



**Quarterly Financial Report
at 31 March 2012**



DATALOGIC GROUP

Quarterly Financial Report at 31 March 2012

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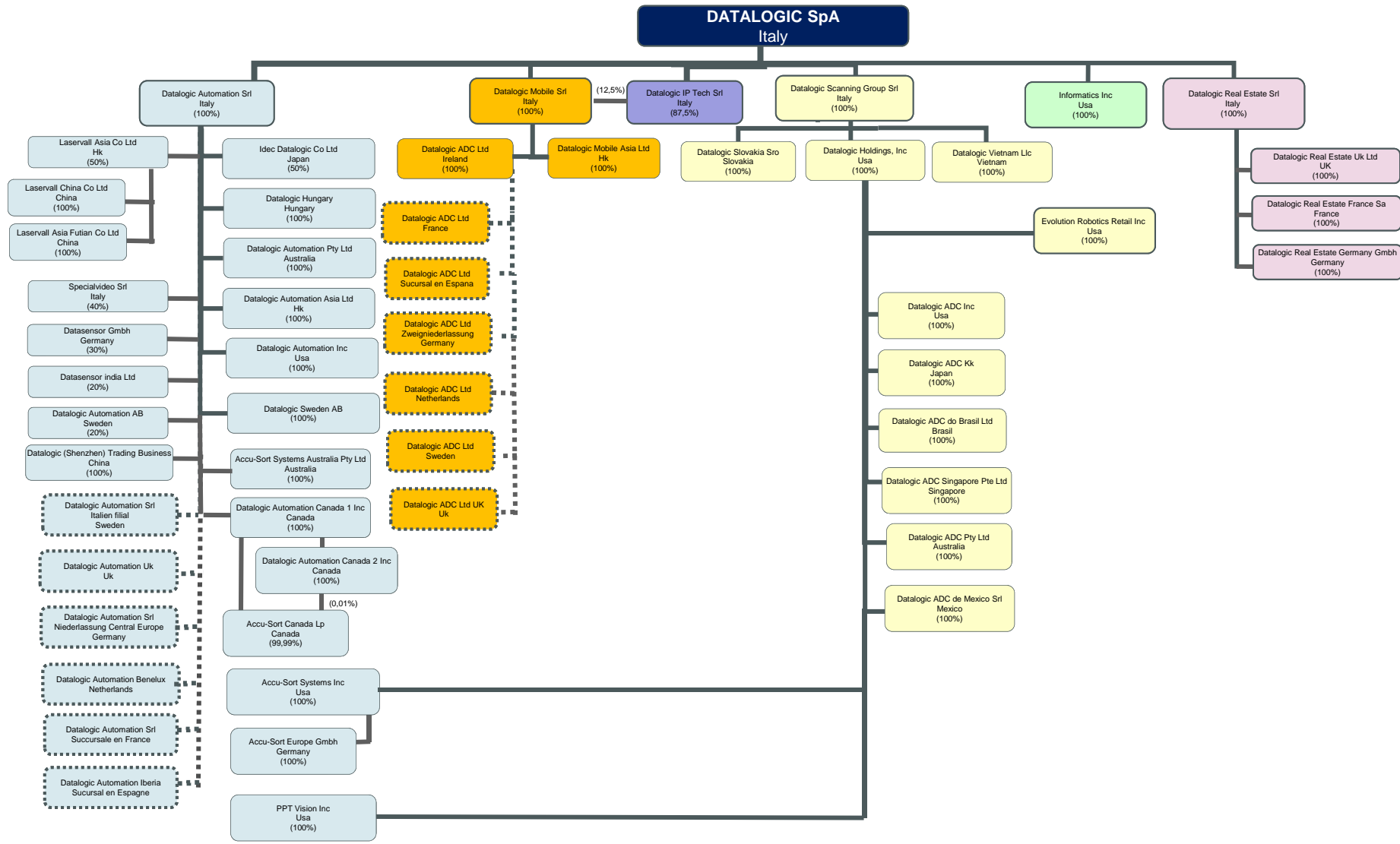
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ANNEXES

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



— Legal entity
 - - - - - Branch

Board of Directors (1)

Volta Romano

Chairman (2)

Sacchetto Mauro

Chief Executive Officer (3)

Bonadiman Emanuela

Independent Director

Caruso Pier Paolo

Director

Cristofori Gianluca

Independent Director

Tamburi Giovanni

Director

Volta Filippo Maria

Director

Volta Valentina

Director

Statutory Auditors (4)

Romani Stefano

Chairman

Ravaccia Mario Stefano Luigi

Statutory Auditor

Saracino Massimo

Statutory Auditor

Biordi Stefano

Alternate Statutory Auditor

Passerini Patrizia

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 2014.

(2) Legal representative with respect to third parties.

(3) Legal representative with respect to third parties.

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

MANAGEMENT REPORT

REPORT ON OPERATIONS

To our Shareholders,

The report as at 31 March 2012, 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 Datalogic Group's key operating and financial results at 31 March 2012 in comparison with the same period a year earlier (figures in thousands of Euro):

| | 31.03.2012 | 31.03.2011 | Change | % change |
|--|------------------|-----------------|------------------|---------------|
| Total revenue | 115,383 | 104,956 | 10,427 | 9.9% |
| EBITDA (*) | 18,496 | 14,896 | 3,600 | 24.2% |
| <i>% of total revenue</i> | <i>16.0%</i> | <i>14.2%</i> | | |
| Group net profit/loss | 10,046 | 5,659 | 4,387 | 77.5% |
| <i>% of total revenue</i> | <i>8.7%</i> | <i>5.4%</i> | | |
| Net financial position (NFP) (**) | (172,111) | (71,163) | (100,948) | 141.9% |

(*) **EBITDA** is a performance indicator not defined under IFRS. However, the management uses it to monitor and assess the company's operating performance as it is not influenced by volatility due to the various valuation criteria used to determine taxable income, by the total amount and nature of the capital involved or by the related depreciation and amortisation policies. Datalogic defines it as **Profit/loss for the period before depreciation and amortisation of tangible and intangible assets, non-recurring costs, financial income and expenses and income taxes.**

(**) For the criteria defining the **Net Financial Position** please see page 7.

As at 31 March 2012, the **Datalogic Group had revenues of Euro 115,383 thousand (revenues the previous year were Euro 104,956 thousand)**, of which Euro 110,363 thousand derived from product sales and Euro 5,020 thousand from services.

Revenues grew by 9.9% compared with the same period of the previous year. At constant euro/dollar exchange rates, the increase would have been slightly less (7.8 %).

Group EBITDA was Euro 18,946 thousand, corresponding to 16% of total revenue, an increase of Euro 3,600 thousand compared with the same period of the previous year (Euro 14,896 thousand at 31 March 2011).

Group net profit at 31 March 2012 was Euro 10,046 thousand, higher than the profit of Euro 5,659 thousand registered in the same period of the previous year.

The Group results as at 31 March 2012 have been influenced by the acquisitions of PPT Vision Inc which took place on 20 December 2011 and Accu Sort Systems Inc which was finalised on 20 January 2012; in particular, the contribution of these two companies to the Group's performance was as follows:

| (in Euro thousands) | 31.03.2012 | 31.03.2012 Accu-Sort Systems Inc | 31.03.2012 PPT Inc | 31.03.2012 without Accu-Sort Systems Inc and PPT Vision Inc | |
|--|-----------------|--|-----------------------|--|---------------|
| Total revenue | 115,383 | 8,583 | 1,140 | 105,660 | 100.0% |
| Cost of sales | (62,197) | (6,006) | (573) | (55,618) | -52.6% |
| Gross profit | 53,186 | 2,577 | 567 | 50,042 | 47.4% |
| Other revenue | 5,743 | 0 | 0 | 5,743 | 5.4% |
| Research and development expenses | (7,974) | (878) | (146) | (6,950) | -6.6% |
| Distribution expenses | (22,312) | (1,148) | (443) | (20,721) | -19.6% |
| General & administrative expenses | (11,345) | (636) | (127) | (10,582) | -10.0% |
| Other operating costs | (1,183) | (666) | | (517) | -0.5% |
| Total operating cost and other costs | (42,814) | (3,328) | (716) | (38,770) | -36.7% |
| Ordinary operating result before non-recurring costs and revenue and administrative costs arising from acquisitions (EBITANR) | 16,115 | (751) | (149) | 17,015 | 16.1% |
| Non-recurring costs and revenues | 0 | 0 | 0 | 0 | 0.0% |
| Depreciation & amortisation due to acquisitions (*) | (928) | 0 | 0 | (928) | -0.9% |
| Operating result (EBIT) | 15,187 | (751) | (149) | 16,087 | 15.2% |
| Net financial income (expenses) | (589) | 13 | 0 | (602) | -0.6% |
| Subsidiaries' earnings/(losses) | 34 | | | 34 | 0.0% |
| Foreign exchange earnings/(losses) | (4,224) | (24) | (1) | (4,199) | -4.0% |
| Pre-tax profit/(loss) | 10,408 | (762) | (150) | 11,320 | 10.7% |
| Taxes | (362) | 405 | 50 | (817) | -0.8% |
| GROUP NET PROFIT/LOSS | 10,046 | (357) | (100) | 10,503 | 9.9% |
| Amortisation and write-downs of intangible assets | (1,879) | (58) | (6) | (1,815) | -1.7% |
| Amortisation and write-downs of intangible assets | (502) | 0 | 0 | (502) | -0.5% |
| EBITDA | 18,496 | (693) | (143) | 19,332 | 18.3% |

ANALYSIS OF RECLASSIFIED INCOME STATEMENT DATA

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

| (in Euro thousands) | 31.03.2012 | | 31.03.2011 | | Change | % change |
|--|-----------------|---------------|-----------------|---------------|----------------|--------------|
| Total revenue | 115,383 | 100.0% | 104,956 | 100.0% | 10,427 | 9.9% |
| Cost of sales | (62,197) | -53.9% | (55,540) | -52.9% | (6,657) | 12.0% |
| Gross profit | 53,186 | 46.1% | 49,416 | 47.1% | 3,770 | 7.6% |
| Other revenue | 5,743 | 5.0% | 423 | 0.4% | 5,320 | 1257.7% |
| Research and development expenses | (7,974) | -6.9% | (6,793) | -6.5% | (1,181) | 17.4% |
| Distribution expenses | (22,312) | -19.3% | (19,988) | -19.0% | (2,324) | 11.6% |
| General & administrative expenses | (11,345) | -9.8% | (10,370) | -9.9% | (975) | 9.4% |
| Other operating costs | (1,183) | -1.0% | (475) | -0.5% | (708) | 149.1% |
| Total operating cost and other costs | (42,814) | -37.1% | (37,626) | -35.8% | (5,188) | 13.8% |
| Ordinary operating result before non-recurring costs and revenue and administrative costs arising from acquisitions (EBITANR) | 16,115 | 14.0% | 12,213 | 11.6% | 3,902 | 31.9% |
| Non-recurring costs and revenues | 0 | 0.0% | 0 | 0.0% | 0 | n.a. |
| Depreciation & amortisation due to acquisitions (*) | (928) | -0.8% | (1,107) | -1.1% | 179 | -16.2% |
| Operating result (EBIT) | 15,187 | 13.2% | 11,106 | 10.6% | 4,081 | 36.7% |
| Net financial income (expenses) | (589) | -0.5% | (1,474) | -1.4% | 885 | -60.0% |
| Subsidiaries' earnings/(losses) | 34 | 0.0% | 116 | 0.1% | (82) | -70.7% |
| Foreign exchange earnings/(losses) | (4,224) | -3.7% | (1,560) | -1.5% | (2,664) | 170.8% |
| Pre-tax profit/(loss) | 10,408 | 9.0% | 8,188 | 7.8% | 2,220 | 27.1% |
| Taxes | (362) | -0.3% | (2,529) | -2.4% | 2,167 | -85.7% |
| GROUP NET PROFIT/LOSS | 10,046 | 8.7% | 5,659 | 5.4% | 4,387 | 77.5% |
| Amortisation and write-downs of intangible assets | (1,879) | -1.6% | (1,855) | -1.8% | (24) | 1.3% |
| Amortisation and write-downs of intangible assets | (502) | -0.4% | (828) | -0.8% | 326 | -39.4% |
| EBITDA | 18,496 | 16.0% | 14,896 | 14.2% | 3,600 | 24.2% |

