



Interim Management Statement at 31 March 2011

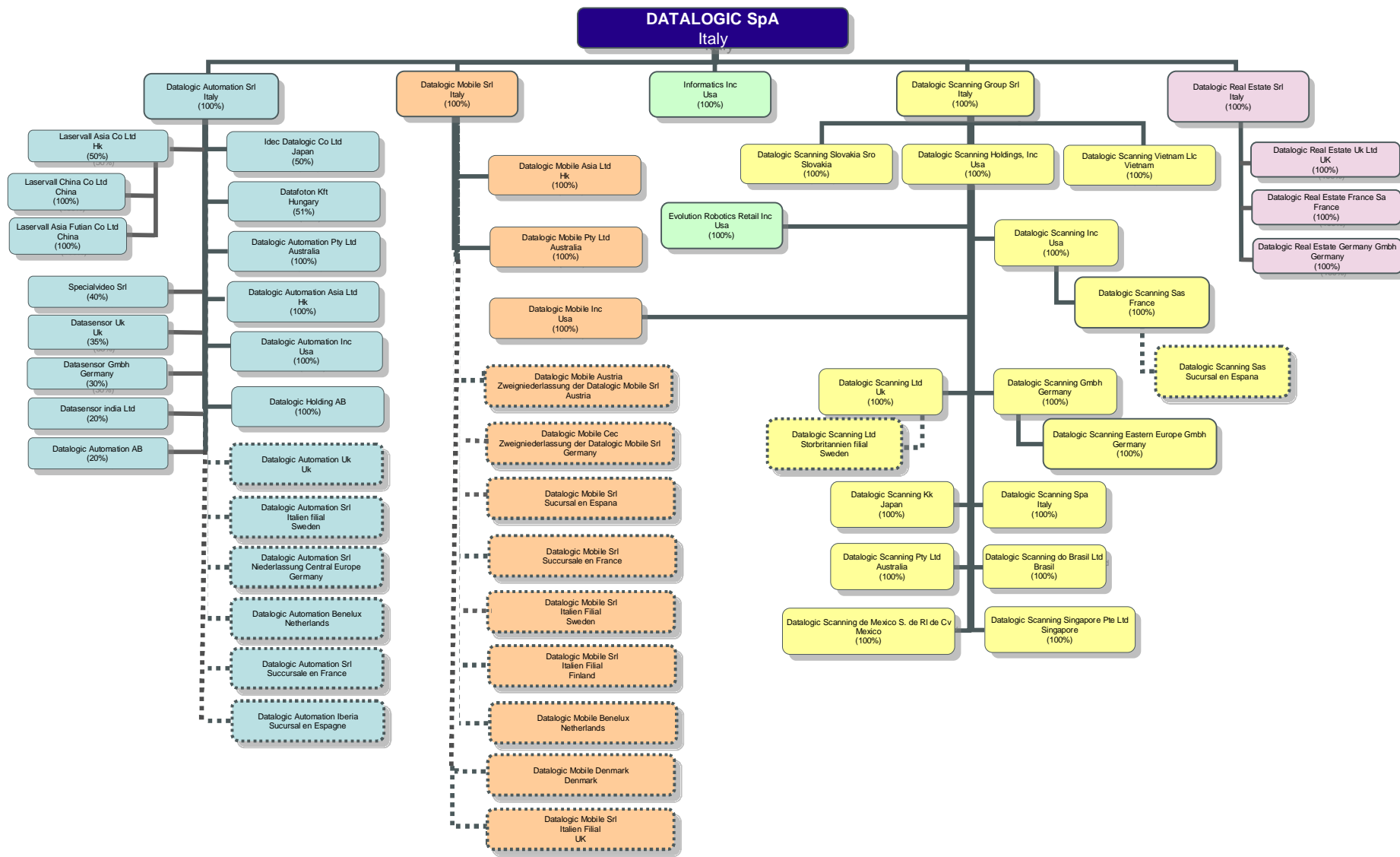


DATALOGIC GROUP

Interim Management Statement at 31/03/2011

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



———— 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

Angelo Manaresi

Director

Elserino Piol

Director

Giovanni Tamburi

Director

Gabriele Volta

Director

Valentina Volta

Director

Statutory Auditors (4)

Stefano Romani

Chairman

Mario Stefano Luigi Ravaccia

Statutory Auditor

Massimo Saracino

Statutory Auditor

Stefano Biordi

Alternate Statutory Auditor

Patrizia Passerini

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) The Statutory Auditors in office until the approval of the accounts for the financial year ending 31 December 2012.

MANAGEMENT REPORT

REPORT ON OPERATIONS

To our Shareholders,

The report for the period ended 31 March 2011, which we submit to you for review, has been prepared in compliance with the instructions in the Borsa Italiana S.p.A. Regulations.

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

COMMENTS ON OPERATING AND FINANCIAL RESULTS

The following table summarises the Datalogic Group's key operating and financial results at 31 March 2011 in comparison with the same period a year earlier (figures in €'000):

	31.03.2011	31.03.2010	Change	% change
Total revenue	104,956	89,520	15,436	17.2%
EBITDA (*)	14,896	10,585	4,311	40.7%
<i>% of total revenue</i>	<i>14.2%</i>	<i>11.8%</i>		
Group net profit/loss	5,659	4,135	1,524	36.9%
<i>% of total revenue</i>	<i>5.4%</i>	<i>4.6%</i>		
Net financial position (NFP) (**)	(71,163)	(97,684)	26,521	-27.1%

(*) **EBITDA** is a performance indicator not defined under IFRS. However, Datalogic's 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.**

(**) For the criteria defining the net financial position please see page 6.

At 31 March 2011 **the Datalogic Group recorded revenue of €104,956 thousand (vs. €89,520 thousand in the first quarter of the previous year)**, broken down as follows:

€100,864 thousand from the sale of products;
€4,092 thousand from services.

Revenues grew by 17.2% compared with the same period of the previous year. This increase would have been slightly less (16.7%) at constant euro/dollar exchange rates.

Group EBITDA was €14,896 thousand, corresponding to 14.2% of total revenue, an increase of €4,311 thousand compared with the same period of the previous year.

Group net profit at 31 March 2011 was €5,659 thousand, an improvement of almost 37% on the figure of €4,135 thousand registered in the same period of the previous year.

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)	31.03.2011		31.03.2010		Change	% change
Total revenue	104,956	100.0%	89,520	100.0%	15,436	17.2%
Cost of sales	(55,540)	-52.9%	(49,046)	-54.8%	(6,494)	13.2%
Gross profit	49,416	47.1%	40,474	45.2%	8,942	22.1%
Other revenue	423	0.4%	338	0.4%	85	25.1%
Research and development expenses	(6,793)	-6.5%	(6,067)	-6.8%	(726)	12.0%
Distribution expenses	(19,988)	-19.0%	(17,826)	-19.9%	(2,162)	12.1%
General & administrative expenses	(10,370)	-9.9%	(8,692)	-9.7%	(1,678)	19.3%
Other operating costs	(475)	-0.5%	(530)	-0.6%	55	-10.4%
Total operating cost and other costs	(37,626)	-35.8%	(33,115)	-37.0%	(4,511)	13.6%
Ordinary operating result before non-recurring costs and revenue and administrative costs arising from acquisitions (EBITANR)	12,213	11.6%	7,697	8.6%	4,516	58.7%
Non-recurring costs and revenues	0	0.0%	0	0.0%	0	n.a.
Depreciation & amortisation due to acquisitions (*)	(1,107)	-1.1%	(973)	-1.1%	(134)	13.8%
Operating result (EBIT)	11,106	10.6%	6,724	7.5%	4,382	65.2%
Net financial income (expenses)	(1,474)	-1.4%	(1,420)	-1.6%	(54)	3.8%
Subsidiaries' earnings/(losses)	116	0.1%	29	0.0%	87	300.0%
Foreign exchange earnings/(losses)	(1,560)	-1.5%	880	1.0%	(2,440)	n.a.
Pre-tax profit/(loss)	8,188	7.8%	6,213	6.9%	1,975	31.8%
Taxes	(2,529)	-2.4%	(2,078)	-2.3%	(451)	21.7%
GROUP NET PROFIT/LOSS	5,659	5.4%	4,135	4.6%	1,524	36.9%
Amortisation and write-downs of intangible assets	(1,855)	-1.8%	(1,946)	-2.2%	91	-4.7%
Amortisation and write-downs of intangible assets	(828)	-0.8%	(942)	-1.1%	114	-12.1%
EBITDA	14,896	14.2%	10,585	11.8%	4,311	40.7%

(*) This item includes extraordinary costs for amortisation arising from acquisitions. In order to assure better representation of the Group's ordinary profitability, we have preferred – in all tables in this section concerning information on operating performance – to show an operating result before the impact of non-recurring costs/income and of depreciation and amortisation due to acquisitions, which we have called EBITANR (Earnings before interests, taxes, acquisition and not recurring). 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 financial statements.

