquired as part of a business combination is the operating segment, as defined by IFRS 8 before the combination. The change has had no effect on the Group, since the annual impairment check is carried out before the combination.

Changes to the following standards have had no effect on the Group's accounting policies, financial position or results:

- IFRS 2 - *Share-based payment*
- IFRS 5 - *Non-current Assets Held for Sale and Discontinued Operations*
- IAS 1 - *Presentation of Financial Statements*
- IAS 17 - *Leasing*
- IAS 38 - *Intangible Assets*
- IAS 39 - *Financial instruments: Recognition and Measurement*
- IFRIC 9 – *Reassessment of Embedded Derivatives*
- IFRIC 16 – *Hedges of a Net Investment in a Foreign Operation*

The Group has not adopted early any standard, interpretation or improvement issued but not yet effective.

GROUP STRUCTURE

The Consolidated Half-Year Financial Report includes the statements of the direct Parent Company and of the companies in which the former directly or indirectly holds the majority of voting rights.

The companies consolidated on a line-by-line basis for the period ended 30 June 2010 were as follows:

Company	Registered office	Share capital		Total shareholders' equity (€000)	Profit/loss for the period (€000)	% ownership
Datalogic SPA holding	Bologna - Italy	Euro	30,392,175	167,832	10,364	
Datalogic Real Estate Srl	Bologna - Italy	Euro	20,000	2,437	(74)	100%
Datalogic Real Estate France Sa	Paris – France	Euro	2,227,500	3,505	33	100%
Datalogic Real Estate Germany GmbH	Erkenbrechtsweiler - Germany	Euro	1,025,000	2,086	(74)	100%
Datalogic Real Estate UK Ltd	Redbourn - England	GBP	3,500,000	4,548	44	100%
Informatics	Plano Texas - U.S.A.	US\$	9,996,000	15,680	1,165	100%
Datalogic Automation Srl	Bologna - Italy	Euro	10,000,000	1,381	594	100%
Datalogic Automation AB	Malmö - Sweden	KRS	200,000	281	(10)	100%
Datalogic Automation INC	Hebron, KY - USA	US\$	463,812	2,743	477	100%
Datalogic Automation PTY LTD	Mount Waverley (Melbourne) - Australia	\$AUD	2,300,000	(793)	(54)	100%
Datalogic Asia Limited	Hong Kong - China	HKD	7,000,000	178	529	100%
Datafoton kft	Fonyod - Hungary	Huf	3,000,000	46	27	50%
Datalogic Mobile Srl	Bologna - Italy	Euro	10,000,000	18,866	1,878	100%
Datalogic Mobile Asia	Hong Kong - China	HKD	100,000	(33)	(17)	100%
Datalogic Mobile UK	Redbourn - England	GBP	15,000	158	(12)	100%
Datalogic Mobile INC	Eugene, OR - U.S.A.	US\$	1	6,624	335	100%
Datalogic Mobile PTY	Mount Waverley (Melbourne) - Australia	\$AUD	0	(702)	(23)	100%
Datalogic Scanning Group Srl	Bologna - Italy	Euro	10,000,000	95,955	752	100%
Datalogic Scanning Slovakia	Tvrn-Slovakia	Euro	66,390	9,030	5,602	100%
Datalogic Scanning Holdings Inc.	Eugene, OR - U.S.A.	US\$	100	84,814	(1,045)	100%
Datalogic Scanning Inc.	Eugene, OR - U.S.A.	US\$	10	40,947	366	100%
Datalogic Scanning do Brasil	Sao Paulo, SP - Brazil	R\$	159,525	(24)	(42)	100%
Datalogic Scanning Mexico	Colonia Cuauhtemoc - Mexico	US\$	-	(754)	(102)	100%
Datalogic Scanning UK Ltd	Watford - England	GBP	191,510	(1,183)	36	100%
Datalogic Scanning Sarl	Paris - France	Euro	653,015	292	253	100%
Datalogic Scanning GMBH	Darmstadt - Germany	Euro	306,775	2,178	3	100%
Datalogic Scanning Eastern Europe GmbH	Darmstadt - Germany	Euro	30,000	203	6	100%
Datalogic Scanning SpA	Milan - Italy	Euro	110,000	1,353	192	100%
Datalogic Scanning PTY	Sydney - Australia	\$AUD	2	732	(58)	100%
Datalogic Scanning Japan	Tokyo-Japan	JPY	151,437,000	(854)	(240)	100%
Datalogic Scanning Vietnam LLC	Vietnam	VND	27,714,555,000	121	(135)	100%
Datalogic Scanning Singapore	Singapore	SGD	100,000	71	8	100%

The companies consolidated at equity at 30 June 2010 were as follows:

Company	Registered office	Share capital	Total shareholders' equity (€000)	Profit/loss for the period (€000)	% ownership
Idec Datalogic Co. Ltd	Osaka – Japan	Yen 300,000,000	1,754	(116)	50%
Laservall Asia Co. Ltd	Hong Kong – China	HKD 460,000	1,784	288	50%

On 30 June 2010, the voluntary liquidation of Datalogic Automation Iberia was completed, generating a capital loss of €83 thousand.

SEGMENT INFORMATION

Segment information

Operating segments are identified based on the internal statements used by senior management in order to allocate resources and evaluate results.

Below is an illustration of the operating segments in which the Group does business:

Mobile – includes the Mobile Computers (MC) product lines and the self-scanning solutions.

Automation – includes product lines related to: fixed scanners for the industrial market (USS), industrial marking products, radio frequency scanners (RFID) and photoelectrical sensors and devices.

Scanning – includes product lines related to: hand-held readers (HHR) and checkout scanners for the retail market.

Informatics – includes distribution of products for automatic identification.

Others – includes the corporate and real-estate activities of the Group.

Intersegment sales transactions are executed at arm's length conditions, based on the Group transfer pricing policies.