(*) This item includes extraordinary costs for amortisation arising from acquisitions. To provide a better representation of the Group's ordinary profitability, we chose – in all tables in this section concerning information on operating performance – to show an operating result before the impact of non-recurring costs/income and of depreciation and amortisation due to acquisitions, which we have called EBITANR (Earnings before interests, tax, acquisitions and not recurring), **hereinafter referred to as “Ordinary operating result”**. To permit comparability with the financial statements, we have in any case included a further intermediate profit margin (“Operating result”) that includes non-recurring costs/income and depreciation and amortisation due to acquisitions and which matches figures reported in year-end financial statements.

The gross profit has decreased compared to the same period last year (from 47.1% of sales to 46.1%). This decrease is mainly attributable to the inclusion in the consolidation area of Accu-Sort which for the first quarter had a very high effect on fixed costs; indeed, the gross profit compared to last year would have been 47.4% if the consolidation area had remained unchanged.

The “Other Revenues” item increased by Euro 5,320 thousand compared to the same period last year due to the sale of some assets such as patents, knowhow and other intangible assets pertaining to the RFID business.

Operating costs, whether in absolute terms (+ Euro 5,188 thousand) or in percentage terms, were higher than the same period in 2011; we note that the operating costs pertaining to the consolidation of PPT Inc (acquired on 20 December 2011) and the Accu-Sort Group (acquired on 20 January 2012) amount to Euro 4,044 thousand.

At 31 March 2012, depreciation and amortisation due to acquisitions (totalling Euro 928 thousand) broke down as follows:

- Euro 531 thousand pertaining to Datalogic ADC Inc,
- Euro 110 thousand pertaining to Datalogic Automation Srl,
- Euro 153 thousand pertaining to Informatics Inc,
- Euro 134 thousand pertaining to Evolution Robotics Retail Inc.

The “Ordinary operating result” (EBITANR) was Euro 16,115 thousand, (14% of revenues), and higher (by Euro 3,902 thousand in absolute terms) than the figure recorded for the same period of the previous year (positive by Euro 12,213 thousand).

The next two tables compare the main operating results achieved in the first quarter of 2012 with the same period in 2011 and the fourth quarter of 2011.

| | 1 st quarter 2012 | | 1 st quarter 2011 | | Change | % change |
|----------------------|------------------------------|--------|------------------------------|--------|--------|----------|
| TOTAL REVENUE | 115,383 | 100.0% | 104,956 | 100.0% | 10,427 | 9.9% |
| EBITDA | 18,496 | 16.0% | 14,896 | 14.2% | 3,600 | 24.2% |
| EBITANR (*) | 16,115 | 14.0% | 12,213 | 11.6% | 3,902 | 31.9% |
| EBIT | 15,187 | 13.2% | 11,106 | 10.6% | 4,081 | 36.7% |

| | 1 st quarter 2012 | | 4 th quarter 2011 | | Change | % change |
|----------------------|------------------------------|--------|------------------------------|--------|--------|----------|
| TOTAL REVENUE | 115,383 | 100.0% | 108,222 | 100.0% | 7,161 | 6.6% |
| EBITDA | 18,496 | 16.0% | 10,623 | 9.8% | 7,873 | 74.1% |
| EBITANR (*) | 16,115 | 14.0% | 8,183 | 7.6% | 7,932 | 96.9% |
| EBIT | 15,187 | 13.2% | 6,447 | 6.0% | 8,740 | 135.6% |

(*) see definition on page 3

ANALYSIS OF FINANCIAL AND CAPITAL DATA

At 31 March 2012, the net financial position was negative for Euro 172,111 thousand, broken down as follows:

| | 31.03.2012 | 31.12.2011 | 31.03.2011 |
|---|----------------|-----------------|-----------------|
| A. Cash and bank deposits | 48,953 | 161,992 | 103,821 |
| B. Other liquidities | 479 | 430 | 730 |
| <i>b1. restricted cash deposit</i> | 479 | 430 | 730 |
| C. Securities held for trading | 9,436 | 8,192 | 10,181 |
| <i>c1. Short-term</i> | 9,079 | 7,835 | 9,822 |
| <i>c2. Long-term</i> | 357 | 357 | 359 |
| D. Cash and equivalents (A) + (B) + (C) | 58,868 | 170,614 | 114,732 |
| E. Current financial receivables | 0 | 0 | 60 |
| F. Other current financial receivables | 0 | 1,836 | 0 |
| <i>f1. hedging transactions</i> | 0 | 1,836 | 0 |
| G. Bank overdrafts | 724 | 1,355 | 436 |
| H. Current portion of non-current debt | 76,855 | 73,867 | 57,850 |
| I. Other current financial payables | 140 | 15 | 229 |
| <i>I1. hedging transactions</i> | 140 | 15 | 229 |
| J. Current financial debt (G) + (H) + (I) | 77,719 | 75,237 | 58,515 |
| K. Current financial debt, net (J) - (D) - (E) - (F) | 18,851 | (97,213) | (56,277) |
| L. Non-current bank borrowing | 152,159 | 155,605 | 126,298 |
| N. Other non-current liabilities | 1,101 | 1,045 | 1,142 |
| <i>n2. Hedging instruments</i> | 1,101 | 1,045 | 1,142 |
| O. Non-current financial debt (L) - (M) + (N) | 153,260 | 156,650 | 127,440 |
| P. Net financial debt (K) + (O) | 172,111 | 59,437 | 71,163 |

Net financial position at 31 March 2012 was Euro 172,111 thousand, a worsening by Euro 112,674 thousand compared to 31 December 2011, (when it was negative by EUR 59,437 thousand).

Note that the following non-recurring transactions were carried out in the period:

- acquisition of the Accu-Sort Group for Euro 103,034 thousand;
- purchase of treasury shares of Euro 212 thousand;
- cash outflows for leaving incentives amounting to Euro 1,975 thousand;
- cash outflows for consulting involving special projects which were allocated to costs in 2011 in the amount of Euro 1,714 thousand;
- cash inflow of Euro 4,200 thousand from the sale of certain assets, such as patents, knowhow and other intangible assets relating to the RFID business;
- sale of treasury shares against Euro 3,778 thousand.

Investments were also made amounting to Euro 2,689 thousand.

Net working capital at 31 March 2012 is equal to Euro 58,406 thousand and has increased by Euro 28,562 thousand compared to 31 December 2011 (Euro 29,844 thousand); the net working capital of the Accu-Sort Group is Euro 7,146 thousand.

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

| | 31 March 2012 | | 31 December 2011 | |
|--|----------------|----------------|------------------|----------------|
| | Total equity | Period results | Total equity | Period results |
| Parent company shareholders' equity and profit | 192,775 | (1,181) | 190,289 | 8,488 |
| Difference between consolidated companies' net equity and their carrying value in the parent company's statement; effect of equity-based valuation | 31,212 | 14,649 | 20,537 | 34,954 |
| Reversal of dividends | 0 | (1,123) | 0 | (15,553) |
| 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) | |
| Effect of eliminating intercompany transactions | (7,243) | (2,572) | (4,671) | (1,551) |
| Reversal of write-downs and capital gains on equity investments | 3,565 | 0 | 3,565 | 0 |
| Sale of Know-how | (7) | 0 | (7) | 0 |
| Goodwill impairment | (1,395) | 0 | (1,395) | (298) |
| Other | (763) | 38 | (795) | (149) |
| Deferred tax | 3,833 | 235 | 3,589 | 24 |
| Group portion of shareholders' equity | 181,115 | 10,046 | 170,250 | 25,915 |

FINANCE INCOME AND EXPENSES

Financial income was negative by Euro 4,813 thousand, compared to a negative result of Euro 3,034 thousand last year; this result breaks down as follows:

| | 31.03.2012 | 31.03.2011 | Change |
|-------------------------------------|----------------|----------------|----------------|
| Financial income/(expenses) | (1,265) | (999) | (266) |
| Forex losses | (4,224) | (1,560) | (2,664) |
| Bank expenses | (207) | (282) | 75 |
| Other | 883 | (193) | 1,076 |
| Total net financial expenses | (4,813) | (3,034) | (1,779) |

Costs of Euro 1,091 thousand from the adjustment to fair value of treasury credit certificates recognized under the item "Other securities" (note 5),

Profits generated by companies carried at equity were recognised in the amount of Euro 34 thousand (Euro 116 thousand at 31 March 2011).

OUTLOOK FOR CURRENT YEAR AND SUBSEQUENT EVENTS

2012 is a year marked by a high level of uncertainty affecting the global economic and financial scene. The sectors in which Datalogic operates also show no signs of growth for 2011. In this environment however, Datalogic plans to consolidate, if not finally improve, the record results it achieved in 2011. In 2012, we intend to complete the many projects begun last year, such as the integration of the two companies Accu-Sort and PPT Vision acquired as part of Industrial Automation, optimise the logistics-distribution model for the Automatic Data Capture division and reengineer several of the major corporate processes while also continue along the lines of growth according to the Group's strategic plan.

