

# **First Quarter 2011 Conference Call**

**10<sup>th</sup> May, 2011**

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✦ HIGHLIGHTS

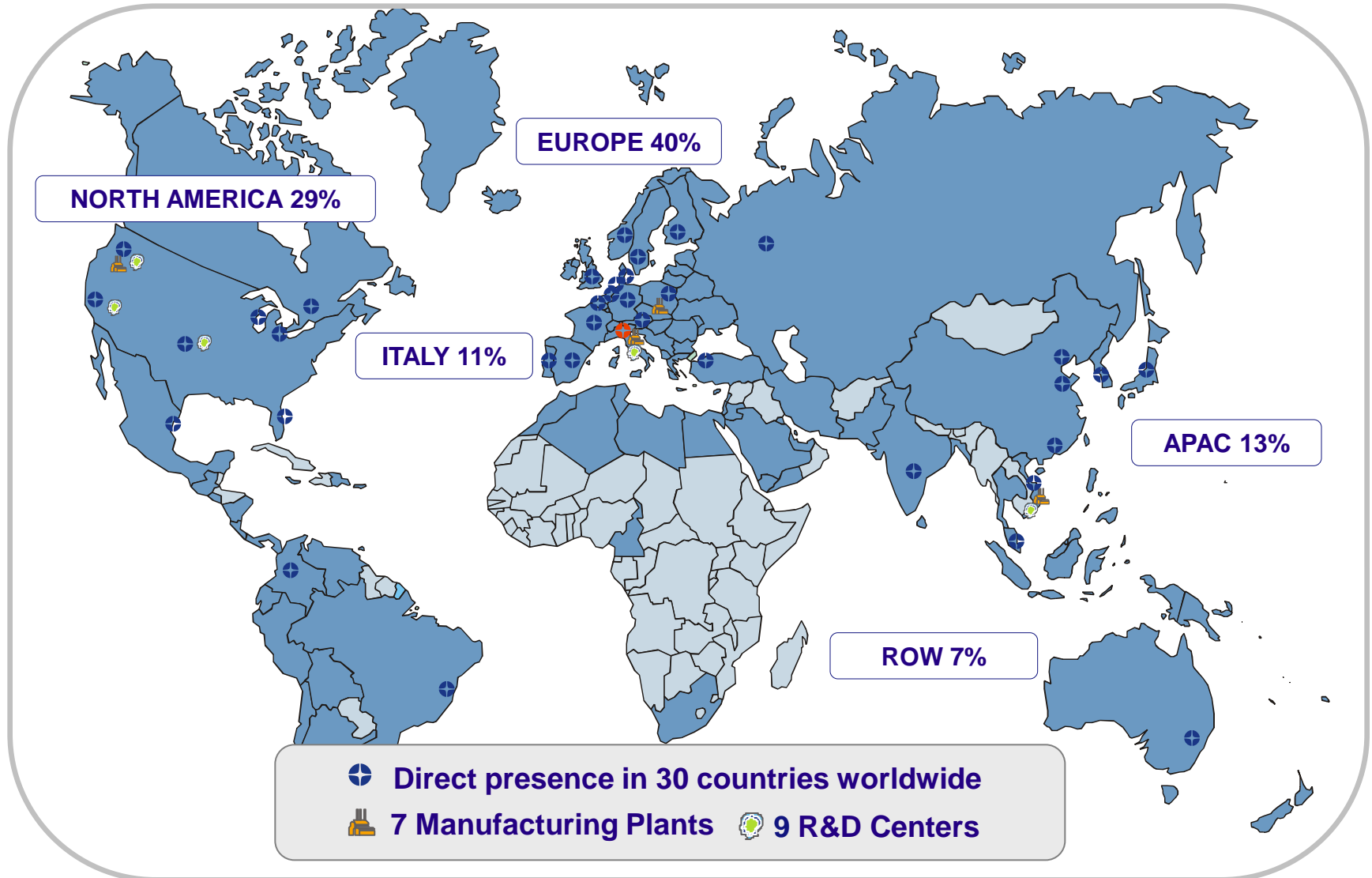
✦ 1Q11 RESULTS

✦ OUTLOOK



- ✦ World-class producer of **bar code readers, data collection mobile computers, RFID and vision systems**
- ✦ Datalogic offers **innovative solutions** for a comprehensive range of applications in **the manufacturing, retail, transportation & logistics markets**
- ✦ **2010 Revenues at €393M** of which **68% in the ADC Market** and **23% in the Industrial Automation Market**
- ✦ Founded in **1972** in **Bologna, Italy**
- ✦ **Listed** on the STAR Segment of the Italian Stock Exchange **since 2001**
- ✦ Over **2,000 employees**