The **financial information relating to operating sectors** at 30.06.10 and 30.06.09 are as follows (€000)

	Mobile		Automation		Scanning		Informatics		Other		Adj.		Total group	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
External sales	41,871	30,804	43,165	32,335	89,246	71,422	16,561	14,551			(11)		190,832	149,112
Intersegment sales	55	86	186	133	70	89			6,906	6,574	(7,217)	(6,882)	0	0
Total revenue	41,926	30,890	43,351	32,468	89,316	71,511	16,561	14,551	6,906	6,574	(7,228)	(6,882)	190,832	149,112
(EBITANR)	4,312	(1,846)	3,279	(4,678)	9,310	(135)	2,172	1,428	1,783	1,769	(711)	5	20,145	(3,457)
% of revenue	10.3%	-6.0%	7.6%	-14.4%	10.4%	-0.2%	13.1%	9.8%	25.8%	26.9%	9.8%	-0.1%	10.6%	-2.3%
(EBIT)	4,266	(3,083)	2,804	(11,122)	8,471	(1,972)	1,871	1,128	1,783	1,554	(711)	5	18,484	(13,490)
% of revenue	10.2%	-10.0%	6.5%	-34.3%	9.5%	-2.8%	11.3%	7.8%	25.8%	23.6%	9.8%	-0.1%	9.7%	-9.0%
Financial income/(expenses)	(552)	353	(179)	(953)	(1,092)	(1,775)	(86)	(5)	9,701	13,515	(8,453)	(14,640)	(661)	(3,505)

Tax income/(expenses)	(1,488)	614	(1,707)	2,939	(1,722)	338	(621)	(415)	(1,192)	(539)	162	(480)	(6,568)	2,457
Amortisation and depreciation	(1,297)	(1,554)	(2,293)	(3,317)	(2,992)	(3,269)	(423)	(437)	(772)	(769)		0	(7,777)	(9,346)
EBITDA	5,477	(490)	4,925	(2,009)	11,383	2,195	2,294	1,565	2,555	2,538	(711)	5	25,923	3,804
% of revenue	13.1%	-1.6%	11.4%	-6.2%	12.7%	3.1%	13.9%	10.8%	37%	38.6%	9.8%	-0.1%	13.6%	2.6%
R&D expenses	(2,993)	(3,241)	(3,289)	(4,191)	(5,991)	(5,692)	(299)	(258)	(118)	(262)	31	13	(12,659)	(13,631)
% of revenue	-7.1%	-10.5%	-7.6%	-12.9%	-6.7%	-8.0%	-1.8%	-1.8%	-1.7%	-4.0%	-0.4%	-0.2%	-6.6%	-9.1%

The reconciliation between **EBITDA**, **EBITANR** and **pre-tax profit/(loss)** is as follows:

	30/06/2010	30/06/2009
EBITDA (*)	25,923	3,804
Amortisation and write-downs of intangible assets	(3,926)	(4,645)
Amortisation and write-downs of intangible assets	(1,852)	(2,616)
EBITANR	20,145	(3,457)
Non-recurring costs and revenue	338	(7,948)
Depreciation & amortisation due to acquisitions	(1,999)	(2,085)
EBIT (gross earnings)	18,484	(13,490)
Finance income	10,194	4,116
Finance charges	(10,941)	(7,470)
Profits from associated companies	86	(151)
Pre-tax profit/(loss)	17,823	(16,995)

(*) **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 the volatility due to the various valuation criteria used to determine taxable income, by the total amount and nature of the capital involved or by the related depreciation and amortisation policies. Datalogic defines it as **Profit/loss for the period before depreciation and amortisation of tangible and intangible assets, non-recurring costs, financial income and expenses and income taxes.**

The following table compares **balance sheet information relating to operating segments** at 31 June 2010 and at 31 December 2009 (€000):

	Mobile		Automation		Scanning		Informatics		Other		Adj.		Total group	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Total assets	63,674	57,001	77,840	75,269	258,786	203,621	24,813	20,788	312,953	289,563	(287,011)	(248,580)	451,055	397,662

BALANCE SHEET INFORMATION

Note 1. Tangible assets

	30/06/2010	31/12/2009	Change
Land	5,156	4,975	181
Buildings	24,007	22,208	1,799
Other assets	20,838	22,177	(1,339)
Assets in progress and payments on account	1,887	1,462	425
Total	51,888	50,822	1,066

The following is a breakdown of changes taking place in the period to 30 June 2010:

	Land	Buildings	Other assets	Assets in progress and payments on account	Total
Historical cost	4,975	24,149	90,843	1462	121,429
Accumulated amortisation		(1,941)	(68,666)		(70,607)
Net initial value at 01.01.10	4,975	22,208	22,177	1,462	50,822
<i>Increases 30.06.10</i>					
Investments		1,479	1,827	240	3,546
Total	-	1,479	1,827	240	3,546
<i>Decreases 30.06.10</i>					
disposals historical cost			(1,738)	(51)	(1,789)
disposals accum. depreciation		0	1,571	0	1,571
Amortisation		(204)	(3,722)	-	(3,926)
Total	-	(204)	(3,889)	(51)	(4,144)
<i>Reclass. & other changes 30.06.10</i>					
Incoming transfers			1,085		1,085
(Outgoing transfers)			(1,088)	(3)	(1,091)
Forex historical cost	181	584	2,463	239	3,467
Forex accum. amortisation		(60)	(1,737)	0	(1,797)
Total	181	524	723	236	1,664
Historical cost	5,156	26,212	93,392	1887	126,647
Accumulated amortisation	0	(2,205)	(72,554)	-	(74,759)
Net closing value at 30.06.10	5,156	24,007	20,838	1,887	51,888

The increase in the item "Buildings" is due to the acquisition of the Vietnamese facility.

The "Other assets" item at 30 June 2010 mainly included the following categories: Plant and machinery (€7,269 thousand), industrial and commercial equipment (€5,409 thousand), office furniture and equipment (€4,999 thousand), general plant (€1,733 thousand), motor vehicles (€225 thousand), and maintenance on third-party assets (€887 thousand). In relation to 31 December 2009, the increase in the item is mainly attributable to the category "Plant and machinery" for €345 thousand, to the category "Industrial and commercial equipment" for €663 thousand and for €614 thousand to the category "Office furniture and electronic equipment".

The balance of “Assets in progress and payments on account” mainly refers to down payments for equipment, instruments and moulds for normal production activities.