SECONDARY LOCATIONS

The parent company has no secondary locations.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| ASSETS (Euro/000) | Notes | 31.03.2012 | 31.12.2011 |
|---|-------|----------------|----------------|
| A) Non current assets (1+2+3+4+5+6+7) | | 342.564 | 244.614 |
| 1) Tangible assets | | 49.884 | 49.991 |
| Land | 1 | 5.082 | 5.100 |
| Buildings | 1 | 24.517 | 24.792 |
| Other assets | 1 | 17.726 | 18.138 |
| Assets in progress and payments on account | 1 | 2.559 | 1.961 |
| 2) Intangible assets | | 239.760 | 154.380 |
| Goodwill | 2 | 198.979 | 112.152 |
| Development costs | 2 | 0 | 24 |
| Other | 2 | 37.249 | 39.503 |
| Assets in progress and payments on account | 2 | 3.532 | 2.701 |
| 3) Equity investments in associates | 3 | 2.578 | 2.641 |
| 4) Financial assets | | 9.392 | 5.667 |
| Equity investments | 5 | 9.035 | 5.310 |
| Securities | 5 | 357 | 357 |
| 5) Loans | | 0 | 0 |
| 6) Trade and other receivables | 7 | 1.629 | 1.416 |
| 7) Receivables for deferred tax assets | 13 | 39.321 | 30.519 |
| B) Current assets (8+9+10+11+12+13+14) | | 253.265 | 322.964 |
| 8) Inventories | | 66.155 | 59.630 |
| Raw and ancillary materials and consumables | 8 | 30.581 | 28.049 |
| Work in progress and semi-finished products | 8 | 11.808 | 12.309 |
| Finished products and goods | 8 | 23.766 | 19.272 |
| 9) Trade and other receivables | 7 | 121.701 | 85.097 |
| Trade receivables | 7 | 104.611 | 74.200 |
| within 12 months | 7 | 102.347 | 72.814 |
| of which to associates | 7 | 2.262 | 1.375 |
| of which to related parties | 7 | 2 | 11 |
| Other receivables - accrued income and prepayments | 7 | 17.090 | 10.897 |
| of which to related parties | | 74 | 73 |
| 10) Tax receivables | 9 | 6.898 | 6.144 |
| of which to the parent company | | 2.130 | 2.940 |
| 11) Financial assets | 5 | 9.079 | 7.835 |
| Securities | | 9.079 | 7.835 |
| 12) Loans | | 0 | 0 |
| of which to associates | | | |
| 13) Financial assets - Derivatives | 6 | 0 | 1.836 |
| 14) Cash and cash equivalents | 10 | 49.432 | 162.422 |
| Total assets (A+B) | | 595.829 | 567.578 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| LIABILITIES (Euro/000) | Notes | 31.03.2012 | 31.12.2011 |
|--|-------|------------|------------|
| A) Total shareholders' equity (1+2+3+4+5) | 11 | 181.115 | 170.250 |
| 1) Share capital | 11 | 135.046 | 131.480 |
| 2) Reserves | 11 | (8.433) | (5.686) |
| 3) Retained Profits (losses) | 11 | 44.456 | 18.541 |
| 4) Group profit (loss) for the period/year | 11 | 10.046 | 25.915 |
| 5) Minority interests | 11 | | |
| B) Non-current liabilities (6+7+8+9+10+11+12) | | 200.647 | 201.064 |
| 6) Financial debt | 12 | 152.159 | 155.605 |
| 7) Financial liabilities - Derivatives | 6 | 1.101 | 1.045 |
| 8) Tax liabilities | | 4.866 | 2.663 |
| 9) Deferred tax liabilities | 13 | 15.977 | 16.940 |
| 10) Post-employment benefits | 14 | 6.456 | 6.666 |
| 11) Provisions for risks and charges | 15 | 17.511 | 15.366 |
| 12) Other liabilities | 16 | 2.577 | 2.779 |
| C) Current liabilities (13+14+15+16+17) | | 214.067 | 196.264 |
| 13) Trade and other payables | 16 | 115.858 | 108.181 |
| Trade payables | 16 | 72.709 | 67.158 |
| within 12 months | 16 | 72.404 | 65.957 |
| of which to associates | 16 | 41 | 12 |
| of which to related parties | 16 | 264 | 1.189 |
| Other payables – accrued liabilities and deferred income | 16 | 43.149 | 41.023 |
| 14) Tax liabilities | | 14.488 | 8.475 |
| of which to the parent company | | 4.284 | 2.370 |
| 15) Provisions for risks and charges | 15 | 6.002 | 4.371 |
| 16) Financial liabilities - Derivatives | 6 | 140 | 15 |
| 17) Financial debt | 12 | 77.579 | 75.222 |
| Total liabilities (A+B+C) | | 595.829 | 567.578 |

CONSOLIDATED STATEMENT OF INCOME

| (Euro /000) | Notes | 31.03.2012 | 31.03.2011 |
|---|-------|----------------|----------------|
| 1) Total Revenues | 17 | 115.383 | 104.956 |
| Revenues from sale of products | | 110.363 | 100.864 |
| Revenues for services | | 5.020 | 4.092 |
| <i>of which to related parties</i> | | 2.979 | 2.816 |
| 2) Cost of goods sold | 18 | 62.197 | 55.540 |
| of which non-recurring | 18 | | |
| <i>of which to related parties</i> | | 93 | 106 |
| Gross profit (1-2) | | 53.186 | 49.416 |
| 3) Other operating revenues | 19 | 5.743 | 423 |
| of which non-recurring | 19 | | |
| 4) R&D expenses | 18 | 7.974 | 6.793 |
| of which non-recurring | 18 | | |
| 5) Distribution expenses | 18 | 22.312 | 19.988 |
| of which non-recurring | 18 | | |
| 6) General and administrative expenses | 18 | 12.273 | 11.477 |
| of which non-recurring | 18 | | |
| of which amortisation pertaining to acquisitions | 18 | 928 | 1.107 |
| <i>of which to related parties</i> | | 242 | 265 |
| 7) Other operating expenses | 18 | 1.183 | 475 |
| of which non-recurring | 18 | | |
| Total operating costs | | 43.742 | 38.733 |
| Operating result | | 15.187 | 11.106 |
| 8) Financial income | 20 | 3.708 | 5.489 |
| 9) Financial charges | 20 | 8.521 | 8.523 |
| Net financial income (expenses) (8-9) | | (4.813) | (3.034) |
| 10) Profits from associates | 3 | 34 | 116 |
| Profit (loss) before taxes from the operating assets | | 10.408 | 8.188 |
| Income tax | 21 | 362 | 2.529 |
| Profit/(loss) for the period | | 10.046 | 5.659 |
| Basic earnings/(loss) per share (Euro) | 22 | 0,1782 | 0,1042 |
| Diluted earnings/(loss) per share (Euro) | 22 | 0,1782 | 0,1042 |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| (Euro /000) | Note: | 31.12.2011 | 31.03.2011 |
|--|-------|---------------|--------------|
| Profit/(loss) for the period | | 10.046 | 5.659 |
| Other components of the comprehensive statement of income: | | | |
| Profit/(loss) on cash flow hedges | 11 | (133) | 131 |
| Profit/(loss) due to translation of the accounts of foreign companies | 11 | (2.853) | (5.340) |
| Profit/(loss) on exchange rate adjustments for financial assets available for sale | 11 | 239 | 153 |
| Total other profit/(loss) net of the tax effect | | (2.747) | (5.056) |
| Profit/(loss) for the period | | 7.299 | 603 |
| Attributable to: | | | |
| Parent company shareholders | | 7.299 | 603 |
| Minorities | | 0 | 0 |

CONSOLIDATED STATEMENT OF CASH FLOW

| (Euro /000) | 31.03.2012 | 31.03.2011 |
|--|------------------|----------------|
| Pre-tax profit | 10.408 | 8.188 |
| Amortisation and depreciation of tangible and intangible assets and write-downs | 3.309 | 3.790 |
| Change in employee benefits reserve | (210) | (160) |
| Provision to the write-down reserve | 41 | 82 |
| Net financial expenses/(income) including exchange rate differences | 4.813 | 3.034 |
| Adjustments to value of financial assets | (34) | (116) |
| Cash flow from operations before changes in working capital | 18.327 | 14.818 |
| Change in trade receivables (net of provisions) (*) | (18.786) | (5.034) |
| Change in final inventories (*) | (2.350) | (1.901) |
| Change in other current assets (*) | (6.064) | (610) |
| Other medium-/long-term assets (*) | 1 | 78 |
| Change in trade payables (*) | 1.629 | 54 |
| Change in other current liabilities (*) | (915) | 483 |
| Other medium-/long-term liabilities | (218) | (69) |
| Change in provisions for risks and charges | 2.916 | 1.554 |
| Commercial foreign exchange gains/(losses) | (641) | (148) |
| Cash flow from operations after changes in working capital | (6.101) | 9.225 |
| Change in tax | (1.615) | (598) |
| Foreign exchange effect of tax | | 0 |
| Interest paid and banking expenses | (589) | (1.474) |
| Cash flow generated from operations (A) | (8.305) | 7.153 |
| (Increase)/decrease in intangible assets excluding exchange rate effect (*) | (967) | (1.303) |
| (Increase)/decrease in tangible assets excluding exchange rate effect (*) | (1.722) | (442) |
| Change in unconsolidated equity interests | (3.628) | (139) |
| Acquisition of equity interest | (103.034) | 0 |
| Changes generated by investment activity (B) | (109.351) | (1.884) |
| Change in LT/ST financial receivables | 543 | (9.484) |
| Change in short-term and medium and long-term financial debt | (436) | 15.770 |
| Financial foreign exchange gains/(losses) | (3.583) | (1.412) |
| Purchase of treasury shares | 3.566 | (1.527) |
| Change in reserves and exchange rate effect of financial assets/liabilities, equity and tangible and intangible assets | 4.999 | 3.004 |
| Dividend payment | | |
| Cash flow generated (absorbed) by financial assets (C) | 5.089 | 6.351 |
| Net increase (decrease) in available cash (A+B+C) | (112.567) | 11.620 |
| Net cash and cash equivalents at start of period (Note 10) | 160.637 | 83.234 |
| Cash and cash equivalents at end of period (Note 10) | 48.070 | 94.854 |

(*) For 2012, these items are net of the balances from the acquisition of Accu Sort System Inc. that were placed in the item "Acquisition of equity interest."

CONSOLIDATED STATEMENT OF SHAREHOLDERS' 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 |
| 01.01.2011 | 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 IAS 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 31.03.2011 | 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 |

| 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 |
| 01.01.2012 | 131.480 | (769) | (4.760) | (157) | (5.686) | 5.244 | 958 | 3.658 | 8.681 | 18.541 | 25.915 | 170.250 |
| Allocation of earnings | 0 | | | | 0 | 25.915 | | | | 25.915 | (25.915) | 0 |
| Dividends | | | 0 | | 0 | | | | | 0 | | 0 |
| Conversion reserve | 0 | | | | 0 | | | | | 0 | | 0 |
| Change in IAS reserve | 0 | | | | 0 | | | | | 0 | | 0 |
| Sale/purchase of treasury shares | 3.566 | | | | 0 | | | | | 0 | | 3.566 |
| Other changes | | | | | 0 | | | | | 0 | | 0 |
| Result as at 31.03.2012 | 0 | | | | 0 | | | | | 0 | 10.046 | 10.046 |
| Total other components of the comprehensive statement of income | | (133) | (2.853) | 239 | (2.747) | | | | | | | (2.747) |
| 31.03.2012 | 135.046 | (902) | (7.613) | 82 | (8.433) | 31.159 | 958 | 3.658 | 8.681 | 44.456 | 10.046 | 181.115 |

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. The interim report on operations to 31 March 2012 includes the figures of the Parent Company and its subsidiaries (defined hereinafter as the “Group”) and its minority interests in associated companies.