Gross profit improved compared with the same period of the previous year (from 45.2% of sales to 47.1%), mainly owing to the lower incidence of fixed production costs, which were spread over a greater sales volume.

In absolute terms, operating costs were higher than in the same period of 2010, but lower in percentage terms (35.8% in 2011 compared with 37% in 2010). Most of the increase (in absolute terms) in operating costs is attributable to variable costs (variable fees, sales commissions, delivery and transport expenses, marketing expenses), which, because they relate directly to turnover volumes, were affected by the substantial increase in sales.

At 31 March 2011, depreciation and amortisation due to acquisitions (in the amount of €1,107 thousand) was made up as follows:

- €324 thousand pertaining to Datalogic Automation Srl;
- €146 thousand pertaining to Informatics Inc.;
- €445 thousand pertaining to Datalogic Scanning Inc.;
- €128 thousand pertaining to Evolution Robotics Retail Inc., and;
- €64 thousand pertaining to Mobile Inc.

The “Ordinary operating result” (EBITANR) was €12,213 thousand, corresponding to 11.6% of revenues, and higher (by €4,516 thousand in absolute terms) than the figure registered for the same period of the previous year (€7,697 thousand).

The table below compares the main operating results in the first quarter of 2011 with those of the fourth quarter of 2010.

	Q1 2011		4Q 2010		Change	% change
TOTAL REVENUE	104,956	100.0%	101,513	100.0%	3,443	3.4%
EBITDA	14,896	14.2%	10,932	10.8%	3,964	36.3%
EBITANR (*)	12,213	11.6%	7,943	7.8%	4,270	53.8%
EBIT	11,106	10.6%	7,396	7.3%	3,710	50.2%

(*) see definition on page 5 4

ANALYSIS OF FINANCIAL AND CAPITAL DATA

At 31 March 2011, the net financial position was a negative €71,163 thousand, as follows:

	31.03.2011	31.12.2010	31.03.2010
(€/000)			
A. Cash and bank deposits	103,821	101,791	86,953
B. Other available liquidities	730	751	691
b1. restricted cash deposit	730	751	691
C. Securities held for trading	10,181	360	360
c1. Short-term	9,822	1	1
c2. Long-term	359	359	359
D. Cash and equivalents (A) + (B) + (C)	114,732	102,902	88,004
E. Current financial receivables	60	120	0
F. Other current financial receivables	0	256	222
f1. hedging transactions	0	256	222
G. Bank overdrafts	436	26	814
H. Current portion of non-current debt	57,850	47,768	103,244
I. Other current financial payables	229	69	901
i1. hedging transactions	229	69	901
J. Current financial debt (G) + (H) + (I)	58,515	47,863	104,959
K. Current financial debt, net (J) - (D) - (E) - (F)	(56,277)	(55,415)	16,733
L. Non-current bank borrowing	126,298	130,187	78,497
M. Other non-current financial receivables	0	0	191
N. Other non-current liabilities	1,142	1,725	2,645
n2. Hedging instruments	1,142	1,725	2,645
O. Non-current financial debt (L) + (M) + (N)	127,440	131,912	80,951
P. Net financial debt (K) + (O)	71,163	76,497	97,684

Note that medium-/long-term loans, classified under current liabilities at 31 March 2010 (€49,748 thousand), owing to non-compliance with the related covenants, were reclassified according to their effective maturities, both at 31 December 2010 and 31 March 2011.

Net debt at 31 March 2011 was €71,163 thousand, an improvement of €5,334 thousand compared with 31 December 2010, when it totalled €76,497 thousand.

During the period, the Group acquired treasury shares worth €1,527 thousand.

Investments were also made in the amount of €1,745 thousand.

Net working capital at 31 March 2011 was €32,729 thousand, and increased by €5,482 thousand from 31 December 2010 (€27,247 thousand).

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

	31 March 2011		31 December 2010	
	Total equity	Period results	Total equity	Period results
Datalogic SpA shareholders' equity and profit	164,640	(71)	165,979	9,451
Difference between consolidated companies' net equity and their carrying value in Datalogic SpA's statement; effect of equity-based valuation	13,423	7,017	12,784	24,115
Reversal of dividends	0	(1,056)	0	(14,673)
Amortisation of intangible assets "business combination"	(5,827)	0	(5,827)	0
Effect of acquisition under common control	(31,733)	0	(31,733)	0
Elimination of capital gain on sale of business branch	(3,302)		(3,302)	0
Effect of eliminating intercompany transactions	(3,217)	(97)	(3,120)	228
Reversal of write-downs and capital gains on equity investments	3,565	0	3,565	(630)
Sale of Know-how	(7)	0	(7)	0
Goodwill impairment	(1,172)	(75)	(1,097)	(298)
Other	(616)	28	(652)	112
Taxes	3,487	(87)	3,574	(277)
Group portion of shareholders' equity	139,241	5,659	140,164	18,028

FINANCE INCOME AND EXPENSES

Finance income was negative to the tune of €3,034 thousand and breaks down as follows:

	31.03.2011	31.03.2010	Change
Financial income/(expenses)	(999)	(1,058)	59
Forex losses	(1,560)	880	(2,440)
Bank expenses	(282)	(235)	(47)
Other	(193)	(127)	(66)
Total net financial expenses	(3,034)	(540)	(2,494)

Profits generated by companies carried at equity were recognised in the amount of €116 thousand (compared with a loss of €29 thousand at 31 March 2010).

OUTLOOK FOR CURRENT YEAR AND SUBSEQUENT EVENTS

We forecast that the moderate recovery in market demand that began in the previous year will continue in 2011. As a result, growth in sales revenue and the careful control of operating costs should enable Datalogic to post better earnings than those achieved in the years preceding the crisis, and to also increase investment in research and development.

SECONDARY LOCATIONS

The Parent Company has no secondary locations.

CONSOLIDATED BALANCE SHEET

ASSETS (Euro/000)	Notes	31.03.2011	31.12.2010
A) Non-current assets (1+2+3+4+5+6+7)		212.695	223.861
1) Tangible assets		48.864	50.042
land	1	4.988	5.050
buildings	1	23.493	23.688
other assets	1	18.944	19.787
assets in progress and payments on account	1	1.439	1.517
2) Intangible assets		138.162	147.086
goodwill	2	100.607	106.088
development costs	2	95	119
other	2	37.091	40.754
assets in progress and payments on account	2	369	125
3) Equity investments in associates	3	2.266	2.223
4) Available-for-sale (AFS) financial assets		1.634	1.422
equity investments	5	1.275	1.063
securities	5	359	359
5) Loans		0	0
6) Trade and other receivables	7	1.213	1.291
7) Receivables for deferred tax assets	13	20.556	21.797
B) Current assets (8+9+10+11+12+13+14)		252.339	234.407
8) Inventories		47.209	45.308
raw and ancillary materials and consumables	8	24.320	22.663
work in progress and semi-finished products	8	8.073	7.683
finished products and goods	8	14.816	14.962
9) Trade and other receivables	7	86.037	80.475
Trade receivables	7	74.305	69.353
within 12 months	7	71.444	66.581
of which to associates	7	2.850	2.761
of which to the parent company	7		11
of which to related parties	7	11	
Other receivables - accrued income and prepayments	7	11.732	11.122
10) Tax receivables	9	4.660	5.705
of which to the parent company		1.415	1.416
11) Financial assets available for sale (AFS)	5	9.822	1
securities		9.822	1
12) Loans		60	120
of which to associates		60	120
13) Financial assets - derivatives	6		256
14) Cash and cash equivalents	10	104.551	102.542
Total assets (A+B)		465.034	458.268