Note 2. Intangible assets

	30/06/2010	31/12/2009	Change
Goodwill	99,394	87,081	12,313
Development costs	201	363	(162)
Other	41,256	39,204	2,052
Assets in progress and payments on account	98	54	44
Total	140,949	126,702	14,247

The following is a breakdown of changes taking place in the period to 30 June 2010:

	Goodwill	Development costs	Other	Assets in progress and payments on account	Total
Historical cost	94,720	6,896	75,950	594	178,160
Accumulated amortisation	(7,639)	(6,533)	(36,746)	(540)	(51,458)
Net initial value at 01.01.10	87,081	363	39,204	54	126,702
<i>Increases 30.06.10</i>					
Investments	0		542	35	577
Total	-	-	542	35	577
<i>Decreases 30.06.10</i>					
disposals historical cost			(1)	0	(1)
disposals accum. depreciation			1		1
Amortisation		(162)	(3,540)		(3,702)
Write-downs	(149)			0	(149)
Total	(149)	(162)	(3,540)	-	(3,851)
<i>Reclass. & other changes 30.06.10</i>					
					-
Incoming transfers			258		258
(Outgoing transfers)			(258)	0	(258)
Forex historical cost	12,462	15	7,514	9	20,000
Forex accum. amortisation	0	(15)	(2,464)		(2,479)
Total	12,462	0	5,050	9	17,521
Historical cost	107,182	6,911	84,005	638	198,736
Accumulated amortisation	(7,788)	(6,710)	(42,749)	(540)	(57,787)
Net closing value at 30.06.10	99,394	201	41,256	98	140,949

Goodwill, totalling €99,394 thousand, consisted of the following items:

	30/06/2010	31/12/2009	Change
Former PSC Group – Acquisition executed on 30 November 2005	76,188	65,181	11,007
Informatics Inc - Acquisition executed on 28 February 2005	12,579	11,124	1,455
Laservall SpA - Acquisition executed on 27 August 2004	5,119	5,119	-
Idware Srl – Incorporated in 1998	3,380	3,380	-
Infra – Goodwill recognised following the acquisition of Datasensor	1,682	1,682	-
Gruppo Minec - Acquisition executed on 15.07.02	446	595	(149)
TOTAL GOODWILL	99,394	87,081	12,313

The main changes in the “Goodwill” item compared with 31 December 2009 are mainly due to positive translation differences of €12,462 thousand.

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

As highlighted in the paragraph included in the section on accounting criteria in the consolidated financial statements at 31 December 2009, to which reference should be made, pursuant to IFRS 3 goodwill has no longer been amortised since 1 January 2004 but is tested for impairment annually unless loss indicators suggest the need for more frequent impairment testing. The recoverable value of each CGU, associated with each goodwill item measured, consists of its corresponding utility value.

Utility value 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 fixed discount rate, based on the DCF (discounted cash flow) method.

At 30 June 2010 there was no necessity for write-downs, except for the goodwill of the Minec Group, which was written down for €149 thousand.

“Development costs”, which amount to €201 thousand, consist of specific development projects capitalised when they meet IAS 38 requirements and in compliance with Group policies, which call for capitalisation only of projects relating to development of products featuring significant innovation.

The item “Other”, at €41,256 thousand, consists primarily of intangible assets acquired through business combinations carried out by the Group in 2004 and 2005, which are specifically identified and valued in the context of purchase accounting. Details are shown in the following table:

	30/06/2010	31/12/2009	USEFUL LIFE (YEARS)
Acquisition of the PSC Group (executed on 30 November 2006)	28,982	25,654	
<i>PATENTS</i>	25,554	22,469	20
<i>TRADE MARK</i>	1,741	1,618	10
<i>CLIENT PORTFOLIO</i>	1,687	1,567	10
Acquisition of Laservall SPA (executed on 27 August 2004)	2,619	3,266	
<i>UNPATENTED TECHNOLOGY</i>	852	1,279	7
<i>COMMERCIAL STRUCTURE</i>	1,767	1,987	10
Acquisition of Informatics Inc. (executed on 28 February 2005)	3,042	2,869	
<i>COMMERCIAL STRUCTURE</i>	3,042	2,869	10
Licence agreement	2,013	2,695	5
Other	4,600	4,720	
TOTAL OTHER INTANGIBLE ASSETS	41,256	39,204	

The "Other" item mainly consists of software licences.

Note 3. Equity investments in associates

Equity investments owned by the Group at 30.06.10 were as follows:

	30/06/2010	31/12/2009
Associate companies		
Idec Datalogic Co.Ltd	877	770
Laservall Asia Co. Ltd	892	748
Datalogic Automation AB	2	
Datasensor UK	42	42
Special Video	29	29
Datasensor Gmbh	45	45
DL PRIVATE India	10	10
Total associates	1,897	1,644

The changes by comparison with 31 December 2009 are as follows:

- an increase of €86 thousand due to profits pertaining to the Group generated by associated companies
- an increase of €165 thousand due to exchange rate adjustments for the shareholdings,
- an increase of €2 thousand for subscription to 20% of Datalogic Automation AB.

Note 4. Financial instruments by category

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

31.12.09	Loans and receivables	Derivatives used for hedging transactions	Availability for sale	Total
Non-current financial assets	1,242	-	1,390	2,632
Available-for-sale financial assets / third parties (5)	-		1,390	1,390
Other receivables (7)	1,242			1,242
Current financial assets	139,227	-	1	139,228
Trade receivables from third parties (7)	63,801			63,801
Other receivables from third parties (7)	3,733			3,733
Available-for-sale financial assets (5)	-		1	1
Cash & cash equivalents (10)	71,693			71,693
TOTAL	140,469	-	1,391	141,860

30.06.10	Loans and receivables	Derivatives used for hedging transactions	Availability for sale	Total
Non-current financial assets	1,886	-	1,497	3,383
Available-for-sale financial assets / third parties (5)			1,497	1,497
Other receivables (7)	1,886			1,886
Current financial assets	167,527	136	1	167,664
Trade receivables from third parties (7)	74,782			74,782
Other receivables from third parties (7)	3,816			3,816
Available-for-sale financial assets (5)			1	1
Financial assets - Derivative instruments (6)		136		136
Cash & cash equivalents (10)	88,929			88,929
TOTAL	169,413	136	1,498	171,047

31.12.09	Derivatives used for hedging transactions	Other financial liabilities	Total
Non-current financial liabilities	1,917	48,208	50,125
Financial payables (12)		46,749	46,749
Financial liabilities - Derivative instruments (6)	1,917		1,917
Other payables (16)		1,459	1,459
Current financial liabilities	814	179,180	179,994
Trade payables to third parties (16)		43,585	43,585
Other payables (16)		12,344	12,344
Financial liabilities - Derivative instruments (6)	814		814
Short-term financial payables (12)		123,251	123,251
TOTAL	2,731	227,388	230,119