- ✦ Direct presence in **30 countries** worldwide **selling to +100 countries**
- ✦ **+1,000 partners** worldwide

## 2010 REVENUES – TOTAL €393M - BREAKDOWN BY AREA





✦ HIGHLIGHTS

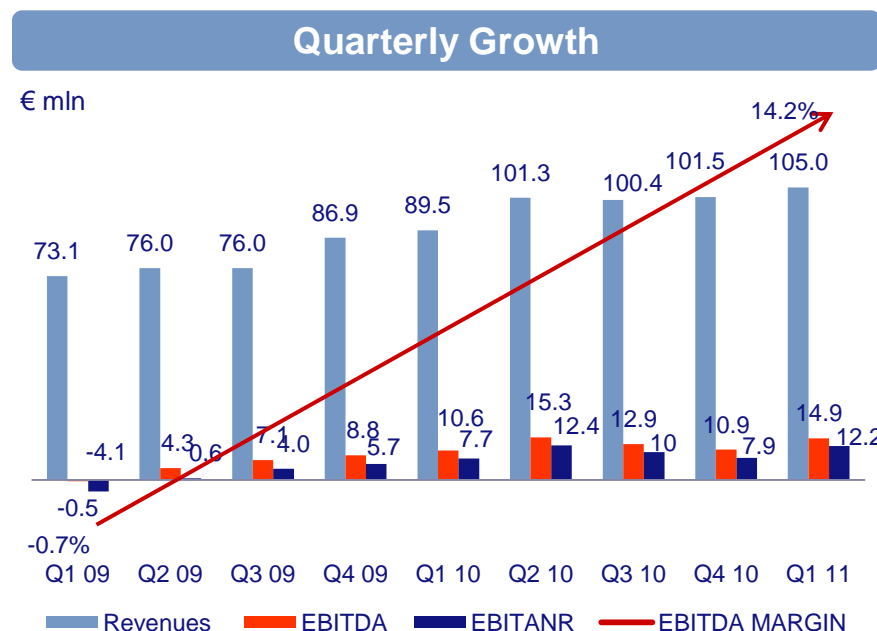
✦ 1Q11 RESULTS

✦ OUTLOOK

- ✦ Revenues growth, +17% YoY and +3% QoQ, continues to beat the market
- ✦ Strong EBITDA growth, +41% YOY, and improvement of profitability: EBITDA margin at 14.2%
- ✦ R&D expenses stable at 6.5% on revenues
- ✦ Jump of net profit to €5.7 mln from €4.1 mln in the quarter

€000	1Q2010	1Q2011	Var %
Revenues	89,520	104,956	17.2%
Gross Operating Margin (GOM)	40,474	49,416	22.1%
Ord. Operating Profit (EBITANR*)	7,697	12,213	58.7%
Operating Profit (EBIT)	6,724	11,106	65.2%
EBT	6,213	8,188	31.8%
Net Income	4,135	5,659	36.9%
EBITDA	10,585	14,896	40.7%