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

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

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

This interim report on operations was prepared by the Board of Directors on 14 May 2012.

FORM AND CONTENT OF THE INTERIM REPORT ON OPERATIONS

This interim report on operations for the period ended 31 March 2012 has been prepared according to article 154 ter of Legislative Decree no. 58/1998 and pursuant to the pertinent Consob regulations.

The International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) issued by the International Financial Reporting Interpretations Committee (IFRIC) and endorsed by the European Commission that are applicable at the time of the approval of this report have been used for the assessment in measurement of the accounting balances.

The principles and accounting criteria are the same as those used for the preparation of the financial statements for the period ended 31 December 2011 which you are referred to for further detail.

GROUP STRUCTURE

The interim report on operations includes the statements of the Parent Company and of the companies in which the former directly or indirectly holds the majority of voting rights.

The companies consolidated on a line-by-line basis for the period ended 31 March 2012 are as follows:

| Company | Registered office | Share capital | Total shareholders' equity (Euro '000) | Profit/loss for the period (Euro '000) | % ownership | |
|---|--|---------------|--|--|-------------|------|
| Datalogic SPA holding | Bologna - Italy | Euro | 30,392,175 | 192,775 | (1,181) | |
| Datalogic Real Estate Srl | Bologna - Italy | Euro | 20,000 | 2,526 | (18) | 100% |
| IP tech srl | Bologna - Italy | Euro | 10,000 | 8,176 | 4,197 | 100% |
| Datalogic Real Estate France Sa | Paris - France | Euro | 2,227,500 | 3,589 | 30 | 100% |
| Datalogic Real Estate Germany GmbH | Erkenbrechtsweiler - Germany | Euro | 1,025,000 | 1,906 | (24) | 100% |
| Datalogic Real Estate UK Ltd | Redbourn - England | GBP | 3,500,000 | 4,389 | 20 | 100% |
| Informatics Inc. | Plano Texas - USA | US\$ | 9,996,000 | 14,939 | 762 | 100% |
| Evolution Robotics Retail Inc. | Pasadena - USA | US\$ | 1 | 17,299 | (244) | 100% |
| Datalogic Automation Srl | Monte San Pietro (BO) - Italy | Euro | 10,000,000 | 18,311 | 4,099 | 100% |
| Datalogic Sweden AB | Malmö - Sweden | KRS | 200,000 | 56 | (1) | 100% |
| Datalogic Automation Inc. | Hebron, KY - USA | US\$ | 463,812 | 2,734 | (332) | 100% |
| Datalogic Automation PTY LTD | Mount Waverley (Melbourne) - Australia | \$AUD | 2,300,000 | (865) | (128) | 100% |
| Datalogic Automation Asia Limited | Hong Kong - China | HKD | 7,000,000 | (376) | 54 | 100% |
| Datalogic (Shenzhen) Trading Business China | Shenzhen - China | USD | 140,000 | (19) | (62) | 100% |
| Datafoton kft | Fonyod - Hungary | HUF | 3,000,000 | 262 | 23 | 100% |
| Accu-Sort Group USA | Telford | USD | 100 | 54,519 | (498) | 100% |
| PPT Vision Inc | Minneapolis - Minnesota | USD | 5,544,320 | 4,025 | (100) | 100% |
| Datalogic Mobile Srl | Bologna - Italy | Euro | 10,000 | 29,056 | 1,165 | 100% |
| Datalogic Mobile Asia | Hong Kong - China | HKD | 100,000 | (124) | (213) | 100% |
| Datalogic Mobile PTY | Melbourne - Australia | \$AUD | | (628) | 152 | 100% |
| Datalogic ADC Ltd Irlanda | Dublin - Ireland | Euro | 100,100 | 9,383 | 4,769 | 100% |
| Datalogic Scanning Group Srl | Bologna - Italy | Euro | 10,000,000 | 111,586 | (630) | 100% |
| Datalogic Slovakia sro | Tvrn - Slovakia | Euro | 66,390 | 10,063 | 1,561 | 100% |
| Datalogic Holding Inc. | Eugene, OR - USA | US\$ | 100 | 76,805 | 936 | 100% |
| Datalogic ADC Inc. | Eugene, OR - USA | US\$ | 11 | 49,059 | (51) | 100% |
| Datalogic ADC do Brasil | Sao Paulo - Brazil | R\$ | 159,525 | (183) | (46) | 100% |
| Datalogic ADC Mexico | Colonia Cuauhtemoc - Mexico | US\$ | - | (1,276) | (64) | 100% |
| Datalogic Scanning UK Ltd | Watford - England | GBP | 191,510 | (610) | 577 | 100% |
| Datalogic Scanning Sarl | Paris - France | Euro | 653,015 | 2,087 | 1,129 | 100% |
| Datalogic Scanning GMBH | Darmstadt - Germany | Euro | 306,775 | 5,685 | 2,788 | 100% |
| Datalogic Scanning Eastern Europe GmbH | Darmstadt - Germany | Euro | 30,000 | 484 | (136) | 100% |
| Datalogic Scanning SpA | Milan - Italy | Euro | 110,000 | 2,487 | 822 | 100% |
| Datalogic ADC PTY | Sydney - Australia | \$AUD | 2 | 956 | (169) | 100% |
| Datalogic ADC Japan | Tokyo - Japan | JPY | 151,437,000 | (114) | 449 | 100% |
| Datalogic Vietnam LLC | Vietnam | VND | 27,714,555,000 | 4,503 | 1,240 | 100% |
| Datalogic ADC Singapore | Singapore | SGD | 100,000 | 109 | | 100% |

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The following companies were consolidated at equity on 31 March 2012:

| Company | Registered office | Share capital | Total shareholders' equity (Euro '000) | Profit/loss for the period (Euro '000) | % ownership |
|------------------------|--------------------------|----------------------|---|---|--------------------|
| Idec DatalogicCo. Ltd | Osaka - Japan | Yen 300,000,000 | 2,130 | 118 | 50% |
| Laservall Asia Co. Ltd | Hong Kong - China | HKD 460,000 | 2,854 | (50) | 50% |

During the first quarter of 2012 the following changes took place in the consolidation area:

On 20 January 2012, Datalogic acquired Accu - Sort System Inc (ASI), a company with its registered office in Telford (Pennsylvania) and its associated companies (Accu – Sort Canada LP, Accu – Sort Systems Australia Pty. Ltd. and the company which is directly controlled by ASI, Accu - Sort Europe GmbH); the companies that were acquired are involved in the manufacturing, integration and maintenance of automatic postal and airport identification systems and the transport and logistics sectors. Furthermore, the automatic reading of barcodes, using stationary bar code readers, is applied in manufacturing within the automobile, electronics and food sectors in order to track the assembly process. In particular, ASI operates mainly in the United States of America and Canada where it generates over 80% of its sales, while the remaining sales take place mainly in Europe, China and Australia.

The value of the company is equal to USD 136.5 million of which USD 91.5 million arise from the company's own resources and the remaining USD 45 million from bank loans.

BUSINESS COMBINATIONS

As indicated above, the Group acquired 100% of the share capital of the U.S. Company Accu-Sort System Inc and its associated companies through its subsidiaries Datalogic Scanning Holdings inc. and Datalogic Automation srl.

Financing the acquisition

The acquisition agreement was signed on 20 January 2012 and the value of the company is equal to USD 136.5 million of which USD 91.5 million arise from the company's own resources and the remaining USD 45 million from bank loans.

Accounting effects of the acquisition

Since the acquisition is a business combination, the Group has recognised it using the purchase method, pursuant to the revised IFRS 3.

The acquisition took place for a total consideration of USD 136.5 million, with ancillary costs, although directly attributable to the combination, not considered as part of the acquisition cost but fully recognised in the income statement, pursuant to the revised IFRS 3.

The consideration was paid in full to the sellers on the acquisition date.

The Group has made a preliminary calculation of the allocation of the difference between the acquisition price and the preliminary fair value of the net assets acquired.

The fair value of the assets and liabilities acquired through the combination is Euro 12,812 thousand, while the total cost of the combination is Euro 105,860 thousand.

Goodwill arising from the transaction is USD 120,051 thousand, equal to Euro 93,048 thousand at acquisition date (Euro 89,861 thousand at 31 March 2012), while net cash of Euro 103,034 thousand was used for the combination.

INFORMATION ON THE STATEMENT OF FINANCIAL POSITION

Note 1. Tangible assets

| | 31.03.2012 | 31.12.2011 | Change |
|--|---------------|---------------|--------------|
| Land | 5,082 | 5,100 | (18) |
| Buildings | 24,517 | 24,792 | (275) |
| Other assets | 17,726 | 18,138 | (412) |
| Assets in progress and payments on account | 2,559 | 1,961 | 598 |
| Total | 49,884 | 49,991 | (107) |

The "Other assets" item at 31 March 2012 mainly includes the following categories: Plant and machinery (Euro 5,672 thousand), Trade and industrial equipment (Euro 4,742 thousand), Office furniture and machines (Euro 4,715 thousand), Generic plant (Euro 1,738 thousand), Motor vehicles (Euro 187 thousand), and Maintenance on third-party assets (Euro 388 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

| | 31.03.2012 | 31.12.2011 | Change |
|--|----------------|----------------|---------------|
| Goodwill | 198,979 | 112,152 | 86,827 |
| Development costs | 0 | 24 | (24) |
| Other | 37,249 | 39,503 | (2,254) |
| Assets in progress and payments on account | 3,532 | 2,701 | 831 |
| Total | 239,760 | 154,380 | 85,380 |

"Goodwill" consisted of the following items:

| | 31.03.2012 | 31.12.2011 | Change |
|---|----------------|----------------|---------------|
| Former PSC Group - Acquisition concluded on 30 November 2005 | 70,153 | 72,352 | (2,199) |
| Informatics Inc. - Acquisition concluded on 28 February 2005 | 11,781 | 12,069 | (288) |
| Laservall SpA - Acquisition concluded 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 |
| Evolution Robotics Retail Inc. - Acquisition concluded on 1 July 2010 | 13,717 | 14,158 | (441) |
| PPT Vision Inc - Acquisition concluded on 20 December 2011 | 3,286 | 3,392 | (106) |
| Accu-Sort Systems - Acquisition concluded on 20 January 2012 | 89,861 | 0 | 89,861 |
| Total | 198,979 | 112,152 | 86,827 |

The change in "Goodwill" by comparison with 31 December 2011 is attributable to:

- the acquisition of Accu-Sort Systems Inc.; note that the calculation of this goodwill, in accordance with IFRS 3, may be revised within a year of the acquisition date;
- translation differences.

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

As highlighted in the paragraph included in the section on accounting standards and policies used in the financial statements for the year ended 31 December 2011, 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 impairment indicators suggest the need for more frequent impairment testing. The estimated recoverable value of each CGU, associated with each goodwill item measured, consists of its corresponding value in use.

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

There were no write-downs as at 31 March 2012.