CONSOLIDATED BALANCE SHEET

LIABILITIES (Euro/000)	Notes	31.03.2011	31.12.2010
A) Total Shareholders' Equity (1+2+3+4+5)	11	139.241	140.164
1) Share capital	11	121.172	122.699
2) Reserves	11	(14.387)	(9.331)
3) Retained earnings	11	26.797	8.768
4) Group profit (loss) for the period/year	11	5.659	18.028
5) Non-controlling interests	11		
B) Non-current liabilities (6+7+8+9+10+11+12)		162.101	166.000
6) Financial debt	12	126.298	130.187
7) Financial liabilities - Derivatives	6	1.142	1.725
8) Tax liabilities		198	164
9) Deferred tax liabilities	13	14.728	15.536
10) Post-employment benefits	14	6.961	7.121
11) Provisions for risks and charges	15	11.399	9.823
12) Other liabilities	16	1.375	1.444
C) Current liabilities (13+14+15+16+17)		163.692	152.104
13) Trade and other payables	16	91.137	90.598
Trade payables	16	56.742	56.688
within 12 months	16	56.393	56.297
of which to associates	16	121	125
of which to related parties	16	228	265
Other payables – accrued liabilities and deferred income	16	34.395	33.910
14) Tax liabilities		10.447	10.028
of which to the parent company		4.134	4.231
15) Provisions for risks and charges	15	3.593	3.615
16) Financial liabilities - Derivatives	6	229	69
17) Financial debt	12	58.286	47.794
Total liabilities (A+B+C)		465.034	458.268

CONSOLIDATED INCOME STATEMENT

(€/000)	Notes	31.03.2011	31.03.2010
1) Total revenues	17	104.956	89.520
Revenues from sale of products		100.864	86.130
Revenues for services		4.092	3.390
2) Cost of goods sold	18	55.540	49.046
of which non-recurring	18		
Gross profit (1-2)		49.416	40.474
3) Other operating revenues	19	423	338
of which non-recurring	19		
4) R&D expenses	18	6.793	6.067
of which non-recurring	18		
5) Distribution expenses	18	19.988	17.826
of which non-recurring	18		
6) General and administrative expenses	18	11.477	9.665
of which non-recurring	18		
of which amortisation pertaining to acquisitions	18	1.107	973
7) Other operating expenses	18	475	530
of which non-recurring	18		
Total operating costs		38.733	34.088
Operating result		11.106	6.724
8) Financial income	20	5.489	4.108
9) Financial charges	20	8.523	4.648
Financial management result (8-9)		(3.034)	(540)
10) Profits from associates	3	116	29
Pre-tax profit/(loss)		8.188	6.213
Taxes	21	2.529	2.078
Profit/(loss) for the period		5.659	4.135
Basic earnings/(loss) per share (€)	22	0,1042	0,0753
Diluted earnings/(loss) per share (€)	22	0,1042	0,0753

CONSOLIDATED COMPREHENSIVE STATEMENT OF INCOME

(€/000)	Note:	31.03.2011	31.03.2010
Net profit/(loss) for period		5.659	4.135
Other components of the comprehensive statement of income:			
Profit/(loss) on cash flow hedges	11	131	(479)
Profit/(loss) due to translation of the accounts of foreign companies	11	(5.340)	5.629
Profit/(loss) on exchange rate adjustments for financial assets available for sale	11	153	26
Total other profit/(loss) net of the tax effect		(5.056)	5.176
Comprehensive net profit/(loss) for period		603	9.311
Attributable to:			
Parent company shareholders		603	9.311
Minorities		0	0

CONSOLIDATED CASH FLOW STATEMENT

(€/000)	31.03.2011	31.03.2010
Pre-tax profit	8.188	6.213
Amortisation and depreciation of tangible and intangible assets and write-downs	3.790	3.861
Change in employee benefits reserve	(160)	(361)
Provision to the write-down reserve	82	294
Net financial expenses/(income) including exchange rate differences	3.034	540
Adjustments to value of financial assets	(116)	(29)
Cash flow from operations before changes in working capital	14.818	10.518
Change in trade receivables (net of provisions)	(5.034)	(5.684)
Change in final inventories	(1.901)	(5.180)
Change in current assets	(610)	(1.435)
Other medium-/long-term assets	78	159
Change in trade payables	54	5.589
Change in other current liabilities	483	4.111
Other medium-/long-term liabilities	(69)	84
Change in provisions for risks and charges	1.554	703
Commercial foreign exchange gains/(losses)	(148)	(13)
Cash flow from operations after change in working capital	9.225	8.852
Change in tax	(598)	(1.726)
Interest paid and banking expenses	(1.474)	(1.420)
Cash flow generated from operations (A)	7.153	5.706
(Increase)/decrease in intangible assets excluding exchange rate effect	(1.303)	(386)
(Increase)/decrease in tangible assets excluding exchange rate effect	(442)	(866)
Change in unconsolidated equity interests	(139)	(112)
Change generated by investment activity (B)	(1.884)	(1.364)
Change in LT/ST financial receivables	(9.484)	(257)
Change in short-term and medium-/long-term financial debt	15.770	12.669
Financial foreign exchange gains/(losses)	(1.412)	893
Purchase of treasury shares	(1.527)	(97)
Change in reserves and exchange rate effect of financial assets/liabilities, equity and tangible and intangible assets	3.004	(2.324)
Cash flow generated (absorbed) by financial assets (C)	6.351	10.884
Net increase (decrease) in available cash (A+B+C)	11.620	15.226
Net cash and cash equivalents at the start of the period (Note 10)	83.234	70.913
Net cash and cash equivalents at end of period (Note 10)	94.854	86.139

CHANGES IN CONSOLIDATED EQUITY

Description	Share capital and capital reserves			Other reserves			Retained earnings					
	Total share capital and capital reserves	Cash-flow hedge reserve	Translation reserve	Held-for-sale financial assets reserve	Total other reserves	Earnings carried forward	Capital grant reserve	Legal reserve	IFRS reserve	Total	Profit for the year	Total Group shareholders' equity
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	0				0	(12.164)		0		(12.164)	12.164	0
Dividends			0		0					0		0
Conversion reserve	0				0					0		0
Change in IFRS reserve	0				0				(13)	(13)		(13)
Sale/purchase of treasury shares	(97)				0					0		(97)
Other changes					0	34				34		34
Result as at 31.03.10	0				0					0	4.135	4.135
Total other components of the comprehensive statement of income		(479)	5.629	26	5.176							5.176
31.03.2010	124.694	(2.415)	(9.224)	(81)	(11.720)	(3.255)	958	2.430	8.688	8.821	4.135	125.930

Description	Share capital and capital reserves			Other reserves			Retained earnings					
	Total share capital and capital reserves	Cash-flow hedge reserve	Translation reserve	Held-for-sale financial assets reserve	Total other reserves	Earnings carried forward	Capital grant reserve	Legal reserve	IFRS reserve	Total	Profit for the year	Total Group shareholders' equity
01.01.2011	122.699	(1.102)	(8.229)	0	(9.331)	(4.050)	958	3.185	8.675	8.768	18.028	140.164
Allocation of earnings	0				0	18.028				18.028	(18.028)	0
Dividends			0		0					0		0
Conversion reserve	0				0					0		0
Change in IFRS reserve	0				0					0		0
Sale/purchase of treasury shares	(1.527)				0					0		(1.527)
Other changes					0	(5)			6	1		1
Result as at 31.03.11	0				0					0	5.659	5.659
Total other components of the comprehensive statement of income		131	(5.340)	153	(5.056)							(5.056)
31.03.2011	121.172	(971)	(13.569)	153	(14.387)	13.973	958	3.185	8.681	26.797	5.659	139.241

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

INTRODUCTION

Datalogic Group SpA (hereinafter “Datalogic”, “Parent Company” or “Company”) is an Italian corporation. The Interim Management Statement at 31 March 2011 includes the quarterly figures of the Parent Company and its subsidiaries (defined hereinafter as the “Group”) and its non-controlling 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 corporation listed on the Star section of the Milan Stock Exchange and is based in Italy. The address of the registered office is Via Candini, 2 - Lippo di Calderara (BO).

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

This Interim Management Statement was drafted by the Board of Directors on 10 May 2011.

FORM AND CONTENT OF THE INTERIM MANAGEMENT STATEMENT

This Interim Management Statement at 31 March 2011 was prepared pursuant to article 154 ter of Legislative Decree 58/1998, and applicable CONSOB rules.

The accounts shown in this statement were measured in accordance with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) issued by the International Financial Reporting Interpretations Committee (IFRIC), as approved by the European Commission and in force when this Statement was approved.

The accounting standards and principles are consistent with those used to prepare the Annual Report at 31 December 2010, which should be referred to for more details, with the exception of the following standards and interpretations in force since 1 January 2011 and approved by the European Union:

IAS 24 - Related Party Disclosures

On 4 November 2009, the International Accounting Standards Board (IASB) published the revised International Accounting Standard (IAS) 24 – Related Party Disclosures. The changes introduced under the revised IAS 24 simplify the definition of a related party, eliminate some inconsistencies and partially exempt public entities from disclosures on related party transactions.