\*Ebitan: earnings before interest, taxes, acquisition and non recurring



000€	Last Year 1Q 2010	%	Actual 1Q 2011	%	Var %
<b>Revenues</b>	<b>89,520</b>	<b>100.0%</b>	<b>104,956</b>	<b>100.0%</b>	<b>17.2%</b>
COGS	(49,046)	-54.8%	(55,540)	-52.9%	
<b>Gross Operating Margin</b>	<b>40,474</b>	<b>45.2%</b>	<b>49,416</b>	<b>47.1%</b>	<b>22.1%</b>
Other revenues	338	0.4%	423	0.4%	
R&D	(6,067)	-6.8%	(6,793)	-6.5%	
Distribution Costs	(17,826)	-19.9%	(19,988)	-19.0%	
Administrative expenses	(8,692)	-9.7%	(10,370)	-9.9%	
Other operating expenses	(530)	-0.6%	(475)	-0.5%	
<b>Total operating expenses and others</b>	<b>(33,115)</b>	<b>-37.0%</b>	<b>(37,626)</b>	<b>-35.8%</b>	
<b>Ordinary Operating Profit (EBITANR) (*)</b>	<b>7,697</b>	<b>8.6%</b>	<b>12,213</b>	<b>11.6%</b>	<b>58.7%</b>
Non recurring costs/rev	0	0.0%	0	0.0%	
Amort. Intang. Assets from acquis.	(973)	-1.1%	(1,107)	-1.1%	
<b>Operating Profit (EBIT)</b>	<b>6,724</b>	<b>-7.5%</b>	<b>11,106</b>	<b>10.6%</b>	<b>65.2%</b>
Financial (costs)/rev.	(1,420)	-1.6%	(1,474)	-1.4%	
Results from equity investments	29	0.0%	116	0.1%	
Foreing exchange (costs)/rev.	880	1.0%	(1,560)	-1.5%	
<b>EBT</b>	<b>6,213</b>	<b>6.9%</b>	<b>8,188</b>	<b>7.8%</b>	<b>31.8%</b>
Taxes	(2,078)	-2.3%	(2,529)	-2.4%	
<b>Net Income</b>	<b>4,135</b>	<b>4.6%</b>	<b>5,659</b>	<b>5.4%</b>	<b>36.9%</b>
Depreciation	(1,946)	-2.2%	(1,855)	-1.8%	
Amortization	(942)	-1.1%	(828)	-0.8%	
<b>EBITDA</b>	<b>10,585</b>	<b>11.8%</b>	<b>14,896</b>	<b>14.2%</b>	<b>40.7%</b>
<i>Exchange rate</i>	1.3829		1.3680		

(\*) Ordinary Operating Profit before non recurring costs/revenues and amortization of intangible assets from acquisition (EBITANR)

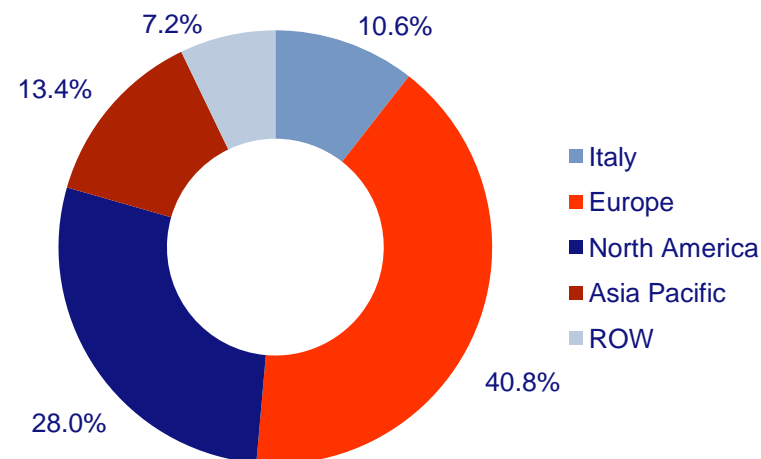
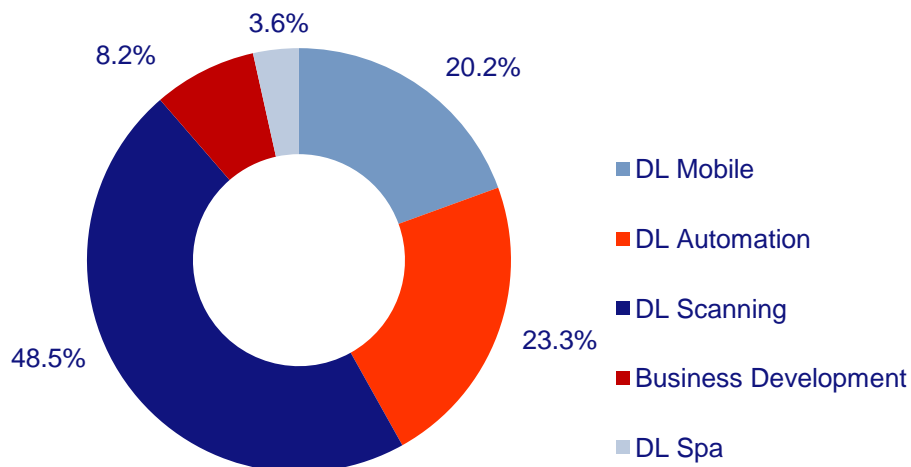