The "Other" item, which amounts to Euro 37,249 thousand, consists primarily of intangible assets acquired through business combinations carried out by the Group, which are specifically identified and valued in the context of purchase accounting. Details are shown in the following table:

| | 31.03.2012 | 31.12.2011 | USEFUL LIFE (YEARS) |
|---|---------------|---------------|---------------------|
| Acquisition of the PSC Group (executed on 30 November 2006) | 22,975 | 24,254 | |
| PATENTS | 20,827 | 21,889 | 20 |
| TRADE MARK | 1,091 | 1,201 | 10 |
| CLIENT PORTFOLIO | 1,057 | 1,164 | 10 |
| Acquisition of Laservall SPA (executed on 27 August 2004) | 994 | 1,104 | |
| UNPATENTED TECHNOLOGY | 0 | 0 | 7 |
| COMMERCIAL STRUCTURE | 994 | 1,104 | 10 |
| Acquisition of Informatics Inc. (executed on 28 February 2005) | 1,697 | 1,957 | |
| COMMERCIAL STRUCTURE | 1,697 | 1,957 | 10 |
| Acquisition of Evolution Robotics Retail Inc. (concluded on 1 July 2010) | 4,327 | 4,601 | |
| PATENTS | 721 | 767 | 10 |
| TRADE SECRETS | 3,606 | 3,834 | 10 |
| Licence agreement | 3,349 | 3,592 | 5 |
| Other | 3,907 | 3,995 | |
| TOTAL OTHER INTANGIBLE ASSETS | 37,249 | 39,503 | |

The change compared to 31 December 2011 is attributable mainly to the amortization for the period (Euro 1,407 thousand) and conversion differences which are negative by Euro 1,045 thousand.

The "Other" item mainly consists of software licences.

Euro 831 thousand of the increase in the "Assets in progress and payment on account" is attributable to the capitalization of costs relating to the two projects with the features required by IAS 38 and the Group policies which are currently still underway.

Note 3. Equity investments in associates

Equity investments owned by the Group as at 31 March 2012 were as follows:

| | 31.12.2011 | Increases | Decreases | Exch. Difference | Share of profit | 31.03.2012 |
|---------------------------|--------------|-----------|-----------|---------------------|--------------------|--------------|
| Total subsidiaries | 0 | 0 | 0 | 0 | 0 | 0 |
| Associates | | | | | | |
| Idec Datalogic Co. Ltd | 1,103 | | | (97) | 59 | 1,065 |
| Laservall Asia Co. Ltd | 1,452 | | | | (25) | 1,427 |
| Datalogic Automation AB | 2 | | | | | 2 |
| Special Video | 29 | | | | | 29 |
| Datasensor GMBH | 45 | | | | | 45 |
| DL PRIVATE India | 10 | | | | | 10 |
| Total associates | 2,641 | 0 | 0 | (97) | 34 | 2,578 |
| TOTAL | 2,641 | 0 | 0 | (97) | 34 | 2,578 |

The change in the “associates” item is due to the group result realized by the associates Idec Datalogic Co Ltd and Laservall Asia Co, in addition to the exchange rate adjustment.

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:

| 31.03.2012 | Loans and receivables | Derivatives | Held for trading | Availability for sale | Total |
|---|--------------------------|-------------|---------------------|--------------------------|----------------|
| Non-current financial assets | 1,629 | | 357 | 9,035 | 11,021 |
| Financial assets - Equity Investments (5) | | | | 9,035 | 9,035 |
| Financial Assets - Securities | | | 357 | | 357 |
| Other receivables (7) | 1,629 | | | | 1,629 |
| Current financial assets | 168,795 | 0 | 9,079 | 0 | 177,874 |
| Trade receivables from third parties (7) | 102,347 | | | | 102,347 |
| Other receivables from third parties (7) | 17,016 | | | | 17,016 |
| Financial assets - Securities (5) | | | 9,079 | | 9,079 |
| Cash & cash equivalents (10) | 49,432 | | | | 49,432 |
| TOTAL | 170,424 | 0 | 9,436 | 9,035 | 188,895 |

| 31.03.2012 | Derivatives | Other financial liabilities | Total |
|--|--------------|-----------------------------|----------------|
| Non-current financial liabilities | 1,101 | 154,736 | 155,837 |
| Financial payables (12) | | 152,159 | 152,159 |
| Financial liabilities - Derivative instruments (6) | 1,101 | | 1,101 |
| Other payables (16) | | 2,577 | 2,577 |
| Current financial liabilities | 140 | 193,132 | 193,272 |
| Trade payables to third parties (16) | | 72,404 | 72,404 |
| Other payables (16) | | 43,149 | 43,149 |
| Financial liabilities - Derivative instruments (6) | 140 | | 140 |
| Short-term financial payables (12) | | 77,579 | 77,579 |
| TOTAL | 1,241 | 347,868 | 349,109 |

Fair-value - hierarchy

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

Level 1: market prices

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

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

| | Level 1 | Level 2 | Level 3 | Total |
|---|---------------|--------------|--------------|---------------|
| Assets measured at fair value | | | | |
| Financial assets - Equity Investments (5) | 7,283 | 0 | 1,752 | 9,035 |
| Financial assets - LT securities (5) | 357 | 0 | | 357 |
| Financial assets - ST securities (5) | 9,079 | 0 | | 9,079 |
| Total assets measured at fair value | 16,719 | 0 | 1,752 | 18,471 |
| Liabilities measured at fair value | | | | |
| Financial liabilities - Derivative instruments LT (6) | | 1,101 | | 1,101 |
| Financial liabilities - ST derivative instruments (6) | 0 | 140 | 0 | 140 |
| Total liabilities measured at fair value | 0 | 1,241 | 0 | 1,241 |

Note 5. Available-for-sale financial assets

AFS financial assets include the following items:

| | 31.03.2012 | 31.12.2011 | Change |
|---------------------------------|---------------|---------------|--------------|
| Securities | 9,436 | 8,192 | 1,244 |
| Long-term government bonds | 357 | 357 | 0 |
| Short term government bonds | 9,079 | 7,835 | 1,244 |
| Other equity investments | 9,035 | 5,310 | 3,725 |
| Total | 18,471 | 13,502 | 4,969 |

The change in the "other securities" item is mainly related to the treasury credit certificates belonging to the Parent Company which mature on 15 October 2007.

Following is the summary table pertaining to those securities:

Trading securities-Listed

| Type of security | Nominal value | Purchase price | Acquisition value | Market price as at 31/03/2012 | Market value as at 31/03/2012 | Balance sheet value as at 31/03/2012 |
|------------------|---------------|----------------|-------------------|-------------------------------|-------------------------------|--------------------------------------|
| Government bonds | 10,000,000 | 0.9607 | 9,607,000 | 0.8866 | 8,866,300 | 8,990,550 |

The difference between the market value as at 31 March 2012 and the carrying amount of Euro 8,991 thousand is due to the interest rate payment that was due.

At 31 March 2012, equity interests held by the Group in other companies were as follows:

| | 31.12.2011 | Increases | Decreases | Fair value adjustment | Write-downs | 31.03.2012 |
|---------------------------------|--------------|--------------|----------------|-----------------------|-------------|--------------|
| Unlisted shares | 1,356 | 408 | (12) | | | 1,752 |
| Listed shares | 3,954 | 5,127 | (2,037) | 239 | | 7,283 |
| Total equity investments | 5,310 | 5,535 | (2,049) | 239 | 0 | 9,035 |

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. The amount of the "listed shares" item refers to a liquidity investment in equities.

Note 6. Derivative financial instruments

| | 31.03.2012 | | 31.12.2011 | |
|--|------------|--------------|--------------|--------------|
| | Assets | Liabilities | Assets | Liabilities |
| Financial Instruments measured at fair value and recognized in the income statement | | | | |
| Interest rate derivatives - LT cash flow hedges | | 1,101 | | 1,045 |
| Interest rate derivatives - ST cash flow hedges | | 140 | | 15 |
| Financial Instruments measured at fair value and recognized in the income statement | | | | |
| <u>Derivatives not designated as hedges</u> | | | | |
| Currency options | | | 1,836 | |
| Total | 0 | 1,241 | 1,836 | 1,060 |

Interest rate derivatives

The Group has entered into interest rate derivative contracts to manage the risk stemming from changes in interest rates on bank borrowings, converting them from variable to fixed-rate via interest rate swaps having the same amortisation plan as the hedged underlying asset. As envisaged by IAS 39, the fair value of these contracts, totalling Euro 1,241 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 2012, the notional capital of the interest rate swaps was Euro 61,272 thousand (Euro 50,800 thousand at 31 December 2011) and USD 8,600 thousand (USD 8,600 thousand at 31 December 2011).

Currency derivatives

At 31 March 2012 the Group had no active forward contracts for exchange rate risk.

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

| | 31.03.2012 | 31.12.2011 | Change |
|---|-------------------|-------------------|---------------|
| Third-party trade receivables | 104,855 | 75,095 | 29,760 |
| Less: doubtful debt provision | 2,508 | 2,281 | 227 |
| Net third-party trade receivables | 102,347 | 72,814 | 29,533 |
| Receivables from associates | 2,262 | 1,375 | 887 |
| Idec Datalogic CO Ltd | 590 | 247 | 343 |
| Laservall Asia | 602 | 293 | 309 |
| Datasensor GMBH | 377 | 455 | (78) |
| Special Video | 2 | 2 | 0 |
| DS India | 75 | 57 | 18 |
| Datalogic Automation AB | 616 | 321 | 295 |
| Receivables from the Parent Company | 0 | 11 | (11) |
| Hydra | | 11 | (11) |
| Related-party receivables | 2 | | 2 |
| Total trade receivables | 104,611 | 74,200 | 30,411 |
| Other receivables - accrued income and prepaid expenses | 17,090 | 10,897 | 6,193 |
| Other receivables - non-current accrued income and prepaid expenses | 1,629 | 1,416 | 213 |
| Total other receivables - accrued income and prepayments | 18,719 | 12,313 | 6,406 |
| Less: non-current portion | 1,629 | 1,416 | 213 |
| Trade and other receivables - current portion | 121,701 | 85,097 | 36,604 |

Trade receivables

The “trade receivables due within 12 months” as at 31 March 2012 amounting to Euro 104,611 thousand have increased by 41% compared to the comparative figure as at 31 December 2011. Of these, Euro 12,514 thousand are due to the inclusion into the consolidation area of the Accu-Sort Group; if the consolidation area had not changed this item would have increased by approximately 24% compared to December 2011. Receivables from associates arise from commercial transactions carried out at arm's length.

Other receivables - accrued income and prepaid expenses

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

| | 31.03.2012 | 31.12.2011 | Change |
|-----------------------------|-------------------|-------------------|---------------|
| Other current receivables | 2,891 | 2,462 | 429 |
| Other long-term receivables | 1,629 | 1,416 | 213 |
| VAT Tax Credit | 11,649 | 6,017 | 5,632 |
| Accruals and deferrals | 2,550 | 2,418 | 132 |
| Total | 18,719 | 12,313 | 6,406 |

Note 8. Inventories

| | 31.03.2012 | 31.12.2011 | Change |
|---|-------------------|-------------------|---------------|
| Raw and ancillary materials and consumables | 30,581 | 28,049 | 2,532 |
| Work in progress and semi-finished products | 11,808 | 12,309 | (501) |
| Finished products and goods | 23,766 | 19,272 | 4,494 |
| Total | 66,155 | 59,630 | 6,525 |

Inventories are shown net of an obsolescence provision that, at 31 March 2012, amounted to Euro 6,797 thousand (Euro 7,412 thousand at 31 December 2011).