The adoption of this change will not have any effect in terms of the measurement of accounting items and will have a limited effect on related party disclosures provided in the Half-year Financial Report for 2011.

Improvements to IFRS

On 18 February, the European Commission adopted certain improvements to IAS/IFRS with Commission Regulation (EU) 149/2011 published in Official Gazette 46 of 19 February 2011. These mainly concerned clarifications or corrections

to the following existing international accounting standards: IFRS 1, IFRS 3, IFRS 7, IAS 1, IAS 21, IAS 28, IAS 31, IAS 32, IAS 39, IAS 34 and IFRIC 13.

The Datalogic Group is currently analysing these standards and interpretations, and assessing whether or not their adoption will have a significant impact on its financial statements.

GROUP STRUCTURE

The Interim Management Statement includes the financial statements of the Parent Company and the companies in which it directly or indirectly controls a majority of voting shares.

The companies consolidated on a line-by-line basis for the period ended 31 March 2011 are 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	164,640	(71)	
Datalogic Real Estate Srl	Bologna – Italy	Euro 20,000	2,637	(20)	100%
Datalogic Real Estate France Sa	Paris – France	Euro 2,227,500	3,527	13	100%
Datalogic Real Estate Germany GmbH	Erkenbrechtsweller – Germany	Euro 1,025,000	1,987	(23)	100%
Datalogic Real Estate UK Ltd	Redbourn – England	GBP 3,500,000	4,054	54	100%
Informatics Inc.	Plano Texas – USA	US\$ 9,996,000	12,798	411	100%
Evolution Robotics Retail Inc.	Pasadena – USA	US\$ 1	16,996	(195)	100%
Datalogic Automation Srl	Monte San Pietro (BO) – Italy	Euro 10,000,000	5,109	820	100%
Datalogic Sweden AB	Malmö – Sweden	KRS 200,000	290	(1)	100%
Datalogic Automation INC	Hebron, KY – USA	US\$ 463,812	2,915	272	100%
Datalogic Automation PTY LTD	Mount Waverley (Melbourne) – Australia	\$AUD 2,300,000	(614)	137	100%
Datalogic Automation Asia Limited	Hong Kong - China	HKD 7,000,000	(258)	106	100%
Datafoton kft	Fonyod – Hungary	HUF 3,000,000	143	25	51%
Datalogic Mobile Srl	Bologna – Italy	Euro 10,000,000	21,853	1,023	100%
Datalogic Mobile Asia	Hong Kong - China	HKD 100,000	60	(18)	100%
Datalogic Mobile INC	Eugene, OR – USA	US\$ 1	6,165	163	100%
Datalogic Mobile PTY	Mount Waverley (Melbourne) – Australia	\$AUD -	(813)	(52)	100%
Datalogic Scanning Group Srl	Bologna – Italy	Euro 10,000,000	101,306	472	100%
Datalogic Scanning Slovakia	Tvrn – Slovakia	Euro 66,390	9,516	2,795	100%
Datalogic Scanning Holdings Inc.	Eugene, OR – USA	US\$ 100	72,602	(468)	100%
Datalogic Scanning Inc.	Eugene, OR – USA	US\$ 10	37,356	569	100%
Datalogic Scanning do Brasil	Sao Paulo, SP - Brazil	R\$ 159,525	(79)	(14)	100%
Datalogic Scanning Mexico	Colonia Cuauhtemoc – Mexico	US\$ -	(823)	(56)	100%
Datalogic Scanning UK Ltd	Watford – England	GBP 191,510	(836)	195	100%
Datalogic Scanning Sarl	Paris – France	Euro 653,015	929	198	100%
Datalogic Scanning GMBH	Darmstadt – Germany	Euro 306,775	2,795	172	100%
Datalogic Scanning Eastern Europe GmbH	Darmstadt – Germany	Euro 30,000	280	25	100%
Datalogic Scanning SpA	Milan – Italy	Euro 110,000	1,127	(78)	100%
Datalogic Scanning PTY	Sydney – Australia	\$AUD 2	991	(55)	100%
Datalogic Scanning Japan	Tokyo – Japan	JPY 151,437,000	(399)	121	100%
Datalogic Scanning Vietnam LLC	Vietnam	VND 27,714,555,000	932	647	100%
Datalogic Scanning Singapore	Singapore	SGD 100,000	83	5	100%

The following companies were consolidated at equity at 31 March 2011:

Company	Registered office	Share capital	Total shareholders' equity (€'000)	Profit/loss for the period (€'000)	% ownership
Idec DatalogicCo. Ltd	Osaka – Japan	Yen 300,000,000	1,828	82	50%
Laservall Asia Co. Ltd	Hong Kong – China	HKD 460,000	2,448	150	50%

INFORMATION ON THE BALANCE SHEET

Note 1. Tangible assets

	31.03.2011	31.12.2010	Change
Land	4,988	5,050	(62)
Buildings	23,493	23,688	(195)
Other assets	18,944	19,787	(843)
Assets in progress and payments on account	1,439	1,517	(78)
Total	48,864	50,042	(1,178)

The “Other assets” item at 31 March 2011 mainly includes the following categories: Plant and machinery (€6,000 thousand), Trade and industrial equipment (€5,099 thousand), Office furniture and machines (€4,891 thousand), General plant (€1,831 thousand), Motor vehicles (€268 thousand), and Maintenance on third-party assets (€580 thousand).

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

Note 2. Intangible assets

	31.03.2011	31.12.2010	Change
Goodwill	100,607	106,088	(5,481)
Development costs	95	119	(24)
Other	37,091	40,754	(3,663)
Assets in progress and payments on account	369	125	244
Total	138,162	147,086	(8,924)

Goodwill, totalling €100,607 thousand, consisted of the following items:

	31.03.2011	31.12.2010	Change
Former PSC Group – Acquisition executed on 30 November 2005	66,067	70,123	(4,056)
Informatics Inc. - Acquisition executed on 28 February 2005	11,241	11,777	(536)
Laservall SpA - Acquisition executed on 27 August 2004	5,119	5,119	0
Idware Srl – Incorporated in 1998	3,380	3,380	0
Infra – Goodwill recognised following the acquisition of Datasensor	1,682	1,682	0
Gruppo Minec - Acquisition executed on 15 July 2002	221	296	(75)
Evolution Robotics Retail Inc. - Acquisition executed on 1 July 2010	12,897	13,711	(814)
Total	100,607	106,088	(5,481)

The main changes in “**Goodwill**” versus 31 December 2010 are mainly attributed to negative translation differences of €5,406 thousand.

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

As highlighted in the paragraph included in the section on accounting standards and policies used in the financial statements for the year ended 31 December 2010, to which reference should be made, in compliance with IFRS 3 goodwill has not been amortised since 1 January 2004 but is tested for impairment each year 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 value in use.

Value in use is calculated by discounting the future cash flows generated by the CGU – during production and at the time of its retirement – to present value using a certain discount rate, based on the DCF (discounted cash flow) method.

At 31 March 2011, no write-downs were made, except for the goodwill of the Minec Group, written down by €75 thousand.

“**Development costs**”, which amount to €95 thousand, consist of specific development projects capitalised when they meet IAS 38 requirements and in compliance with Group policies, which call for the capitalisation only of projects relating to development of products featuring significant innovation.

The “**Other intangible assets**” item, which amounts to €37,091 thousand, mainly consists of intangible assets acquired as part of the business combinations completed by the Group and specifically identified and valued in purchase accounting of the deals. Details are shown in the following table:

	31.03.2011	31.12.2010	USEFUL LIFE (YEARS)
Acquisition of the PSC Group (executed on 30 November 2006)	23,561	25,572	
<i>PATENTS</i>	21,004	22,710	20
<i>TRADEMARK</i>	1,299	1,454	10
<i>CLIENT PORTFOLIO</i>	1,258	1,408	10
Acquisition of Laservall SPA (executed on 27 August 2004)	1,649	1,972	
<i>UNPATENTED TECHNOLOGY</i>	213	426	7
<i>COMMERCIAL STRUCTURE</i>	1,436	1,546	10
Acquisition of Informatics Inc. (executed on 28 February 2005)	2,205	2,494	
<i>COMMERCIAL STRUCTURE</i>	2,205	2,494	10
Acquisition of Evolution Robotics Retail Inc. (executed on 1 July 2010)	4,560	4,980	
<i>PATENTS</i>	760	830	10
<i>TRADE SECRETS</i>	3,800	4,150	10
Licence agreement	980	1,349	5
Other	4,136	4,387	
Total other intangible assets	37,091	40,754	

The change versus 31 December 2010 was mainly due to amortisation for the period (€1,836 thousand) and negative translation differences of €2,025 thousand.