## REVENUES BY DIVISION

€000	1Q10	1Q11	Var %
Datalogic Mobile (*)	20,684	21,175	2.4%
Datalogic Automation	19,024	24,447	28.5%
Datalogic Scanning	42,080	50,914	21.0%
Business Development	7,930	8,576	8.1%
Datalogic S.p.A.	3,291	3,793	15.3%
Adjustments	(3,489)	(3,949)	13.2%
<b>Total revenues</b>	<b>89,520</b>	<b>104,956</b>	<b>17.2%</b>

## REVENUES BY AREA

€000	1Q10	1Q11	Var %
Italy	9,122	11,082	21.5%
Europe	37,979	42,866	12.9%
North America	25,034	29,429	17.6%
Asia Pacific	9,661	14,081	45.7%
ROW	7,724	7,498	-2.9%
<b>Total revenues</b>	<b>89,520</b>	<b>104,956</b>	<b>17.2%</b>

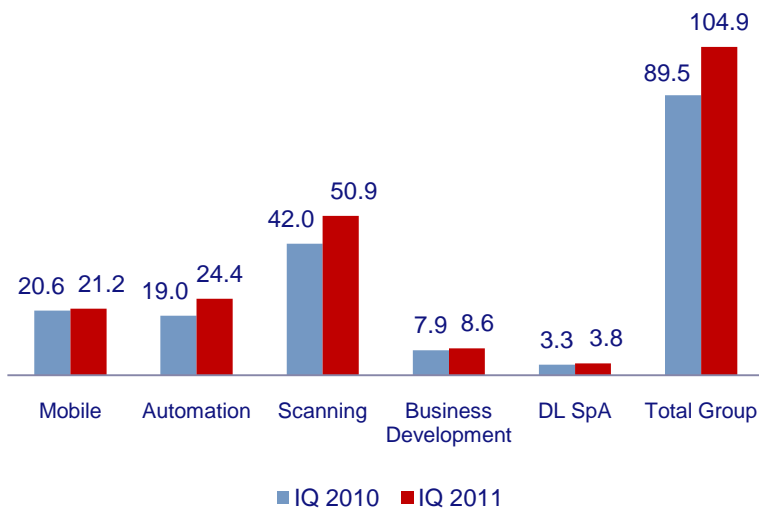