30.06.10	Derivatives used for hedging transactions	Other financial liabilities	Total
Non-current financial liabilities	2,585	93,467	96,052
Financial payables (12)		91,747	91,747
Financial liabilities - Derivative instruments (6)	2,585		2,585
Other payables (16)		1,720	1,720
Current financial liabilities	452	154,836	155,288
Trade payables to third parties (16)		51,716	51,716
Other payables (16)		16,047	16,047
Financial liabilities - Derivative instruments (6)	452		452
Short-term financial payables (12)		87,073	87,073
TOTAL	3,037	248,303	251,340

Note 5. Available-for-sale financial assets

AFS financial assets include the following items:

	30/06/2010	31/12/2009	Change
Securities	360	360	0
Government bonds	359	359	0
Other securities	1	1	0
Other equity investments	1,138	1,031	107
Total	1,498	1,391	107

At 30.06.10 the Group owned the following equity interests in other companies:

	31/12/2009	Increases	Forex differences	Write-downs	30/06/2010
- Italy	7				7
Conai	0				0
Caaf Ind. Emilia Romagna - Italy	4				4
Crit Srl	51				51
Consorzio T3 Lab	8				8
Mandarin Capital Management SA	617	44			661
Alien technology	344		63		407
Total other equity investments	1,031	44	63	0	1,138

Other equity investments mainly comprise:

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

Note 6. Derivative financial instruments

	30/06/2010		31/12/2009	
	Assets	Liabilities	Assets	Liabilities
Interest rate derivatives - cash flow hedges		3,037		2,722
Currency derivatives - cash flow hedges	(3)	-		
Currency derivatives – fair value hedges	139	-		9
Total	136	3,037	-	2,731
Less non-current portion:				
Interest rate derivatives - cash flow hedges	-	2,585		1,917
Currency derivatives - cash flow hedges				
Currency derivatives – fair value hedges		-		
Current portion	136	452	-	814

Interest rate derivatives

The Group has entered into interest rate derivative contracts to manage the risk stemming from changes in interest rates on bank borrowings, converting them from variable to fixed rate via interest rate swaps having the same amortisation plan as the hedged underlying asset. As mandated by IAS 39, the fair value of these contracts, totalling €3,037 thousand, is recognised in a specific equity reserve net of the tax effect, because they are hedging instruments for future cash flows and as such meet all IAS 39 requirements for the application of hedge accounting.

At 30 June 2010, the notional capital of the interest rate swaps was €52,228 thousand (€56,346 thousand at 31.12.09) and \$40,850 thousand (\$44,825 thousand at 31.12.09).

Currency derivatives

The existing forward contracts hedge foreign exchange risks on the US dollar for an aggregate notional amount of \$4,650 thousand (\$1,600 thousand at 31.12.09) and on the Euro for a total notional amount of €600 thousand (zero at 31.12.09), and have the same amount and maturity as the underlying hedged amount.

Hedged positions comprise:

- certain cash flows originating from invoices and loans; the changes in the fair value of both the hedging instrument and the hedged instrument are recognised in the income statement according to the fair value hedge method (positive for €139 thousand)
- highly probable cash flows arising from purchase orders and budgets; so that the requirements for application of hedge accounting are met, changes in the hedging instrument's fair value is stated through equity for the effective part of the hedge (negative for €3 thousand).

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

	30/06/2010	31/12/2009	Change
Third-party trade receivables	77,559	66,611	10,948
Less: doubtful debt provision	2,777	2,810	(33)
Net third-party trade receivables	74,782	63,801	10,981
Receivables from associated companies	2,898	1,522	1,376
Idec Datalogic CO Ltd	347	325	22
Laservall Asia	1,228	497	731
Datasensor UK	295	228	67
Datasensor Gmbh	494	428	66
Special Video	5	2	3
DS India	82	42	40
Datalogic Automation AB	447	-	447
Receivables from the Parent Company	11	12	(1)
Hydra	11	12	(1)
Related-party receivables	-	120	(120)
Total trade receivables	77,691	65,455	12,236
Other receivables – accrued income and prepaid expenses	11,591	10,104	1,487
Other receivables – non-current accrued income and prepaid expenses	1,886	1,242	644
Total other receivables - accrued income and prepayments	13,477	11,346	2,131
Less: non-current portion	1,886	1,242	644
Trade and other receivables - current portion	89,282	75,559	13,723

Trade receivables

“Trade receivables falling due within 12 months” amounted to €77,691 thousand at 30 June 2010, up by 19% compared with 31 December 2009.

Receivables from associated companies arise from commercial transactions executed under arm’s length conditions.

Other receivables – accrued income and prepaid expenses

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

	30/06/2010	31/12/2009	Change
Other current receivables	3,816	3,733	83
Other long-term receivables	1,886	1,242	644
VAT Tax Credit	5,570	4,321	1,249
Accruals and deferrals	2,205	2,050	155
Total	13,477	11,346	2,131

The increase in the item “Other long-term receivables” is attributable in the amount of €972 thousand to the subscription by Data Scanning Vietnam to the right to use the land on which the building has been erected, which under Vietnamese law does not constitute transferral of ownership but a right to use the land for a period of 50 years. The cost will be divided annually for the duration of the right.

Note 8. Inventories

	30/06/2010	31/12/2009	Change
Raw and ancillary materials and consumables	24,774	20,655	4,119
Work in progress and semi-finished products	7,037	4,575	2,462
Finished products and goods	15,455	13,852	1,603
Total	47,266	39,082	8,184

Inventories are shown net of an obsolescence provision that, at 30 June 2010, amounted to €9,391 thousand (€9,411 thousand at 31.12.09).

The following shows the change in each year as at June 30:

	2010	2009
1 January	9,411	8,756
Exchange-rate change	840	261
Allocations	1,842	576
Release for scrap and other utilizations	(2,702)	(431)
30 June	9,391	9,162

Note 9. Tax receivables/tax payables

The item "Tax receivables" includes the amount receivable from Parent Company Hydra relating to the IRES (corporate tax) credit arising from participation in tax consolidation, equal to €281 thousand (€1,295 thousand at 31 December 2009).

The item "Tax payables" includes the amount payable to Parent Company Hydra relating to the IRES (corporate tax) payable arising from participation in tax consolidation, equal to €1,483 thousand (€618 thousand at 31 December 2009).