The "Others" item mainly consists of software licenses.

The increase in the item "Intangible assets in progress and down payments", of €244 thousand is attributable to the capitalisation of costs relating to a project possessing the features required by IAS 38 and Group policies, and still being completed.

Note 3. Equity investments in associates

Equity investments owned by the Group as at 31 March 2011 were as follows:

	31.12.2010	Increases	Decreases	Forex differences	Share of profit	31.03.2011
Total subsidiaries	0	0	0	0	0	0
Associate companies						
Idec Datalogic Co.Ltd	946			(73)	41	914
Laservall Asia Co. Ltd	1,149				75	1,224
Datalogic Automation AB	2					2
Datasensor UK	42					42
Special Video	29					29
Datasensor Gmbh	45					45
DL PRIVATE India	10					10
Total associates	2,223	0	0	(73)	116	2,266
TOTAL	2,223	0	0	(73)	116	2,266

The change in "Associates" is due to the Group's share of the results achieved by the associates Idec Datalogic Co. Ltd. and Laservall Asia Co. and to exchange rate adjustments.

Note 4. Financial instruments by category

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

31.03.2011	Loans and receivables	Availability for sale	Total
Non-current financial assets	1,213	1,634	2,847
Available-for-sale financial assets (5)		1,634	1,634
Other receivables (7)	1,213		1,213
Current financial assets	187,727	9,822	197,549
Trade receivables from third parties (7)	71,444		71,444
Other receivables from third parties (7)	11,732		11,732
Available-for-sale financial assets (5)		9,822	9,822
Financial assets - Derivative instruments (6)			0
Cash & cash equivalents (10)	104,551		104,551
TOTAL	188,940	11,456	200,396

31.03.2011	Derivatives used for hedging transactions	Other financial liabilities	Total
Non-current financial liabilities	1,142	127,673	128,815
Financial payables (12)		126,298	126,298
Financial liabilities - derivative instruments (6)	1,142		1,142
Other payables (16)		1,375	1,375
Current financial liabilities	229	149,074	149,303
Trade payables to third parties (16)		56,393	56,393
Other payables (16)		34,395	34,395
Financial liabilities - derivative instruments (6)	229		229
Short-term financial payables (12)		58,286	58,286
TOTAL	1,371	276,747	278,118

Note 5. Available-for-sale financial assets

AFS financial assets include the following items:

	31.03.2011	31.12.2010	Change
Securities	10,181	360	9,821
Long-term government bonds	359	359	0
Short-term government bonds	9,822	1	9,821
Other equity investments	1,275	1,063	212
Total	11,456	1,423	10,033

The increase in the item “Short-term government bonds” relates to the acquisition by the Parent Company of Treasury Credit Certificates (CCTs) maturing on 15 October 2017.

Positions are summarised in the table below:

Long-term investment securities – Listed

Type of security	Total purchase price	Unit purchase price	Par value	Market price as at 31.03.11	Total market value as at 31.03.11
Government bonds	9,607,000	0.9607	10,000,000	0.9760	9,760,000

The difference between the market value as at 31 March 2011 and the carrying amount of €9,822 thousand is represented by accrued interest.

At 31 March 2011 the Group owned the following equity interests in other companies:

	31.12.2010	Increases	Forex differences	Write-downs	31.03.2011
Nomisma SpA Italia	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	993	212			1,205
Total equity investments	1,063	212	0	0	1,275

The largest proportion of equity investments is represented by the Parent Company's investment in the Mandarin Fund, a private equity fund that mainly invests in Italian and Chinese small and medium-sized companies, whose primary investors and sponsors are Intesa San Paolo and two leading Chinese banks.

Note that the Parent Company holds a non-controlling interest in Alien Technology Corporation, which was fully written down at 31 December 2010.

Note 6. Derivative financial instruments

	31.03.2011		31.12.2010	
	Assets	Liabilities	Assets	Liabilities
Interest rate derivatives - cash flow hedges		1,142		1,725
Currency derivatives - cash flow hedges		226		0
Currency derivatives – fair value hedges		3	256	69
Total	0	1,371	256	1,794
Less non-current portion:				
Interest rate derivatives - cash flow hedges		1,142	0	1,725
Currency derivatives - cash flow hedges				
Currency derivatives – fair value hedges				0
Current portion	0	229	256	69

Interest rate derivatives

The Group has entered into interest rate derivative contracts to manage the risk stemming from changes in interest rates on bank borrowings, converting them from variable to fixed-rate via interest rate swaps having the same amortisation plan as the hedged underlying asset. As envisaged by IAS 39, the fair value of these contracts, negative at €1,142 thousand, is recognised in a specific equity reserve net of the tax effect because they hedge future cash flows and meet all IAS 39 requirements for the application of hedge accounting.

At 31 March 2011, the notional capital of the interest rate swaps was €47,374 thousand (€47,885 thousand at 31 December 2010) and USD 11,225 thousand (USD 11,225 thousand at 31 December 2010).

Currency derivatives

The existing forward contracts hedge foreign exchange risks on the US dollar for an aggregate notional amount of USD 4,300 thousand (USD 6,650 thousand at 31 December 2010) and on the Euro for a total notional amount of €3,500 thousand (€4,200 thousand at 31 December 2010), 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 (negative at €3 thousand);
- highly probable cash flows arising from purchase orders and budgets; so that the requirements for application of hedge accounting are met, the change in the hedging instrument's fair value is stated at equity for the effective part of the hedge (negative at €226 thousand).

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

	31.03.2011	31.12.2010	Change
Third-party trade receivables	73,881	69,005	4,876
Less: doubtful debt provision	2,437	2,424	13
Net third-party trade receivables	71,444	66,581	4,863
Receivables from associates	2,850	2,761	89
Idec Datalogic CO Ltd	352	413	(61)
Laservall Asia	1,202	986	216
Datasensor UK	287	265	22
Datasensor Gmbh	438	486	(48)
Special Video	2	10	(8)
DS India	65	47	18
Datalogic Automation AB	504	554	(50)
Receivables from the Parent Company	0	11	(11)
Hydra	0	11	(11)
Related-party receivables	11	0	11
Total trade receivables	74,305	69,353	4,952
Other receivables – accrued income and prepaid expenses	11,732	11,122	610
Other receivables – non-current accrued income and prepaid expenses	1,213	1,291	(78)
Total other receivables - accrued income and prepayments	12,945	12,413	532
Less: non-current portion	1,213	1,291	(78)
Trade and other receivables - current portion	86,037	80,475	5,562

Trade receivables

“Trade receivables falling due within 12 months” at 31 March 2011 are equal to €74,305 thousand, up by 7.1% versus the comparable figure at 31 December 2010.

Receivables from affiliates arise from commercial transactions executed at arm’s length conditions.

Other receivables – accrued income and prepaid expenses

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

	31.03.2011	31.12.2010	Change
Other current receivables	5,647	5,601	46
Other long-term receivables	1,213	1,291	(78)
VAT Tax Credit	3,336	3,473	(137)
Accruals and deferrals	2,749	2,048	701
Total	12,945	12,413	532

Note 8. Inventories

	31.03.2011	31.12.2010	Change
Raw and ancillary materials and consumables	24,320	22,663	1,657
Work in progress and semi-finished products	8,073	7,683	390
Finished products and goods	14,816	14,962	(146)
Total	47,209	45,308	1,901

Inventories are shown net of an obsolescence provision that at 31 March 2011, amounted to €7,412 thousand (€7,788 thousand at 31 December 2010).

The provision changed as follows:

	2011	2010
1 January	7,788	9,411
Exchange-rate change	(223)	380
Allocations	488	1,031
Release for scrap and other utilisations	(641)	(621)
31 March	7,412	10,201

Note 9. Tax receivables/tax payables

The item "Tax receivables" includes the amount receivable from the ultimate Parent Company Hydra relating to the IRES (corporate tax) credit arising from participation in tax consolidation, of €1,415 thousand (€1,416 thousand at 31 December 2010).

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, of €4,134 thousand (€4,231 thousand at 31 December 2010).