(\*) Datalogic Mobile includes Enterprise Business Solutions BU

(\*\*) % figures calculated on total net of adjustment

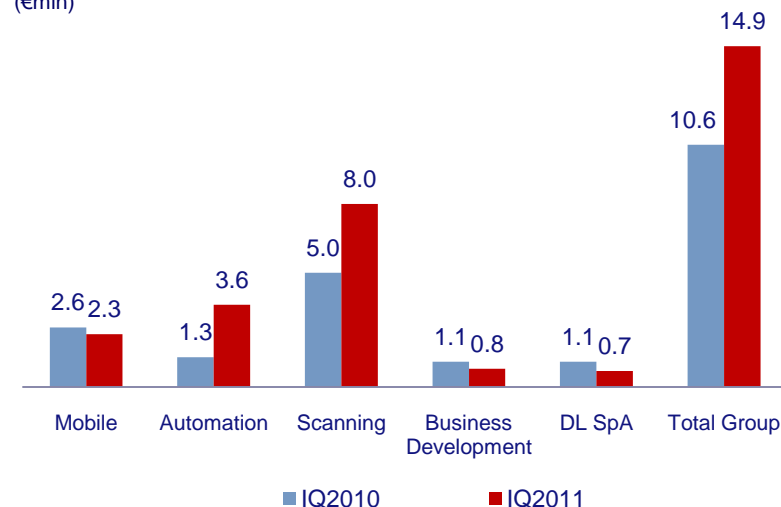
## REVENUES

(€mln)



## EBITDA

(€mln)



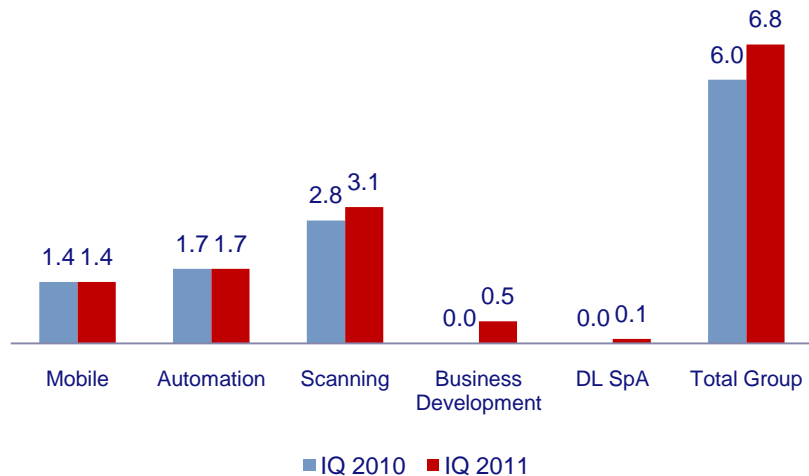
Revenues Growth	1Q11 / 1Q10
Mobile	2.4%
Automation	28.5%
Scanning	21.0%
Business Development	8.1%
Datalogic S.p.A.	15.3%
<b>Total Group</b>	<b>17.2%</b>

EBITDA Margin *	1Q 2010	1Q 2011
Mobile	12.6%	10.8%
Automation	6.8%	14.8%
Scanning	11.9%	15.7%
Business Development	13.9%	9.3%
<b>Total Group</b>	<b>11.8%</b>	<b>14.2%</b>

\* EBITDA on total revenues

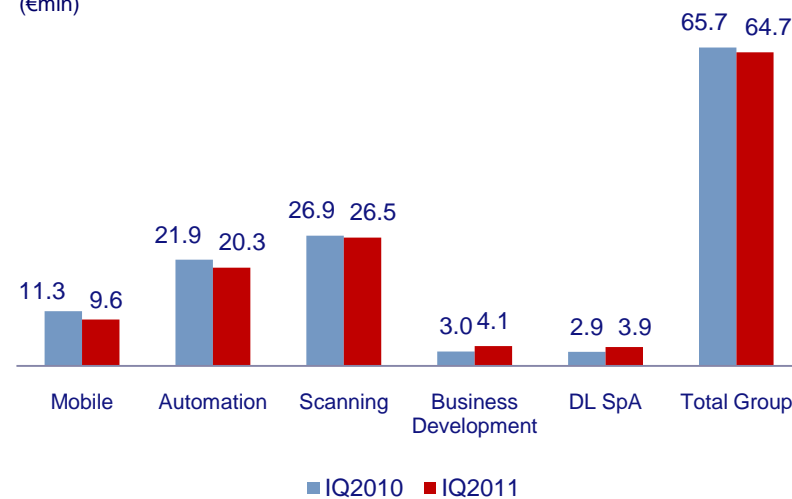
## R&D COSTS

(€mln)