Note 10. Cash and cash equivalents

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

	30/06/2010	31/12/2009	Change
Cash and cash equivalents shown on financial statements	88,929	71,693	17,236
Restricted cash	(725)	(667)	(58)
Bank overdrafts (ordinary current accounts)	(81)	(113)	32
Cash and cash equivalents for statement	88,123	70,913	17,210

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

	30/06/2010	31/12/2009
(€000)		
A. Cash and bank deposits	88,204	71,026
B. Other available cash	725	667
b1. restricted cash deposit	725	667
C. Securities held for trading	360	360
c1. Short-term	1	1
c2. Long-term	359	359
D. Cash and equivalents (A) + (B) + (C)	89,289	72,053
E. Current financial receivables	120	0
F. Other current financial receivables	136	0
f1. hedging transactions	136	0
G. Bank overdrafts	81	113
H. Current portion of non-current debt	86,992	123,138
I. Other current financial payables	452	814
I1. hedging transactions	452	814
J. Current financial debt (G) + (H) + (I)	87,525	124,065
K. Current financial debt, net (J) - (D) - (E) - (F)	(2,020)	52,012
L. Non-current bank borrowing	91,747	46,749
M. Other non-current financial receivables	209	180
N. Other non-current liabilities	2,585	1,917
n1. Hedging instruments	2,585	1,917
O. Non-current financial debt (L) + (M) + (N)	94,123	48,486
P. Net financial debt (K) + (O)	92,103	100,498

Net financial debt at 30.06.10 was €92,103 thousand, representing an improvement of €8,395 thousand compared with 31 December 2009, when it was €100,498 thousand.

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

- purchase of treasury stock for €569 thousand;
- disbursements of early retirement incentives amounting to €2,973 thousand, already provisioned in 2009.

Investments were also made in the amount of €3,898 thousand.

BALANCE SHEET INFORMATION – SHAREHOLDERS' EQUITY AND LIABILITIES

Note 11. Shareholders' equity

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

	30/06/2010	31/12/2009
Share capital	30,392	30,392
Share premium reserve	88,668	89,237
Extraordinary share-cancellation reserve	2,813	2,813
Treasury shares held	(17,950)	(17,381)
Treasury share reserve	20,299	19,730
Share capital and capital reserves	124,222	124,791
Cash-flow hedge reserve	(2,188)	(1,936)
Conversion reserve	8	(14,853)
Held-for-sale financial assets reserve	(45)	(107)
Other reserves	(2,225)	(16,896)
Retained earnings	8,803	20,964
Earnings carried forward	(4,028)	8,875
Capital grant reserve	958	958
Legal reserve	3,185	2,430
IFRS reserve	8,688	8,701
Net profit (loss) for the period	11,255	(12,164)
Total Group shareholders' equity	142,055	116,695

Share capital and capital reserves

Changes in share capital as at 30 June 2010 are reported below (in €000):

	Number of shares	Share capital	Extraordinary share-cancellation reserve	Share premium reserve	Treasury shares	Treasury share reserve	Total
01/01/2010	54,945,547	30,392	2,813	89,237	(17,381)	19,730	124,791
Purchase of treasury shares	(169,498)			(569)	(569)	569	(569)
30/06/2010	54,776,049	30,392	2,813	88,668	(17,950)	20,299	124,222

Ordinary shares

At 30 June 2010, the total number of ordinary shares was 58,446,491, of which 3,670,442 were treasury shares: the number of shares in issue as at that date was therefore 54,776,049. The shares have a nominal unit value of €0.52 and are fully subscribed.

Treasury shares

The "Treasury shares" item, negative for €17,950 thousand, includes purchases and sales of treasury shares amounting to €20,299 thousand, recognised net of income and charges due to the sale of treasury shares and related tax effects (€2,349 thousand). In the first half of 2010, the Group acquired 169,498 treasury shares.

For these purchases, in accordance with Article 2453 of the Italian Civil Code, capital reserves (through the treasury share reserve) in the amount of €20,299 thousand were made unavailable.

Other reserves

Translation reserve

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

Cash-flow hedge reserve

Following adoption of IAS 39, changes in the fair value of derivative contracts designated as effective hedging instruments are recognised in accounts directly with shareholders' equity, in the cash-flow hedge reserve. These contracts have been executed to hedge exposure to the risk of fluctuation of interest rates on floating rate loans (negative for € 3,037 thousand) and to hedge currency exposure (negative for € 4 thousand). Amounts are reported net of the tax effect (€ 853 thousand).

Financial asset revaluation reserve

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

Cumulative retained earnings

IFRS reserve

This reserve was created upon first-time adoption of international accounting standards at 1 January 2004 as per IFRS 1.

Retained earnings

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

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

	30.06.10	
	Total equity	Period results
Datalogic SpA shareholders' equity and profit	167,832	10,364
Difference between consolidated companies' net equity and their carrying value in Datalogic SpA's statement; effect of equity-based valuation	(29,443)	10,082
Reversal of dividends	0	(8,387)
Amortisation of intangible assets "business combination"	0	0
Goodwill from acquisitions	7,234	
Effect of acquisition under common control	0	0
Elimination of capital gain on sale of business branch	(1,809)	0
Effect of eliminating intercompany transactions	(1,302)	(13)
Reversal of write-downs and capital gains on equity investments	0	(481)
Transfer of Know How	0	0
Impairment goodwill	(948)	(149)
Other	(832)	(75)
Taxes	1,323	(86)
Group portion of shareholders' equity	142,055	11,255

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

The breakdown of this item is as detailed below:

	30/06/2010	31/12/2009	Change
Bank loans	178,739	169,887	8,852
Bank overdrafts (ordinary current accounts)	81	113	-32
Total financial payables	178,820	170,000	8,820

Bank loans

The following is the breakdown of changes in "Bank loans" item at 30 June 2010 and 2009:

	2010	2009
1 January	169,887	153,909
Foreign exchange differences	6,984	2,073
Increases	11,548	43,977
Repayments	0	(7,500)
Decreases for loan payments	(9,680)	(457)
30 June	178,739	192,002

The **increases** relate to a hot money line for €10,000 thousand incurred by the Parent Company on 18 February 2010, and a loan of \$1,900 thousand incurred by Datalogic Scanning Vietnam.