Note 10. Cash and cash equivalents

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

	31.03.2011	31.12.2010	Change
Cash and cash equivalents shown on financial statements	104,551	102,542	2,009
Restricted cash	(730)	(751)	21
Current account overdrafts	(436)	(26)	(410)
EU financing	(531)	(531)	0
Loans maturing within three months	(8,000)	(18,000)	10,000
Cash and cash equivalents for statement	94,854	83,234	11,620

The item "Cash and cash equivalents shown on financial statements" includes repurchase agreements totalling €19,999 thousand.

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

	31.03.2011	31.12.2010
(€/000)		
A. Cash and bank deposits	103,821	101,791
B. Other available liquidities	730	751
b1. restricted cash deposit	730	751
C. Securities held for trading	10,181	360
c1. Short-term	9,822	1
c2. Long-term	359	359
D. Cash and equivalents (A) + (B) + (C)	114,732	102,902
E. Current financial receivables	60	120
F. Other current financial receivables	0	256
f1. hedging transactions		256
G. Bank overdrafts	436	26
H. Current portion of non-current debt	57,850	47,768
I. Other current financial payables	229	69
I1. hedging transactions	229	69
J. Current financial debt (G) + (H) +(I)	58,515	47,863
K. Current financial debt, net (J) - (D) - (E) - (F)	(56,277)	(55,415)
L. Non-current bank borrowing	126,298	130,187
M. Other non-current financial receivables		0
N. Other non-current liabilities	1,142	1,725
n2. Hedging instruments	1,142	1,725
O. Non-current financial debt (L) + (M) + (N)	127,440	131,912
P. Net financial debt (K) + (O)	71,163	76,497

Net debt at 31 March 2011 was €71,163 thousand, an improvement of €5,334 thousand compared with 31 December 2010, when it totalled €76,497 thousand.

During the period, the Group acquired treasury shares worth €1,527 thousand.

Investments were also made in the amount of €1,745 thousand.

Net working capital at 31 March 2011 was €32,729 thousand, and increased by €5,482 thousand from 31 December 2010 (€27,247 thousand).

INFORMATION ON SHAREHOLDERS' EQUITY AND LIABILITIES

Note 11. Shareholders' equity

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

	31.03.2011	31.12.2010
Share capital	30,392	30,392
Share premium reserve	85,616	87,139
Extraordinary share-cancellation reserve	2,813	2,813
Treasury shares held	(21,000)	(19,473)
Treasury share reserve	23,351	21,828
Share capital and capital reserves	121,172	122,699
Cash-flow hedge reserve	(971)	(1,102)
Translation reserve	(13,569)	(8,229)
Held-for-sale financial assets reserve	153	0
Other reserves	(14,387)	(9,331)
Retained earnings	26,797	8,768
Earnings carried forward	13,973	(4,050)
Capital grant reserve	958	958
Legal reserve	3,185	3,185
IFRS reserve	8,681	8,675
Net profit (loss) for the period	5,659	18,028
Total Group shareholders' equity	139,241	140,164

Share capital

Movements in share capital to 31 March 2011 are reported below (in €'000):

	Number of shares	Share capital	Extraordinary share-cancellation reserve	Share premium reserve	Treasury shares	Treasury share reserve	Total
01.01.2011	54,446,556	30,392	2,813	87,139	(19,473)	21,828	122,699
Purchase of treasury shares	(252,639)			(1,523)	(1,527)	1,523	(1,527)
Sale of treasury shares							
Costs for the purchase of treasury shares							
31.03.2011	54,193,917	30,392	2,813	85,616	(21,000)	23,351	121,172

Ordinary shares

The total number of ordinary shares at 31 March 2011 was 58,446,491, of which 4,252,574 were held as treasury shares; total outstanding shares on this date were therefore 54,193,917. The shares have a par value of €0.52 and have been fully subscribed.

Treasury shares

The “treasury shares” account, negative by €21,000 thousand, includes purchases and sales of treasury shares in the amount of €23,351 thousand, which have been recognised net of gains and charges realised following the sale of treasury shares and related tax effects (€2,351 thousand). In the first quarter of 2011, the Group acquired 252,639 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 €23,351 thousand have been 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 into the Group accounting currency 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 €1,142 thousand) and to hedge currency exposure (negative for €226 thousand). Amounts are reported net of the tax effect (€397 thousand).

Financial asset revaluation reserve

This reserve includes adjustments to the fair value of CCTs classified under available-for-sale assets.

Cumulative retained earnings

IFRS reserve

This reserve was created upon first-time adoption of international accounting standards at 1 January 2004 (consolidated year-end accounts at 31 December 2003) as per IFRS 1.

Previous years’ earnings/(losses)

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

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

	31 March 2011		31 December 2010	
	Total equity	Period results	Total equity	Period results
Datalogic SpA shareholders' equity and profit	164,640	(71)	165,979	9,451
Difference between consolidated companies' net equity and their carrying value in Datalogic SpA's statement; effect of equity-based valuation	13,423	7,017	12,784	24,115
Reversal of dividends	0	(1,056)	0	(14,673)
Amortisation of intangible assets "business combination"	(5,827)	0	(5,827)	0
Effect of acquisition under common control	(31,733)	0	(31,733)	0
Elimination of capital gain on sale of business branch	(3,302)		(3,302)	0
Effect of eliminating intercompany transactions	(3,217)	(97)	(3,120)	228
Reversal of write-downs and capital gains on equity investments	3,565	0	3,565	(630)
Sale of Know-how	(7)	0	(7)	0
Goodwill impairment	(1,172)	(75)	(1,097)	(298)
Other	(616)	28	(652)	112
Taxes	3,487	(87)	3,574	(277)
Group portion of shareholders' equity	139,241	5,659	140,164	18,028

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

The breakdown of this item is as detailed below:

	31.03.2011	31.12.2010	Change
Bank loans	183,617	177,424	6,193
EU financing	531	531	0
Bank overdrafts (ordinary current accounts)	436	26	410
Total financial payables	184,584	177,981	6,603

The breakdown of changes in "bank loans" at 31 March 2011 is shown below.

	2011	2010
1 January	177,424	169,887
Foreign exchange differences	(2,284)	2,835
Increases	20,070	10,000
Repayments	(10,000)	0
Decreases for loan repayments	(1,627)	(981)
Other	34	0
31 March	183,617	181,741

Increases mainly relate to the creation, on 4 February 2010, of a €20,000 thousand stand-by line by the Parent Company.

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 €1,003 thousand. The Parent Company also issued suretyships for €74,565 thousand (the change from 31 December 2010 stemmed mainly from the exchange rate effect) and letters of patronage for €20,000 thousand against loans by the subsidiaries.

Covenants

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

Company	Currency	Outstanding debt	Covenant	Frequency	On the financial statements of		
1 Datalogic SpA	€	6,500,000	DFL	PN	DFL / PN	annual	Datalogic SpA
2 Datalogic SpA	€	6,000,000	DFL	PN	DFL / PN	annual	Datalogic SpA
3 Datalogic SpA	€	15,000,000	PFN / PN	PFN /EBITDA		annual	Datalogic Group
4 Datalogic SpA	€	30,000,000	EBITDA/PFN	PFN /EBITDA		semi-annual	Datalogic Group
5 Datalogic SpA	\$	49,400,000	PFN / PN	PFN /EBITDA		semi-annual	Datalogic Group
6 Datalogic SpA	€	20,000,000	PFN / PN	PFN /EBITDA		annual	Datalogic Group
7 Datalogic Automation Srl	€	30,000,000	PFN / PN	PFN /EBITDA		semi-annual	Datalogic Group
8 Datalogic Automation Srl	€	3,000,000	DFL	PN	DFL / PN	annual	Datalogic SpA
9 Datalogic Automation Srl	€	3,000,000	DFL	PN	DFL / PN	annual	Datalogic SpA

Key:

PN = Shareholders' Equity

PFN = Net financial position

DFL = Financial gross payables

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

Note 13. Deferred tax assets and liabilities

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

The breakdown of deferred taxes (net balance of deferred tax assets and liabilities) is illustrated as follows:

	31.03.2011	31.12.2010	Change
Datalogic Automation INC	239	374	(135)
Datalogic Automation srl (*)	1,774	1,829	(55)
Datalogic Mobile Asia	(2)	(2)	0
Datalogic Mobile Inc	336	392	(56)
Datalogic Mobile Pty	91	77	14
Datalogic Mobile srl (*)	(104)	(263)	159
Datalogic RE	(5)	11	(16)
Datalogic RE France Sa	52	52	0
Datalogic RE Germany gmbh	(75)	(75)	0
Datalogic RE Uk ltd	99	101	(2)
Datalogic scanning GMBH	(414)	(385)	(29)
Datalogic Scanning Group	134	73	61
Datalogic Scanning Holding Inc	2,154	2,290	(136)
Datalogic Scanning Iberia	0	0	0
Datalogic Scanning Inc	520	256	264
Datalogic scanning PTY	77	114	(37)
Datalogic Scanning SAS	35	30	5
Datalogic Scanning Slovakia	569	632	(63)
Datalogic scanning SPA	144	144	0
Datalogic scanning UK LTD	13	13	0
Datalogic Spa	(894)	112	(1,006)
Evolution Robotics Retail Inc.	568	604	(36)
Informatics	(601)	(727)	126
Total long-term net deferred taxes	4,710	5,652	(942)
Deferred taxes recognised due to effect of consolidation adjustments	1,118	609	509
Total long-term net deferred taxes	5,828	6,261	(433)

(*) they include the balances of the branches.