## TWC

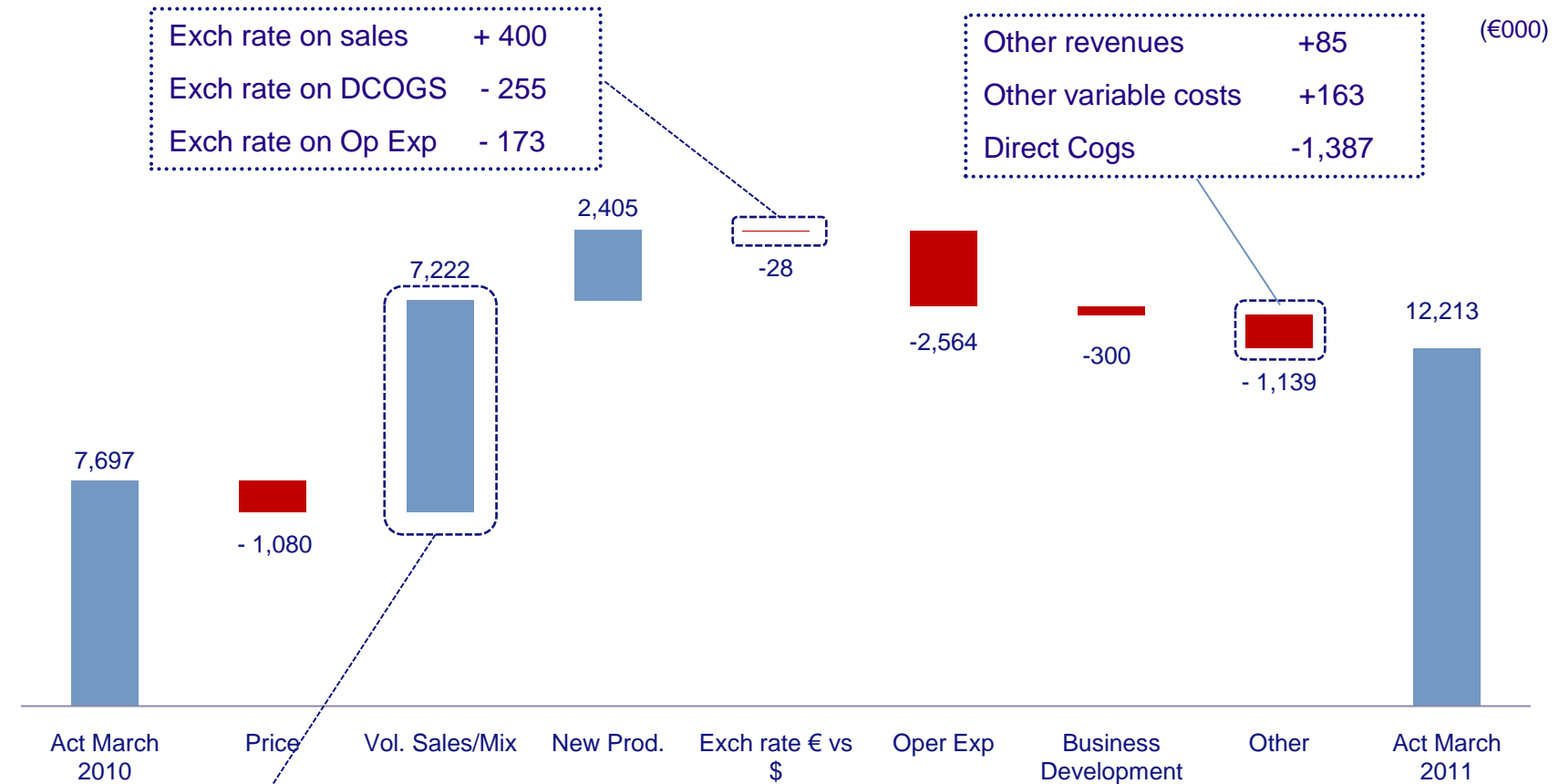
(€mln)



R&D/Revenues	1Q 2010	1Q 2011
Mobile	6.8%	6.6%
Automation	8.9%	7.0%
Scanning	6.7%	6.1%
Business Development	0.1%	5.8%
<b>Total Group</b>	<b>6.8%</b>	<b>6.5%</b>