The movements in the first quarter of 2012 compared with the same period of 2011 is shown below:

| | 2012 | 2011 |
|--|--------------|--------------|
| 1 January | 6,431 | 7,788 |
| Exchange-rate change | (107) | (223) |
| Allocations | 559 | 488 |
| Release for scrap and other utilisations | (86) | (641) |
| 31 March | 6,797 | 7,412 |

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, of Euro 2,130 thousand (Euro 2,940 thousand at 31 December 2011).

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 Euro 4,284 thousand (Euro 2,370 thousand at 31 December 2011).

Note 10. Cash and cash equivalents

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

| | 31.03.2012 | 31.12.2011 | Change |
|---|-------------------|-------------------|------------------|
| Cash and cash equivalents shown on financial statements | 49,432 | 162,422 | (112,990) |
| Restricted cash | (479) | (430) | (49) |
| Current account overdrafts | (724) | (1,355) | 631 |
| EU financing | (159) | 0 | (159) |
| Cash and cash equivalents for statement | 48,070 | 160,637 | (112,567) |

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

| | 31.03.2012 | 31.12.2011 |
|---|-------------------|-------------------|
| A. Cash and bank deposits | 48,953 | 161,992 |
| B. Other liquidities | 479 | 430 |
| <i>b1. restricted cash deposit</i> | 479 | 430 |
| C. Securities held for trading | 9,436 | 8,192 |
| <i>c1. Short-term</i> | 9,079 | 7,835 |
| <i>c2. Long-term</i> | 357 | 357 |
| D. Cash and equivalents (A) + (B) + (C) | 58,868 | 170,614 |
| E. Current financial receivables | 0 | 0 |
| F. Other current financial receivables | 0 | 1,836 |
| <i>f1. hedging transactions</i> | 0 | 1,836 |
| G. Bank overdrafts | 724 | 1,355 |
| H. Current portion of non-current debt | 76,855 | 73,867 |
| I. Other current financial payables | 140 | 15 |
| <i>I1. hedging transactions</i> | 140 | 15 |
| J. Current financial debt (G) + (H) + (I) | 77,719 | 75,237 |
| K. Current financial debt, net (J) - (D) - (E) - (F) | 18,851 | (97,213) |
| L. Non-current bank borrowing | 152,159 | 155,605 |
| M. Other non-current financial receivables | 0 | 0 |
| N. Other non-current liabilities | 1,101 | 1,045 |
| <i>n2. Hedging instruments</i> | 1,101 | 1,045 |
| O. Non-current financial debt (L) - (M) + (N) | 153,260 | 156,650 |
| P. Net financial debt (K) + (O) | 172,111 | 59,437 |

Net financial position at 31 March 2012 was Euro 172,111 thousand, a worsening by Euro 112,674 thousand compared to 31 December 2011, (when it was negative by Euro 59,437 thousand).

Note that the following non-recurring transactions were carried out in the period:

- acquisition of the Accu-Sort Group against Euro 103,034 thousand;
- purchase of treasury shares of Euro 212 thousand;
- cash outflows for leaving incentives amounting to Euro 1,975 thousand;
- cash outflows for consulting involving special projects which were allocated to costs in 2011 in the amount of Euro 1,714 thousand;
- cash inflow of Euro 4,200 thousand from the sale of certain assets, such as patents, knowhow and other intangible assets relating to the RFID business;
- sale of treasury shares against Euro 3,778 thousand.

Investments were also made amounting to Euro 2,689 thousand.

Net working capital at 31 March 2012 is equal to Euro 58,406 thousand and has increased by Euro 28,562 thousand compared to 31 December 2011 (Euro 29,844 thousand); the net working capital of the Accu-Sort Group is Euro 7,146 thousand.

INFORMATION ON SHAREHOLDERS' EQUITY AND BALANCE SHEET LIABILITIES

Note 11. Shareholders' equity

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

| | 31.03.2012 | 31.12.2011 |
|--|----------------|----------------|
| Share capital | 30,392 | 30,392 |
| Share premium reserve | 99,931 | 96,335 |
| Extraordinary share - Cancellation reserve | 2,813 | 2,813 |
| Treasury shares held | (7,126) | (10,692) |
| Treasury share reserve | 9,036 | 12,632 |
| Share capital and capital reserves | 135,046 | 131,480 |
| Cash-flow hedge reserve | (902) | (769) |
| Translation reserve | (7,613) | (4,760) |
| Held-for-sale financial assets reserve | 82 | (157) |
| Other reserves | (8,433) | (5,686) |
| Retained earnings | 44,456 | 18,541 |
| Earnings carried forward | 31,159 | 5,244 |
| Capital grant reserve | 958 | 958 |
| Legal reserve | 3,658 | 3,658 |
| IFRS reserve | 8,681 | 8,681 |
| Net profit (loss) for the period | 10,046 | 25,915 |
| Total Group shareholders' equity | 181,115 | 170,250 |

Share capital

Movements in share capital at 31 March 2012 are reported below (in Euro thousand):

| | Number of shares | Share capital | Extraordinary share-cancellation reserve | Share premium reserve | Treasury shares | Treasury share reserve | Total |
|---|-------------------|---------------|--|-----------------------|-----------------|------------------------|----------------|
| 01.01.2012 | 56,166,493 | 30,392 | 2,813 | 96,335 | (10,692) | 12,632 | 131,480 |
| Purchase of treasury shares | (37,000) | | | (212) | (212) | 212 | (212) |
| Sale of treasury shares | 687,000 | | | 3,808 | 3,808 | (3,808) | 3,808 |
| Capital gains (losses) on the sale of treasury shares | | | | | (25) | | (25) |
| Costs for the purchase of treasury shares | | | | | (5) | | (5) |
| 31.03.2012 | 56,816,493 | 30,392 | 2,813 | 99,931 | (7,126) | 9,036 | 135,046 |

Ordinary shares

At 31 March 2012 the total number of ordinary shares was 58,446,491 of which 1,629,998 held as treasury shares so that therefore the outstanding shares on that date were equal to 56,816,493. The shares have a nominal unit value of Euro 0.52 and have been entirely subscribed.

Treasury shares

The "Treasury shares" item, negative for Euro 7,126 thousand, includes purchases and sales of treasury shares in the amount of Euro 3,566 thousand, which have been recognised net of gains and charges realised following the sale of treasury shares (Euro 1,910 thousand). In 2012 the Group purchased 37,000 treasury shares and sold 687,000, with a capital loss of Euro 25 thousand.

For these purchases, in accordance with Article 2453 of the Italian civil code, capital reserves (through the treasury share reserve) in the amount of Euro 9,036 thousand have been blocked.

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 concluded to hedge exposure to the risk of interest rate fluctuations on variable-rate loans (negative by Euro 1,241 thousand) and amounts are shown net of the tax effect (Euro 339 thousand).

Financial asset revaluation reserve

This reserve mainly includes the adjustment to fair value of the other equity investments.

Cumulative retained earnings

IAS reserve

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

Retained earnings/losses

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

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

| | 31 March 2012 | | 31 December 2011 | |
|--|----------------|----------------|------------------|----------------|
| | Total equity | Period results | Total equity | Period results |
| Parent company shareholders' equity and profit | 192,775 | (1,181) | 190,289 | 8,488 |
| Difference between consolidated companies' net equity and their carrying value in the Parent Company's statement; effect of equity-based valuation | 31,212 | 14,649 | 20,537 | 34,954 |
| Reversal of dividends | 0 | (1,123) | 0 | (15,553) |
| 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) | |
| Effect of eliminating intercompany transactions | (7,243) | (2,572) | (4,671) | (1,551) |
| Reversal of write-downs and capital gains on equity investments | 3,565 | 0 | 3,565 | 0 |
| Sale of know-how | (7) | 0 | (7) | 0 |
| Goodwill impairment | (1,395) | 0 | (1,395) | (298) |
| Other | (763) | 38 | (795) | (149) |
| Deferred tax | 3,833 | 235 | 3,589 | 24 |
| Group portion of shareholders' equity | 181,115 | 10,046 | 170,250 | 25,915 |

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

The breakdown of this item is as detailed below:

| | 31.03.2012 | 31.12.2011 | Change |
|---|----------------|----------------|----------------|
| Bank loans | 228,855 | 229,472 | (617) |
| EU financing | 159 | 0 | 159 |
| Bank overdrafts (ordinary current accounts) | 724 | 1,355 | (631) |
| Total financial payables | 229,738 | 230,827 | (1,089) |

Following is the breakdown of changes in "bank loans" at 31 March 2012:

| | 2012 | 2011 |
|-------------------------------|----------------|----------------|
| 1 January | 229,472 | 177,424 |
| Foreign exchange differences | (1,390) | (2,284) |
| Increases | 14,312 | 20,070 |
| Repayments | (10,000) | (10,000) |
| Decreases for loan repayments | (3,539) | (1,627) |
| Other | | 34 |
| 31 March | 228,855 | 183,617 |

The **increases** mainly pertain to the use of hot money loans of Euro 15,000 thousand by the Parent Company.