Note 14. Post-employment benefits

The changes were as shown below:

	2011	2010
1 January	7,121	7,739
Amount allocated in the period	422	417
Uses	(343)	(667)
Social security receivables for the employee severance indemnity reserve	(239)	(111)
31 March	6,961	7,378

Note 15. Provisions for risks and charges

The breakdown of the "provisions for risks and charges" item is as follows:

	31.03.2011	31.12.2010	Change
Short-term provisions	3,593	3,615	(22)
Long-term provisions	11,399	9,823	1,576
Total	14,992	13,438	1,554

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

	31.12.2010	Increases	(Uses) and (Issues)	Forex differences	31.03.2011
Product warranty provision	4,965	199	(153)	(92)	4,919
Provision for management incentive plan	71				71
Provision for management incentive scheme	6,788	1,697	0	(176)	8,309
Other	1,614	206	(82)	(45)	1,693
Total provisions for risks and charges	13,438	2,102	(235)	(313)	14,992

The "**product warranty provision**" covers the estimated cost of repairing products sold as up to 31 March 2011 and covered by periodical warranty; it amounts to €4,919 thousand (of which €2,678 thousand long-term) and is considered sufficient in relation to the specific risk it covers

The increase in the "**management incentive plan allocation**" is due to the provision for a long-term plan for directors and managers for the period 2010-2012.

The "**Others**" item consists mainly of:

- €1,124 thousand for a "stock rotation" provision for the Scanning Group, the Mobile Group and Informatics Inc.;
- €97 thousand attributable to the Scanning Group and apportioned for the adaptation to the "Directive 2002/95/EC on the restriction on the use of certain hazardous substances in electric and electronic equipment" incorporated in Italy by Legislative Decree No. 151 of 25 July 2005;
- €38 thousand for an ongoing dispute regarding the ten-year ILOR exemption, set forth by DPR 218/78 (Unified law on actions in Southern Italy), in relation to the former Datasud, for the year 2006;
- €235 thousand for agent termination indemnities;
- €160 thousand provisioned against compensation to be paid to a supplier in the eventuality of non-performance of a contractual clause.

Note 16. Trade and other payables

This table shows the details of trade and other payables:

	31.03.2011	31.12.2010	Change
Trade payables due within 12 months	56,393	56,297	96
Third-party trade payables	56,393	56,297	96
Payables to associates	121	125	(4)
<i>Idec Datalogic CO Ltd</i>	34	31	3
<i>Laservall Asia</i>	39	66	(27)
<i>Special Video</i>	35	15	20
<i>Datasensor GmbH</i>	2	1	1
<i>Datalogic Automation AB</i>	11	12	(1)
Payables to the Parent Company	0	1	(1)
<i>Hydra</i>		1	(1)
Payables to subsidiaries	0	0	0
Payables to related parties	228	265	(37)
Total trade payables	56,742	56,688	54
Other payables – current accrued liabilities and deferred income	34,395	33,910	485
Other payables – non-current accrued liabilities and deferred income	1,375	1,444	(69)
Total other payables – accrued liabilities and deferred income	35,770	35,354	416
Less: non-current portion	1,375	1,444	(69)
Current portion	91,137	90,598	539

Other payables – accrued liabilities and deferred income

The detailed breakdown of this item is as follows:

	31.03.2011	31.12.2010	Change
Other current payables	18,842	19,584	(742)
Other long-term payables	1,375	1,444	(69)
VAT liabilities	2,704	2,100	604
Accruals and deferrals	12,849	12,226	623
Total	35,770	35,354	416

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

	31.03.2011	31.12.2010	Change
Payables to pension and social security agencies	3,098	3,377	(279)
Payables to employees	12,829	12,930	(101)
Directors’ remuneration payable	2,263	2,529	(266)
Other payables	652	748	(96)
Total	18,842	19,584	(742)

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

INFORMATION ON THE INCOME STATEMENT

Note 17 - Revenues

	31.03.2011	31.03.2010	Change
Revenues from sale of products	100,864	86,130	14,734
Revenues for services	4,092	3,390	702
Total	104,956	89,520	15,436

Revenue from sales and services increased by 17.24% year-on-year (16.7% at constant exchange rates).

Below is the geographical breakdown of revenue in percentage terms:

	31.03.2011	31.03.2010	Change
Revenue in Italy	11%	10%	1%
Revenue – EU	41%	42%	-1%
Revenue – Rest of World	48%	48%	0%

Note 18 - Cost of goods sold and operating costs

The following schedule reports non-recurring costs and depreciation arising from acquisitions, as the extraordinary components, pursuant to introduction of IAS principles, are no longer listed separately, but are included in ordinary operations.

	31.03.2011	31.03.2010	Change
TOTAL COST OF GOODS SOLD (1)	55,540	49,046	6,494
<i>of which non-recurring</i>			0
TOTAL OPERATING COSTS (2)	38,733	34,088	4,645
Research and development costs	6,793	6,067	726
<i>of which non-recurring</i>			0
Distribution expenses	19,988	17,826	2,162
<i>of which non-recurring</i>			0
General & administrative expenses	11,477	9,665	1,812
<i>of which non-recurring</i>			0
<i>of which amortisation pertaining to acquisitions</i>	1,107	973	134
Other operating costs	475	530	(55)
<i>of which non-recurring</i>			0
TOTAL (1+2)	94,273	83,134	11,139
of which non-recurring	0	0	0
of which amortisation pertaining to acquisitions	1,107	973	134

Amortisation due to acquisitions (€1,107 thousand), included under "general & administrative expenses", is made up as follows:

1. €445 thousand pertaining to Datalogic Scanning Inc.;
2. €324 thousand pertaining to Datalogic Automation Srl;
3. €146 thousand pertaining to Informatics Inc.;
4. €128 thousand pertaining to Evolution Robotics Retail Inc., and;
5. €64 thousand pertaining to Datalogic Mobile Inc.

Total cost of goods sold (1)

This item increased by 13.24% (12.55% at constant exchange rates) versus the same period of 2010, with an increase of 17.24% in revenue. In particular, note the drop in the "repair warranty provision" (down by €475 thousand at constant exchange rates) and a reduction in the "inventory write-down" (down by €477 thousand at constant exchange rates).

Total operating costs (2)

Operating costs, net of non-recurrent items and amortisation and depreciation of acquisitions, rose by 13.62% from €33,115 thousand to €37,626 thousand. At constant exchange rates and stripping out extraordinary costs, the increase would have been €4,189 thousand (12.65%).

More specifically,

- "R&D expenses" rose by €726 thousand (€692 thousand at constant exchange rates) versus the same period the previous year. At constant exchange rates, the increase was 11.41%; this rise is mainly attributable to the increase in payroll costs of €415 thousand (of which €235 thousand related to Evolution Robotics Inc. acquired in July 2010) and in various consulting costs (€196 thousand). Costs relating to amortisation and depreciation fell by €98 thousand.
- "Distribution expenses" totalled €19,988 thousand, an increase of €2,162 thousand versus the first quarter of 2010 (€1,916 thousand at constant exchange rates), mainly as a result of:
 - higher payroll costs, at average constant exchange rates, of €1,115 thousand, mainly attributable to the inclusion on the consolidation area of Evolution Robotics Inc. (€331 thousand), variable fees (€281 thousand) and early retirement incentives (€216 thousand);
 - an increase in costs related directly to the increase in sales volumes, including: transport costs, which rose by €256 thousand (18.87%), marketing costs, which increased by €235 thousand (17.91%) and travel expenses (up by €188 thousand);
- "general and administrative expenses" amounted to €11,477 thousand. This item, net of extraordinary items and at constant exchange rates, posted an increase of €1,644 thousand versus the same period of the previous year (+18.91%). More specifically, at average constant exchange rates, costs for directors' remuneration (including provisions made for the multi-year incentive plan) and for consultancy rose during the period.