TWC/Annualised Revenues	1Q 2010	1Q 2011
Mobile	13.7%	11.3%
Automation	28.8%	20.8%
Scanning	16.0%	13.0%
Business Development	9.5%	11.9%
<b>Total Group</b>	<b>18.4%</b>	<b>15.4%</b>

# EBITANR \* - 1Q 2011 Actual vs. Last Year



(\*) Ordinary Operating Profit before non recurring costs/revenues and amortization of intangible assets from acquisition (EBITANR)

**Note:**

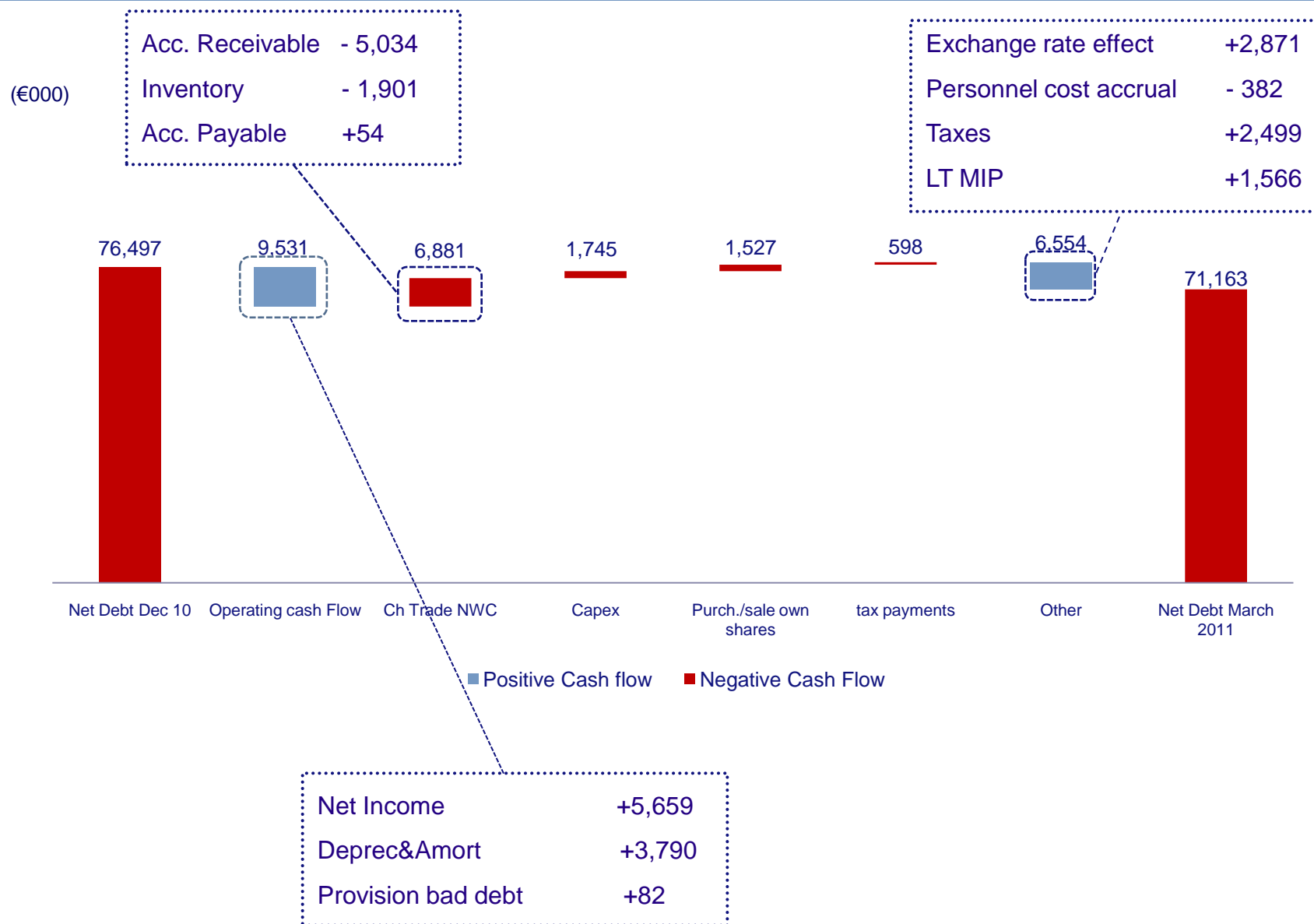
The Exchange rate variance has been calculated on Sales/COGS/Operating expenses originally denominated in USD (\$). The variance was the result of the difference between March'10 Actual (1,383) and March'11Actual (1,3680) €/USD exchange rate.