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

Covenants

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

| Company | Currency | Outstanding debt | | Covenants | | Frequency | On the financial statements of |
|--------------------------|-----------------|-------------------------|------------|------------------|----------|------------------|---------------------------------------|
| Datalogic SpA | € | 4,500,000 | DFL | PN | DFL / PN | annual | Datalogic SpA |
| Datalogic SpA | € | 2,000,000 | DFL | PN | DFL / PN | annual | Datalogic SpA |
| Datalogic SpA | € | 12,500,000 | PFN / PN | PFN /EBITDA | | annual | Datalogic Group |
| Datalogic SpA | € | 30,000,000 | EBITDA/OFN | PFN /EBITDA | | semi-annual | Datalogic Group |
| Datalogic SpA | \$ | 49,400,000 | PFN / PN | PFN /EBITDA | | semi-annual | Datalogic Group |
| Datalogic SpA | € | 10,000,000 | PFN / PN | PFN /EBITDA | | annual | Datalogic Group |
| Datalogic SpA | € | 55,000,000 | EBITDA/OFN | PFN /EBITDA | | semi-annual | Datalogic Group |
| Datalogic SpA | € | 15,000,000 | PFN / PN | PFN /EBITDA | | semi-annual | Datalogic Group |
| Datalogic Automation Srl | € | 20,000,000 | PFN / PN | PFN /EBITDA | | semi-annual | Datalogic Group |
| Datalogic Automation Srl | € | 2,000,000 | DFL | PN | DFL / PN | annual | Datalogic SpA |
| Datalogic Automation Srl | € | 2,000,000 | DFL | PN | DFL / PN | annual | Datalogic SpA |

Key:

PN = Shareholders' Equity

PFN = Net financial position

DFL = Financial gross payables

Note 13. Deferred tax assets and liabilities

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

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

| | 31.03.2012 | 31.12.2011 | Change |
|---|-------------------|-------------------|---------------|
| Datalogic Automation INC | 240 | 247 | (7) |
| Datalogic Automation srl (*) | 1,613 | 1,966 | (353) |
| Datalogic Mobile Asia | (2) | (2) | 0 |
| Datalogic Mobile Inc | 0 | 374 | (374) |
| Datalogic Mobile Pty | 66 | 62 | 4 |
| Datalogic Mobile Srl (*) | (309) | 23 | (332) |
| Datalogic RE | 7 | 7 | 0 |
| Datalogic RE France Sa | 52 | 52 | 0 |
| Datalogic RE Germany gmbh | (75) | (75) | 0 |
| Datalogic RE UK Ltd | 107 | 104 | 3 |
| Datalogic Scanning GMBH | (497) | (497) | 0 |
| Datalogic Scanning Group | 99 | 25 | 74 |
| Datalogic Holding Inc | 5,798 | 4,152 | 1,646 |
| Datalogic Scanning Iberia | 1 | (1) | 2 |
| Datalogic ADC Inc | (550) | (2,184) | 1,634 |
| Datalogic ADC PTY | 82 | 81 | 1 |
| Datalogic Scanning SAS | 112 | 114 | (2) |
| Datalogic Slovakia sro | 598 | 598 | 0 |
| Datalogic Scanning SPA | 112 | 112 | 0 |
| Datalogic Scanning UK Ltd | 14 | 14 | 0 |
| Datalogic SpA | 302 | (936) | 1,238 |
| Evolution Robotics Retail Inc. | 925 | 955 | (30) |
| Informatics Inc | (344) | (444) | 100 |
| Datalogic IP TECH Srl | 12,267 | 7,981 | 4,286 |
| PPT Vision Inc | 87 | 0 | 87 |
| Accu-Sort Group | 1,109 | 0 | 1,109 |
| Total net long-term deferred taxes | 21,814 | 12,728 | 9,086 |
| Deferred taxes recognized due to the consolidation entries | 1,530 | 851 | 679 |
| Total net long-term deferred taxes | 23,344 | 13,579 | 9,765 |

(*) include the balances of the branches.

Note 14. Post-employment benefits

The movements are the following:

| | 2012 | 2011 |
|--|--------------|--------------|
| 1 January | 6,666 | 7,739 |
| Amount allocated in the period | 404 | 417 |
| Uses | (440) | (667) |
| Social security receivables for the employee severance indemnity reserve | (174) | (111) |
| 31 March | 6,456 | 7,378 |

Note 15. Provisions for risks and charges

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

| | 31.03.2012 | 31.12.2011 | Change |
|-----------------------|---------------|---------------|--------------|
| Short-term provisions | 6,002 | 4,371 | 1,631 |
| Long-term provisions | 17,511 | 15,366 | 2,145 |
| Total | 23,513 | 19,737 | 3,776 |

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

| | 31.12.2011 | Increases | (Uses) and (Issues) | Transfers | Forex differences | 31.03.2012 |
|---|---------------|--------------|---------------------------|-------------|----------------------|---------------|
| Product warranty provision | 5,765 | 1,110 | (58) | | (81) | 6,736 |
| Corporate restructuring fund | 339 | 0 | (110) | (47) | 0 | 182 |
| Provision for management incentive scheme | 11,834 | 2,445 | (69) | 0 | (154) | 14,055 |
| Other | 1,799 | 840 | (57) | | (44) | 2,539 |
| Total provisions for risks and charges | 19,737 | 4,395 | (294) | (47) | (279) | 23,513 |

The "**product warranty provision**" covers the estimated cost of repairing products sold as up to 31 March 2012 and covered by periodical warranty; it amounts to Euro 6,736 thousand (of which Euro 3,126 thousand long-term) and is considered sufficient in relation to the specific risk it covers. Euro 857 thousand of the increase is attributable to the inclusion of the Accu-Sort Group into the consolidation area.

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 "**Other**" item mainly comprises:

- Euro 1,534 thousand for a "stock rotation" provision for the Scanning Group, Mobile Group and Informatics;
- Euro 9 thousand attributable to the Scanning Group and allocated 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 July 2005;
- Euro 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;
- Euro 257 thousand for agent termination indemnities;
- Euro 592 thousand allocated by Accu Sort System Inc as a retention incentive for the acquired company's top management to remain within the Group.

Note 16. Trade and other payables

This table shows the details of trade and other payables:

| | 31.03.2012 | 31.12.2011 | Change |
|---|-------------------|-------------------|---------------|
| Trade payables due within 12 months | 72,404 | 65,957 | 6,447 |
| Third-party trade payables | 72,404 | 65,957 | 6,447 |
| Payables to associates | 41 | 12 | 29 |
| <i>Idec Datalogic CO Ltd</i> | 12 | 2 | 10 |
| <i>Laservall Asia</i> | 26 | 1 | 25 |
| <i>Special Video</i> | | 5 | (5) |
| <i>Datasensor GMBH</i> | | 2 | (2) |
| <i>Datasensor UK</i> | | 0 | 0 |
| <i>Datalogic Automation AB</i> | 3 | 2 | 1 |
| Payables to related parties | 264 | 1,189 | (925) |
| Total trade payables | 72,709 | 67,158 | 5,551 |
| Other payables - current accrued liabilities and deferred income | 43,149 | 41,023 | 2,126 |
| Other payables - non-current accrued liabilities and deferred income | 2,577 | 2,779 | (202) |
| Total other payables - accrued liabilities and deferred income | 45,726 | 43,802 | 1,924 |
| Less: non-current portion | 2,577 | 2,779 | (202) |
| Current portion | 115,858 | 108,181 | 7,677 |

Other payables - accrued liabilities and deferred income

The detailed breakdown of this item is as follows:

| | 31.03.2012 | 31.12.2011 | Change |
|--------------------------|-------------------|-------------------|---------------|
| Other current payables | 24,811 | 26,732 | (1,921) |
| Other long-term payables | 2,577 | 2,779 | (202) |
| VAT liabilities | 4,058 | 2,165 | 1,893 |
| Accruals and deferrals | 14,280 | 12,126 | 2,154 |
| Total | 45,726 | 43,802 | 1,924 |

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

| | 31.03.2012 | 31.12.2011 | Change |
|--|-------------------|-------------------|----------------|
| Payables to pension and social security agencies | 4,102 | 3,900 | 202 |
| Payables to employees | 18,002 | 19,761 | (1,759) |
| Directors' remuneration payable | 2,361 | 2,508 | (147) |
| Other payables | 346 | 563 | (217) |
| Total | 24,811 | 26,732 | (1,921) |

Amounts payable to employees represent the amount due for salaries and vacations accrued by employees as at the reporting date; we note that this item includes:

- Euro 1,053 thousand due to the inclusion in the consolidation area of Accu-Sort System Inc;
- Euro 5,210 thousand for early retirement incentives allocated in 2011 which had not yet been paid (Euro 7,205 thousand as at 31 December 2011).

INFORMATION ON THE INCOME STATEMENT

Note 17 - Revenues

| | 31.03.2012 | 31.03.2011 | Change |
|--------------------------------|----------------|----------------|---------------|
| Revenues from sale of products | 110,363 | 100,864 | 9,499 |
| Revenues for services | 5,020 | 4,092 | 928 |
| Total | 115,383 | 104,956 | 10,427 |

Revenues earned from sales of goods and services decreased by 9.9% year on year (7.8% at constant exchange rates)

The acquisitions of PPT Vision Inc (20 December 2011) and the Accu-Sort Group (20 January 2012) have contributed respectively to the sales revenues as at 31 March 2012 by Euro 1,140 thousand and Euro 8,583 thousand.

Below is the regional breakdown of revenues in percentage terms:

| | 31.03.2012 | 31.03.2011 | Change |
|-------------------------|------------|------------|--------|
| Revenue in Italy | 9% | 11% | -2% |
| Revenue – EU | 41% | 41% | 0% |
| Revenue – Rest of World | 50% | 48% | 2% |

Note 18 - Cost of goods sold and operating costs

Pursuant to the introduction of IAS, the following table reports non-recurring costs and amortisation arising from acquisitions as extraordinary items no longer listed separately but included in ordinary operations.

| | 31.03.2012 | 31.03.2011 | Change |
|---|----------------|---------------|---------------|
| TOTAL COST OF GOODS SOLD (1) | 62,197 | 55,540 | 6,657 |
| <i>of which non-recurring</i> | | | 0 |
| TOTAL OPERATING COSTS (2) | 43,742 | 38,733 | 5,009 |
| Research and development costs | 7,974 | 6,793 | 1,181 |
| <i>of which non-recurring</i> | | | 0 |
| Distribution expenses | 22,312 | 19,988 | 2,324 |
| <i>of which non-recurring</i> | | | 0 |
| General & administrative expenses | 12,273 | 11,477 | 796 |
| <i>of which non-recurring</i> | | | 0 |
| <i>of which amortisation pertaining to acquisitions</i> | 928 | 1,107 | (179) |
| Other operating costs | 1,183 | 475 | 708 |
| <i>of which non-recurring</i> | | | 0 |
| TOTAL (1+2) | 105,939 | 94,273 | 11,666 |
| of which non-recurring | 0 | 0 | 0 |
| of which amortisation pertaining to acquisitions | 928 | 1,107 | (179) |

The following table shows the cost of goods sold and the operating costs of PPT Vision Inc and of the Accu-Sort Group as at 31 March 2012.

| | PPT Vision Inc | Accu-Sort Group | Total impact of acquisitions |
|---|----------------|-----------------|------------------------------|
| | 31.03.2012 | 31.03.2012 | 31.03.2012 |
| TOTAL COST OF GOODS SOLD (1) | 573 | 6,006 | 6,579 |
| <i>of which non-recurring</i> | | | |
| TOTAL OPERATING COSTS (2) | 716 | 3,328 | 4,044 |
| Research and development costs | 146 | 878 | 1,024 |
| <i>of which non-recurring</i> | | | |
| Distribution expenses | 443 | 1,148 | 1,591 |
| <i>of which non-recurring</i> | | | |
| General & administrative expenses | 127 | 636 | 763 |
| <i>of which non-recurring</i> | | | |
| <i>of which amortisation pertaining to acquisitions</i> | | | |
| Other operating costs | 0 | 666 | 666 |
| <i>of which non-recurring</i> | | | |
| TOTAL (1+2) | 1,289 | 9,334 | 10,623 |

The amortisation from acquisitions (of Euro 928 thousand) included under "General & administrative expenses" are comprised of:

1. Euro 531 thousand pertaining to Datalogic ADC Inc,
2. Euro 110 thousand pertaining to Datalogic Automation Srl,
3. Euro 153 thousand pertaining to Informatics Inc,
4. Euro 134 thousand pertaining to Evolution Robotics Retail Inc.