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

	31.03.2011	31.03.2010	Change
Capital losses on assets	37	20	17

Contingent liabilities	46	5	41
Provisions for doubtful accounts	82	294	(212)
Non-income taxes	181	147	34
Cost charge backs	119	62	57
Other	10	2	8
Total	475	530	(55)

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:

	31.03.2011	31.03.2010	Change
Purchases	42,794	37,030	5,764
Inventory change	(3,010)	(3,599)	589
Payroll & employee benefits	29,681	27,348	2,333
Amortisation, depreciation and write-downs	3,790	3,861	(71)
Goods receipt & shipment	3,183	2,664	519
Subcontracted work	2,071	1,936	135
Technical, legal, and tax advisory services	2,012	1,382	630
Marketing expenses	1,639	1,374	265
Travel & accommodation	1,481	1,108	373
Directors' remuneration	1,410	434	976
Building expenses	1,187	1,262	(75)
Repairs	1,038	1,114	(76)
Vehicle expenses	845	834	11
Material collected from the warehouse	686	981	(295)
Telephone expenses	536	563	(27)
Utilities	523	492	31
EDP expenses	379	267	112
Accounts certification expenses	367	360	7
Consumables	302	272	30
Commissions	272	162	110
Entertainment expenses	269	211	58
Patents and branding	260	311	(51)
Royalties	220	72	148
Plant and machinery leasing and maintenance	199	181	18
Insurance	173	193	(20)
Gifts of our products to third parties	163	121	42
Meetings expenses	151	110	41
Other	1,652	2,090	(438)
Total (1+2)	94,273	83,134	11,139

Marketing costs totalled €1,639 thousand. The main items are as follows: €716 thousand for advertising and sponsorship expenses, €379 thousand for the company's share of the marketing expenses incurred by commercial partners, and €399 thousand for trade-event costs. The increase versus the same period in the previous year was mainly related to the participation in trade shows (€143 thousand), as well as a general increase in other types of cost.

Good receipt and shipment costs increased by 19.48% or €519 thousand.

The "Other" item is made up of a number of expenses, all amounting to less than €100 thousand.

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

	31.03.2011	31.03.2010	Change
Wages and salaries	22,405	21,010	1,395
Social security charges	4,534	4,281	253
Staff leaving indemnities	413	417	(4)
Retirement and similar benefits	235	190	45
Medium- to long-term managerial incentive plan	1,085	692	393
Other costs	1,009	758	251
- of which leaving incentives	233	(4)	237
Total	29,681	27,348	2,333

The item "Wages and salaries", equal to €22,405 thousand, includes Sales commissions and incentive payments of €3,484 thousand.

Note too that €564 thousand relating to Evolution Robotics Inc., which was acquired in July 2010, is also included.

Note 19 - Other operating revenues

The detailed breakdown of this item is as follows:

	31.03.2011	31.03.2010	Change
Miscellaneous income and revenue	263	248	15
Rents and lease amounts	40	44	(4)
Capital gains on asset disposals	42	3	39
Incidental income and cost cancellation	38	11	27
Grants to research and development expenses	6	18	(12)
Other	34	14	20
Total	423	338	85

Note 20. Net financial income (expenses)

	31.03.2011	31.03.2010	Change
Interest expenses on bank current accounts/loans	1,357	1,220	137
Foreign exchange losses	6,686	3,056	3,630
Bank expenses	282	235	47
Other	197	137	60
Total financial expenses	8,522	4,648	3,874
Interest income on bank current accounts/loans	358	162	196
Foreign exchange gains	5,126	3,936	1,190
Other	4	10	(6)
Total financial income	5,488	4,108	1,380
Net financial income (expenses)	(3,034)	(540)	(2,494)

Total financial expenses

The item "Foreign exchange losses" amounted to €6,686 thousand and refers mainly to the Parent Company (€4,265 thousand), the Scanning Group (€1,319 thousand), the Mobile Group (€592 thousand) and the Automation Group (€532 thousand).

This item includes €155 thousand arising from exchange rate risk hedge transactions.

Total financial income

The item "Foreign exchange gains" totalled €5,126 thousand and refers mainly to the Parent Company (€2,836 thousand), the Scanning Group (€943 thousand), the Mobile Group (€921 thousand) and the Automation Group (€397 thousand).

This item includes €151 thousand arising from exchange rate risk hedge transactions.

Note 21 - Taxes

	31.03.2011	31.03.2010	Change
Income tax	2,250	2,865	(615)
Deferred tax	279	(787)	1,066
Total	2,529	2,078	451

The average tax rate comes to 30.89% (33.4% at 31 March 2010).

Note 22 - Earnings/loss per share

Basic Earnings/loss per share

Amounts in Euro	31.03.2011	31.03.2010
Group profit/(loss) for period	5,659,000	4,135,000
Average number of shares	54,334,777	54,934,626
Basic earnings/(loss) per share	0.1042	0.0753

Basic earnings per share at 31 March 2011 is calculated by dividing the Group net profit of €5,659 thousand (€4,135 thousand as at 31 March 2010) by the weighted average number of ordinary shares outstanding at 31 March 2011 (54,334,777 shares, compared with 54,934,626 at 31 March 2010).

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 4 November 2010.

The Parent Company of the Datalogic Group is Hydra S.p.A.

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 and non-instrumental premises for the Group under lease or leased to the Parent Company) as well as to companies joining the scope of tax consolidation. None of these assumes particular economic or strategic importance for the Group since receivables, payables, 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	Studio Associato Caruso	Cristofori + Partners	Tamburi Investment Partners SpA	Laservall Asia	TOTAL 31.03.11
	associate	parent company	company headed by Chairman of BoD	associates, associated companies	controlled by a company director.	controlled by a company director.	controlled by a company director.	associate	
Equity investments	914	-	-	128	-	-	-	1,224	2,266
Automation Group	914			128				1,224	2,266
Trade receivables	352	-	11	1,296	-	-	-	1,202	2,861
Automation Group	352			1,296				1,202	2,850
Real Estate			11						11
Receivables pursuant to tax consolidation	-	1,415	-	-	-	-	-	-	1,415
DI Automation Srl		1,012							1,012
DI SpA		403							403
Financial receivables	-	-	-	60	-	-	-	-	60
Automation Group				60				-	60
Liabilities pursuant to tax consolidation	-	4,134	-	-	-	-	-	-	4,134
DI Mobile Srl		2,559							2,559
Datalogic Real Estate Srl		31							31
DI Scanning SpA		165							165
DI Scanning Group Srl		1,379							1,379
Trade payables	34	-	104	48	95	-	29	39	349
DI SpA					46		29		75
Datalogic Real Estate Srl					1				1
Automation Group	34		104	48	17			39	242
DI Mobile Srl					31				31
Distribution / service expenses	24	-	127	41	109	-	29	41	371
DI SpA			12		46		29		87
Datalogic Real Estate Srl					1				1
Automation Group	24		115	41	17			41	238
DI Scanning Group Srl					5				5
DI Scanning SpA					9				9
DI Mobile Srl					31				31
Commercial revenue	469	-	1	1,148	-	-	-	1,198	2,816
Automation Group	469		1	1,148				1,198	2,816
Profits from associated companies	41	-	-	-	-	-	-	75	116
Automation Group	41							75	116

NUMBER OF EMPLOYEES

	31.03.2011	31.03.2010	Change
Automation Group	598	600	(2)
Mobile Group	336	344	(8)
Datalogic SpA	45	44	1
Scanning Group	954	898	56
Business Development	134	107	27
Real Estate Group	7	7	0
Total	2,074	2,000	74

Chairman of the Board of Directors
Romano Volta

DICHIARAZIONE AI SENSI DELL'ART. 154 BIS, COMMA 2, D.LGS. N. 58/1998

Oggetto: Resoconto Intermedio di gestione al 31 marzo 2011

Il sottoscritto Dott. Marco Rondelli, quale Dirigente Preposto alla redazione dei documenti contabili societari di Datalogic S.p.A.

attesta

in conformità a quanto previsto dal secondo comma dell'art. 154 bis, comma secondo, del decreto legislativo 24 febbraio 1998, n. 58 che il resoconto intermedio di gestione al 31 marzo 2011 corrisponde alle risultanze documentali, ai libri e alle scritture contabili.

Datalogic S.p.A.



(Marco Rondelli)

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