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

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

Guarantees given by banks in the group's favour total €1,504 thousand. The Parent Company also issued sureties for €95,747 thousand (the change from 31 December 2009 was due mainly to the exchange rate effect) and letters of patronage for €20,000 thousand against loans by the subsidiaries.

Covenants

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

	Company	Currency	Outstanding debt		Covenant		Frequency	On the financial statements of
1	Datalogic SpA	€	8,000,000	DFL	PN	DFL / PN	annual	Datalogic SpA
2	Datalogic SpA	€	8,000,000	DFL	PN	DFL / PN	annual	Datalogic SpA
3	Datalogic SpA	€	15,000,000	PFN / PN	PFN /EBITDA		annual	Datalogic Group
4	Datalogic SpA	\$	7,600,000	PFN / PN	PFN /EBITDA		annual	Datalogic Group
5	Datalogic Automation Srl	€	3,500,000	DFL	PN	DFL / PN	annual	Datalogic SpA
6	Datalogic Automation Srl	€	30,000,000	PFN / PN	PFN /EBITDA		annual	Datalogic Group
7	Datalogic Automation Srl	€	3,500,000	DFL	PN	DFL / PN	annual	Datalogic SpA
8	Datalogic Scanning Holding Inc	\$	49,400,000	PFN / PN	PFN /EBITDA	CF/DS Capex	Half-yearly	Datalogic Group

Key:

PN = Shareholders' Equity

PFN = Net financial position

DFL = Financial gross payables

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

At 30 June 2010, the long-term portion (€25,000 thousand) of loans related to Covenant 6, with which the Company was in non-compliance at 31 December 2009, continues to be reclassified under "Short-term financial debt", pursuant to IAS 1.

In this regard, note that contact has been made with the financial institution to renegotiate the covenant and the Group does not feel there is any risk of revocation of these loans.

Note 13. Deferred tax assets and liabilities

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

The main items making up deferred tax assets and deferred tax liabilities, and the changes occurring in them during the first half-year, are shown below:

Deferred tax assets	Losses	Forex adjust.	Asset write-downs	Allocations	Other	Consolidation adjustments	Total
At 01.01.10	10,603	83	1,207	7,465	1,416	1,165	21,939
Provisioned in (released from) income statement	430	(102)	128	(457)	(362)	8	(355)
Provisioned in (released from) shareholders' equity					(125)	193	68
Forex differences	1,341	(1)	10	920	15		2,285
Other changes	(460)				(65)		(525)
At 30.06.10	11,914	(20)	1,345	7,928	879	1,366	23,412

Deferred tax liabilities	Deprec, & Amort,	Reserve for provision losses	Operations deriving from acquisitions	Provisions	IFRS Reserves	Other	Consolidation adjustments	Total
At 01.01.10	3,350	11	10,937	595	315	563	(240)	15,531
Provisioned in (released from) income statement	376	(3)	(509)	(255)		147	60	(184)
Forex differences	56		1,830	110		(2)		1,994
At 30.06.10	3,782	8	12,258	450	315	708	(180)	17,341

Note 14. Post-employment benefits

The changes occurring in each year as at June 30 are as follows:

	2010	2009
1 January	7,739	8,392
Amount allocated in the period	888	473
Uses	(1,277)	(162)
Social security receivables for the employee severance indemnity reserve	(249)	(380)
30 June	7,101	8,323

Note 15. Provisions for risks and charges

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

	30/06/2010	31/12/2009	Change
Short-term provisions	4,744	6,635	(1,891)
Long-term provisions	7,300	4,319	2,981
Total provisions for risks and charges	12,044	10,954	1,090

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

	31/12/2009	Increases	(Uses) and (Issues)	Forex differences	30/06/2010
	9				0

Product warranty provision	4,462	423	(157)	325	5,053
Provision for management incentive plan	2,701	-	(1,707)		994
Provision for management incentive scheme	1,372	2,581	(48)	58	3,963
Other	2,419	68	(603)	150	2,034
Total provisions for risks and charges	10,954	3,072	(2,515)	533	12,044

The “**Product warranty provision**” comprises the estimated cost of repairing products sold up to 30 June 2010 and covered by periodical warranty; it amounts to €5,053 thousand (€2,458 thousand of which is long-term) and is considered sufficient for the specific risk it covers.

The “**Restructuring provision**” concerns a restructuring plan launched by the Group in 2009 and scheduled for completion by the end of this year.

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

The “**Other**” item mainly comprises:

- €1,095 thousand for a “stock rotation” risk provision for the Scanning Group, the Mobile Group and Informatics.
- €182 thousand attributable to the Scanning division and provisioned for compliance with Directive 2002/95/EC on the restriction of the use of certain hazardous substances in electrical and electronic equipment, as enacted in Italian law by Legislative Decree no. 151 of 25 May 2005.
- €350 thousand relating to ongoing litigation on the ten-year ILOR (local income tax) exemption, set forth by D.P.R. 218/78 (Unified law on actions in Southern Italy), in relation to the former Datasud for the year 2006. The decrease of €752 thousand in this reserve is due to the payment of the portion provisioned at 31 December 2008 against an assessment relating to the former Datasud for the years 1999/2000.
- €227 thousand for agent termination indemnities.
- €172 thousand provisioned against compensation to be paid to a supplier in the event of failure to respect a contractual clause.

Note 16. Trade and other payables

This table shows the details of trade and other payables:

	30/06/2010	31/12/2009	Change
Trade payables due within 12 months	51,716	43,585	8,131
Third-party trade payables	51,716	43,585	8,131
Payables to associated companies	16	27	(11)
<i>Idec Datalogic CO Ltd</i>	16	24	(8)
<i>Laservall Asia</i>	0	3	(3)
Payables to related parties	236	201	35
Total trade payables	51,968	43,813	8,155
Other payables – current accrued liabilities and deferred income	30,820	23,020	7,800

Other payables – non-current accrued liabilities and deferred income	1,720	1,459	261
Total other payables – accrued liabilities and deferred income	32,540	24,479	8,061
Less: non-current portion	1,720	1,459	261
Current portion	82,788	66,833	15,955

Other payables – accrued liabilities and deferred income

The detailed breakdown of this item is as follows:

	30/06/2010	31/12/2009	Change
Other current payables	16,047	12,344	3,703
Other long-term payables	1,720	1,459	261
VAT liabilities	3,735	1,874	1,861
Accruals and deferrals	11,038	8,802	2,236
Total	32,540	24,479	8,061

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

	30/06/2010	31/12/2009	Change
Payables to pension and social security agencies	2,420	2,910	(490)
Payables to employees	11,881	8,509	3,372
Directors’ remuneration payable	707	116	591
Other payables	1,039	809	230
Total	16,047	12,344	3,703

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

INFORMATION ON THE INCOME STATEMENT

Note 17 - Revenues

	30/06/2010	30/06/2009	Change
Revenues from sale of products	183,393	141,882	41,511
Revenues for services	7,439	7,230	209
Total revenue	190,832	149,112	41,720

Revenue earned from services increased by 28% year on year. At constant euro/dollar exchange rates, the increase would have much the same, at 27.7%.