Therefore, this variance does not include the exchange rate effect on competitive scenario.

For Informatics and Evolution Robotics Retail (Business Development) has been considered its overall impact on the EBITANR

€000	At 31/12/2010	At 31/03/2011
Intangible fixed assets	40,998	37,555
Goodwill	106,088	100,607
Tangible fixed assets	50,042	48,864
Non Consolidated investments	3,286	3,541
Other fixed assets	23,088	21,769
<b>Total Fixed Assets</b>	<b>223,502</b>	<b>212,336</b>
Net trade account receivables	69,353	74,305
ST account payables	(56,688)	(56,742)
Inventory	45,308	47,209
<b>Trade Working Capital</b>	<b>57,973</b>	<b>64,772</b>
Other current receivables	16,827	16,392
Other ST payables and provision for risk & future charges	(47,553)	(48,435)
<b>Net Working Capital</b>	<b>27,247</b>	<b>32,729</b>
Other LT payables	(17,144)	(16,301)
Employees' severance Indemnity	(7,121)	(6,961)
LT provision for risk & future charges	(9,823)	(11,399)
<b>Net Invested Capital</b>	<b>216,661</b>	<b>210,404</b>
<b>Equity</b>	<b>(140,164)</b>	<b>(139,241)</b>
<b>Net Financial Position</b>	<b>(76,497)</b>	<b>(71,163)</b>
<i>Exchange rate</i>	1.3362	1.4207

# Net Debt Analysis: Dec. 2010 – March 2011





✦ HIGHLIGHTS

✦ 1Q11 RESULTS

✦ OUTLOOK

## GLOBAL TRENDS

- ✦ Technology shifts: analogue to digital; wireless technology
- ✦ Globalization of the world economy
- ✦ Increased focus on gaining efficiencies and cost reduction in supply chains
- ✦ Greater safety and security concerns



## VALUE TO THE CUSTOMER

- ✦ Better information, faster
- ✦ Improved real time decision making
- ✦ Operate more efficiently reducing operating expenses
- ✦ Increase safety, security and compliance
- ✦ Measurable, sustainable ROI



**+8% average market growth\* - 2010 through 2012**

\*Company's estimates based on available market trend data



- ✦ Focus on two major pillars of growth: **Automatic Data Capture (ADC)** and **Industrial Automation (IA)** markets
- ✦ Foster external growth through M&A activities, mainly in the Automation market that is very fragmented
- ✦ Expand emerging market presence, through strategic alliances and foreign investments
- ✦ Drive Datalogic offering from just products to solutions
- ✦ Ensure innovation and product development through relentless R&D activities and investments

- ✦ 2012 organic revenues target in the range of 420-430 mln Euro, CAGR at 11%
- ✦ 2012 EBITDA target in the range of 60-65 mln Euro, CAGR >45%
- ✦ R&D investments between 7%-8% of revenues per year
- ✦ Strong cash generation and expected debt reduction
- ✦ Investment in capex stable at around 2.5% of revenues per year
- ✦ 2012 ROE target around 20%

# *Thank You!*

This presentation contains statements that are neither reported financial results nor other historical information. These statements are forward-looking statements. These forward-looking statements rely on a number of assumptions and are subject to a number of risks and uncertainties, many of which are outside the control of Datalogic S.p.A., that could cause actual results to differ materially from those expressed in or implied by such statements, such as future market conditions, currency fluctuations, the behavior of other market participants and the actions of governmental and state regulators

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# We Welcome Your Questions!