Below is the geographical breakdown of revenue in percentage terms:

	30/06/2010	30/06/2009	Change
Revenue in Italy	11%	14%	-3%
Revenue – EU	37%	38%	-1%
Revenue – Rest of World	52%	48%	4%

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.

	30/06/2010	30/06/2009	Change
TOTAL COST OF GOODS SOLD (1)	103,218	88,390	14,828
<i>of which non-recurring</i>	(80)	782	(862)
TOTAL OPERATING COSTS (2)	69,736	75,399	(5,663)
R&D expenses	12,659	13,723	(1,156)
<i>of which non-recurring</i>	-	92	(92)
Distribution expenses	36,821	35,746	1,075
<i>of which non-recurring</i>	-	709	(709)
General & administrative expenses	19,586	18,071	1,515
<i>of which non-recurring</i>	-	557	(557)
<i>of which amortisation pertaining to acquisitions</i>	1,999	2,085	(86)
Other operating costs	670	7,859	(7,189)
<i>of which non-recurring</i>	(258)	5,808	(6,066)

TOTAL (1+2)	172,954	163,789	9,165
of which non-recurring	(338)	7,948	(8,286)
of which amortisation pertaining to acquisitions	1,999	2,085	(86)

Below is the breakdown of non-recurring costs and revenue

ITEM	AMOUNT	DESCRIPTION
2)" Cost of goods sold"	(80)	Release of early retirement incentives
Total	(80)	
7) Other operating expenses	(258)	Release of early retirement incentives to income statement
Total	(258)	
TOTAL NON-RECURRING COSTS (REVENUES)	(338)	

The decrease in extraordinary costs is due to the release to the income statement of the surplus extraordinary costs provisioned in 2009 against the restructuring plan.

Depreciation & amortisation pertaining to acquisitions (amounting to €1,999 thousand), included in the item "General and administrative expenses" break down as follows:

1. €647 thousand pertaining to Datalogic Automation Srl,
2. €301 thousand pertaining to Informatics,
3. €919 thousand pertaining to Datalogic Scanning Inc
4. €132 thousand pertaining to Datalogic Mobile Inc.

Total cost of goods sold (1)

This item increased by 17% on the same period in 2009, compared with an increase in revenues of 28%. This was mainly due to the sale of products with a greater margin than in the previous year.

Total operating costs (2)

Operating costs, net of non-recurrent items and amortisation and depreciation of acquisitions, rose from €66,148 thousand to €67,995 thousand. More specifically,

- "R&D expenses" fell by €972 thousand from the same period in the previous year, net of non-recurring costs. This decrease is attributable to the following:
 - the decrease in impairment costs (€570 thousand at constant exchange rates) due mainly to reclassification of write-downs in the moulds category, which in 2010 are posted to "Cost of goods sold"
 - the release of the cost of a research project (€439 thousand) abandoned during 2009 and previously posted to "Intangible fixed assets"

Net of these items, "R&D expenses" is broadly in line with the same period in 2009.

- "Distribution expenses" amount to €36,821 thousand, representing an increase on the same period a year earlier (€1,412 thousand at constant exchange rates and net of extraordinary costs). Specifically, payroll costs rose (€1,283 thousand), mainly due to an increase in bonuses (frozen in H1 2009) and to the increase in commissions on the back of greater sales volumes.
- "General and administrative expenses" amounted to €19,586 thousand. This item, net of extraordinary items and at constant exchange rates, shows an increase of approximately €2,134 thousand compared with the same period a year earlier, mainly owing to the increase in payroll costs of €1,740.

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

	30/06/2010	30/06/2009	Change
Capital losses on assets	93	28	65
Contingent liabilities	42	472	(430)
Provisions for doubtful accounts	308	897	(589)
Restructuring provision allocation	(258)	5,808	(6,066)
Non-income taxes	368	441	(73)
Cost charge backs	98	92	6
Other	19	121	(102)
TOTAL OTHER OPERATING COSTS	670	7,859	(7,189)

Breakdown of costs by type

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

	30/06/2010	30/06/2009	Change
Purchases	66,667	55,710	10,957
Payroll & employee benefits	55,925	53,695	2,230
Amortisation, depreciation and write-downs	7,777	9,346	(1,569)
Goods receipt & shipment	5,884	4,495	1,389
Inventory change	4,298	4,780	(482)
Subcontracted work	3,895	2,282	1,613
Marketing expenses	2,948	2,660	288
Technical, legal, and tax advisory services	2,824	2,917	(93)
Building expenses	2,630	2,733	(103)
Travel & accommodation	2,503	2,009	494
Repairs	2,167	1,744	423
Directors' remuneration	1,924	868	1,056
Material collected from the warehouse	1,690	1,035	655
Vehicle expenses	1,667	1,740	(73)
Telephone expenses	1,045	1,136	(91)
Utilities	920	892	28
Accounts certification expenses	690	720	(30)
Consumables	615	434	181
EDP expenses	596	667	(71)
Patents and branding	518	481	37
Restructuring provision allocation	(258)	5,808	(6,066)
Other	6,029	7,637	(1,608)
Total (1+2)	172,954	163,789	9,165

The item "Amortisation, depreciation and write-downs" fell by €1,569, mainly due to the release at cost of a research project (for €439 thousand) in 2009, following the cancellation of the project prior to completion, and the write-down of some assets in 2009 for about €260 thousand.

Marketing costs came in at €2,948 thousand. The main items are as follows: €1,422 thousand for advertising and sponsorship expenses; €799 thousand for the company's share of the marketing expenses incurred by commercial partners; and €449 thousand for trade-event costs. The year-on-year increase reflects the shared costs of marketing expenses borne by commercial partners and therefore revenue growth.

The increase in the item "Goods receipt and shipment" and "Subcontracted work" is due to the increase in sales.

The increase in the item "Directors' remuneration" is mainly due to the long-term incentive plan for managers.

The item "Other" comprises a variety of costs all amounting to less than €500 thousand, and was substantially lower than in the same period in 2009.

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

	30/06/2010	30/06/2009	Change
Wages and salaries	42,458	39,972	2,486
Social security charges	8,797	8,877	(80)
Staff leaving indemnities	888	973	(85)
Retirement and similar benefits	390	335	55
Medium- to long-term managerial incentive plan	1,861	(262)	2,123
Other costs	1,531	3,800	(2,269)
- of which leaving incentives	(69)	1,918	(1,987)
Total	55,925	53,695	2,230

The item "Wages and salaries", equal to €42,458 thousand, includes sales commissions and incentive payments for €5,788 thousand (€2,287 thousand at 30.06.09, comprising only sales commissions).

The decrease in "Other payroll costs" is attributable to early retirement incentives provisioned in 2009 (€1,918 thousand).

Note 19 - Other operating revenues

The detailed breakdown of this item is as follows:

	30/06/2010	30/06/2009	Change
Miscellaneous income and revenue	384	674	(290)
Rents and lease amounts	93	123	(30)
Capital gains on asset disposals	12	49	(37)
Contingent liabilities	26	81	(55)
Grants to research and development expenses	46	170	(124)
Other	45	90	(45)
TOTAL OTHER REVENUE	606	1,187	(581)

Note 20 - Net financial income

	30/06/2010	30/06/2009	Change
Interest expenses on bank current accounts/loans	2,667	3,343	(676)
Foreign exchange losses	7,544	3,585	3,959
Bank expenses	469	256	213
Write-down of equity investments	-	200	(200)
Other	261	86	175
TOTAL FINANCIAL EXPENSES	10,941	7,470	3,471
Interest income on bank current accounts/loans	339	531	(192)
Foreign exchange gains	9,834	3,534	6,300
Income from investment disposal	-	13	(13)
Other	21	38	(17)
TOTAL FINANCIAL INCOME	10,194	4,116	6,078

NET FINANCIAL INCOME (EXPENSES)	(747)	(3,354)	2,607
--	--------------	----------------	--------------

Total financial expenses

The item "Foreign exchange losses", amounting to €7,544 thousand, is mainly attributable to the parent company (€2,921 thousand), the Scanning Group (€2,373 thousand), the Mobile Group (€1,516 thousand) and the Automation Group (€544 thousand).

This item includes €9 thousand arising from exchange rate risk hedge transactions.

Total financial income

The item "Foreign exchange gains" totalled €9,834 thousand and is mainly attributable to the parent company (€4,995 thousand), the Scanning Group (€2,732 thousand), the Mobile Group (€1,158 thousand) and the Automation Group (€948 thousand).

This item includes €708 thousand arising from exchange rate risk hedge transactions.

Note 21 - Taxes

	30/06/2010	30/06/2009
Income tax	6,168	(1,821)
Substitute tax	229	
Deferred tax	171	(636)
	6,568	(2,457)

The average tax rate is 36.85% (-14.46% at 30 June 2009).

Note 22 - Earnings/loss per share

Basic Earnings/loss per share

	30/06/2010	30/06/2009
Group profit/(loss) for period	11,255,000	(14,538,000)
Average number of shares	54,903,134	55,280,821
Basic earnings/(loss) per share	0.2050	-0.2630

Basic earnings per share at 30 June 2010 was calculated by dividing the group net profit of €11,255 thousand (group net loss of €14,538 thousand at 30.06.09) by the weighted average number of ordinary shares outstanding at 30.06.10 (54,903,134 shares, compared with 55,280,821 at 30.06.09).

TRANSACTIONS WITH SUBSIDIARIES NOT CONSOLIDATED LINE-BY-LINE, WITH ASSOCIATES, AND WITH RELATED PARTIES

For the definition of “Related Parties”, see both IAS 24, approved by European Commission Regulation No. 1725/2003, and the internal policy approved by the board of directors on 11 November 2005.

The parent company of the Datalogic Group is Hydra SpA.

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

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

RELATED PARTIES	Idec DI Co. Ltd.	Hydra (parent company)	Hydra Immobiliare	Non consolidated Automation Group companies	MSP Imm	Studio Associato Caruso	Cristofori + Partners	Tamburi Investment Partners SpA	Laserval I Asia	TOTAL 30.06.10
	associate	parent company	company headed by Chairman of BoD	associates, associated companies	subsidiary of the Hydra S.p.A. Group	controlled by a BoD member	controlled by a BoD member	controlled by a BoD member	associate	
Equity investments	877			128					892	1,897
Automation Group	877			128					892	1,897
Trade receivables	347	11		1,323					1,228	2,909
Datalogic Real Estate Srl		11								11
Automation Group	347			1,323					1,228	2,898
Receivables pursuant to tax consolidation		2,367								2,367
DI Spa		203								203
DI Automation Srl		2,164								2,164
Financial receivables				120					209	329
Automation Group				120					209	329
Liabilities pursuant to tax consolidation		1,483								1,483
DI Mobile Srl		883								883
Datalogic Real Estate Srl		27								27
DI Scanning SpA		103								103
DI Scanning Group Srl		470								470
Trade payables										

	16	123		87	26	252
DI Spa				47	26	73
DI Scanning Group Srl				5		5
Automation Group	16	123		29		168
DI Mobile Srl				6		6
Distribution / service expenses	41	249	14	4	168	43 19 538
DI Spa		22		4	94	43 163
Datalogic Real Estate Srl				1		1
Automation Group	41	227	14	58		19 359
DI Scanning Group Srl				9		9
DI Mobile Srl				6		6
Commercial revenue	937		1,746			2,840 5,523
Automation Group	937		1,746			2,840 5,523

NUMBER OF EMPLOYEES

	30/06/2010	30/06/2009	Change
Automation Group	595	677	(82)
Mobile Group	331	369	(38)
DL S.p.A.	45	47	(2)
Scanning Group	921	794	127
Informatics	100	102	(2)
DL Real Estate	7	8	(1)
TOTAL	1,999	1,997	2

The Chairman of the Board of Directors
Romano Volta