Total cost of goods sold (1)

This item has increased by 11.99% (9.06% at constant exchange rates) compared to the same period in 2011, against an increase in revenues of 9.9%. This increase is mainly attributable to the inclusion of the Accu-Sort group in the consolidation area for which the incidence of fixed costs on revenues in the first quarter was very high. Given the same consolidation area as March 2011 and constant exchange rates, this item would have been decreased by 2.3% compared to the same period in 2011.

Total operating costs (2)

The operating costs, net of the non-recurring items and the amortisation inherent in the acquisitions, increased by 13.79% from Euro 37,626 thousand to Euro 42,814 thousand. At constant exchange rates and net of extraordinary costs, the increase would have been Euro 4,267 thousand (11.34%). Given the same consolidation area as March 2011 and constant exchange rates, this item would have been practically equal to the same period in 2011.

In particular:

- The **“Research and development expenses”** increased by Euro 1,181 thousand compared to the same period last year (+ Euro 1,010 thousand at constant exchange rates equal to 14.87%); this increase is mainly attributable to the increase in payroll costs of Euro 847 thousand (of these Euro 731 thousand refer to Accu-Sort Systems Inc which was acquired in January 2012 and Euro 133 which refer to PPT Vision Inc acquired in December 2011);
- The **“distribution expenses”** amount to Euro 22,312 thousand and have increased by Euro 2,324 thousand compared to the first quarter of 2011 (+ Euro 1,771 at constant exchange rates) on account of:
 - increases in the payroll costs of Euro 1,266 thousand, attributed mainly to the inclusion in the consolidation area of Accu-Sort Systems Inc (Euro 698 thousand) and PPT Vision (Euro 322 thousand);
 - an increase in the transport costs which have increased by Euro 445 thousand;
 - an increase in the consulting costs by Euro 176 thousand;
 - an increase of costs for travel and accommodation (increase of Euro 151 thousand of which Euro 192 thousand attributable to Accu-Sort System Inc and PPT Vision Inc);
- **“General and administrative expenses”** were Euro 12,273 thousand. Net of extraordinary items and at constant exchange rates, this item increased by Euro 811 thousand compared with the same period of the previous year (equal to 7.82%). In particular, at constant average exchange rates, there was an increase in the costs for the remuneration of directors (including the amount allocated in the period for the long term incentive plan) and for consulting.

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

| | 31.03.2012 | 31.03.2011 | Change |
|----------------------------------|-------------------|-------------------|---------------|
| Capital losses on assets | 37 | 37 | 0 |
| Contingent liabilities | 39 | 46 | (7) |
| Provisions for doubtful accounts | 41 | 82 | (41) |
| Non-income taxes | 283 | 181 | 102 |
| Cost charge backs | 64 | 119 | (55) |
| Other | 719 | 10 | 709 |
| Total | 1,183 | 475 | 708 |

The essential increase in the “other” item is due to Euro 700 thousand to Accu-Sort System Inc, in relation to the allocation of costs for retention incentives to management executives of the acquired companies.

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:

| | 31.03.2012 | 31.03.2011 | Change |
|--|-------------------|-------------------|---------------|
| Purchases | 53,962 | 42,794 | 11,168 |
| Inventory change | (7,553) | (3,010) | (4,543) |
| Payroll & employee benefits | 32,751 | 29,681 | 3,070 |
| Goods receipt & shipment | 4,065 | 3,183 | 882 |
| Amortisation, depreciation and write-downs | 3,309 | 3,790 | (481) |
| Technical, legal, and tax advisory services | 2,981 | 2,272 | 709 |
| Travel & accommodation | 2,026 | 1,481 | 545 |
| Marketing expenses | 1,537 | 1,639 | (102) |
| Directors' remuneration | 1,527 | 1,410 | 117 |
| Building expenses | 1,524 | 1,187 | 337 |
| Repairs | 1,095 | 1,038 | 57 |
| Vehicle expenses | 1,017 | 845 | 172 |
| Material collected from the warehouse | 809 | 686 | 123 |
| EDP expenses | 567 | 379 | 188 |
| Consumables | 560 | 302 | 258 |
| Utilities | 525 | 523 | 2 |
| Accounts certification expenses | 479 | 367 | 112 |
| Telephone expenses | 450 | 536 | (86) |
| Subcontracted work | 362 | 2,071 | (1,709) |
| Meetings expenses | 297 | 151 | 146 |
| Commissions | 278 | 272 | 6 |
| Entertainment expenses | 244 | 269 | (25) |
| Expenses for quality certification | 211 | 54 | 157 |
| Insurance | 199 | 173 | 26 |
| Leasing and maintenance of plant and machinery | 184 | 199 | (15) |
| Stationery and printed materials | 148 | 95 | 53 |
| Other | 2,385 | 1,886 | 499 |
| Total (1+2) | 105,939 | 94,273 | 11,666 |

The decrease in the "subcontracted work" item is mainly attributable to the passage of one of the group's strategic suppliers from a "project account" to a "full contract."

The increase in the "travel and accommodation" item is attributable to the change in the consolidation area (Euro 592 thousand).

Euro 200 thousand of the increase in the "technical, legal and tax consulting" item is due to the change in the consolidation area and the higher costs relating to the new patents.

The costs for the receipt and sending of merchandise increased by Euro 882 thousand.

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

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

| | 31.03.2012 | 31.03.2011 | Change |
|--|-------------------|-------------------|---------------|
| Wages and salaries | 24,439 | 22,405 | 2,034 |
| Social security charges | 4,863 | 4,534 | 329 |
| Staff leaving indemnities | 404 | 413 | (9) |
| Retirement and similar benefits | 340 | 235 | 105 |
| Medium- to long-term managerial incentive plan | 1,548 | 1,085 | 463 |
| Other costs | 1,157 | 1,009 | 148 |
| <i>of which leaving incentives</i> | 14 | 233 | (219) |
| Total | 32,751 | 29,681 | 3,070 |

The “wages and salaries” item of Euro 24,439 thousand includes *sales commissions and incentives* of Euro 2,960 thousand (Euro 3,484 thousand as at 31 March 2011); we note furthermore that Euro 3,474 thousand relating to the Accu-Sort Group and PPT Vision Inc are included.

Note 19 - Other operating revenues

The detailed breakdown of this item is as follows:

| | 31.03.2012 | 31.03.2011 | Change |
|---|-------------------|-------------------|---------------|
| Miscellaneous income and revenue | 119 | 263 | (144) |
| Rents and lease amounts | 53 | 40 | 13 |
| Capital gains on asset disposals | 23 | 42 | (19) |
| Incidental income and cost cancellation | | 38 | (38) |
| Grants to research and development expenses | 48 | 6 | 42 |
| Other | 5,500 | 34 | 5,466 |
| Total | 5,743 | 423 | 5,320 |

The “other” item consists of the capital gain realized from the sale of certain assets, such as patents, knowhow and other intangible assets relating to the RFID business.

Note 20. Net financial income/expenses

| | 31.03.2012 | 31.03.2011 | Change |
|--|-------------------|-------------------|----------------|
| Interest expenses on bank current accounts/loans | 1,533 | 1,357 | 176 |
| Foreign exchange losses | 6,569 | 6,686 | (117) |
| Bank expenses | 207 | 282 | (75) |
| Other | 212 | 197 | 15 |
| Total financial expenses | 8,521 | 8,522 | (1) |
| Interest income on bank current accounts/loans | 268 | 358 | (90) |
| Foreign exchange gains | 2,345 | 5,126 | (2,781) |
| Other | 1,095 | 4 | 1,091 |
| Total financial income | 3,708 | 5,488 | (1,780) |
| Net financial income (expenses) | (4,813) | (3,034) | (1,779) |

Total financial expenses

The “foreign exchange losses” item of Euro 6,569 thousand is mainly attributable to the Parent Company (Euro 5,894 thousand), the Automatic Data Capture Group (Euro 345 thousand), the Industrial Automation Group (Euro 330 thousand).

Total financial income

The “foreign exchange gains” item of Euro 2,345 thousand is mainly attributable to the Parent Company (Euro 1,767 thousand) and the Automatic Data Capture Group (Euro 795 thousand).

The “other” item includes costs of Euro 1,091 thousand from the adjustment to fair value of treasury credit certificates recognized under the item “Other securities” (note 5).

Note 21 - Taxes

| | 31.03.2012 | 31.03.2011 | Change |
|--------------|------------|--------------|----------------|
| Income tax | 6,708 | 2,250 | 4,458 |
| Deferred tax | (6,346) | 279 | (6,625) |
| Total | 362 | 2,529 | (2,167) |

The average tax rate comes to 3.48% (30.73% at 31 March 2011).

Note 22 - Earnings/loss per share**Basic Earnings/loss per share**

| | 31.03.2012 | 31.03.2011 |
|--|---------------|---------------|
| Group profit/(loss) for period | 10,046,000 | 5,659,000 |
| Average number of shares | 56,375,826 | 54,334,777 |
| Basic earnings/(loss) per share | 0.1782 | 0.1042 |

Basic EPS at 31 March 2012 was calculated by dividing Group net profit of Euro 10,046 thousand (Group net profit of Euro 5,659 thousand at 31 March 2011) by the weighted average number of ordinary shares outstanding at 31 March 2012 (56,375,826 shares, compared with 54,334,777 at 31 March 2011).

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

For the definition of "related parties", see both IAS 24, approved by EC Regulation no. 1725/2003, and the internal Regulation approved by the Board of Directors on 4 November 2010.

The Parent Company of the Datalogic Group is Hydra 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 and non-instrumental premises for the Group under lease or leased to the Parent Company) as well as to companies joining the scope of tax consolidation. None of these assumes particular economic or strategic importance for the Group since receivables, payables, revenues and cost to the related parties are not a significant proportion of the total amount of the financial statements.

| 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 31/03/2012 |
|---|-------------------------|-------------------------------|-----------------------------------|--|---|---|---|-----------------------|-------------------------|
| | associate | Parent Company | company headed by Chairman of BoD | associates | company controlled by a company Body member | company controlled by a company Body member | company controlled by a company Body member | associate | |
| Equity investments | 1,065 | - | - | 86 | - | - | - | 1,427 | 2,578 |
| Industrial Automation Group | 1,065 | | | 86 | | | | 1,427 | 2,578 |
| Trade receivables - accrued income and prepayments | 590 | - | 76 | 1,070 | - | - | - | 602 | 2,338 |
| Industrial Automation Group | 590 | | 74 | 1,060 | | | | 602 | 2,326 |
| Automatic Data Capture Group | | | | 10 | | | | | 10 |
| Real Estate | | | 2 | | | | | | 2 |
| Receivables pursuant to tax consolidation | - | 2,130 | - | - | - | - | - | - | 2,130 |
| DI Spa | | 938 | | | | | | | 938 |
| Datalogic Real Estate Srl | | 16 | | | | | | | 16 |
| DI Scanning Spa | | 165 | | | | | | | 165 |
| DI Scanning Group Srl | | 857 | | | | | | | 857 |
| DI Mobile Srl | | 154 | | | | | | | 154 |
| Liabilities pursuant to tax consolidation | - | 4,284 | - | - | - | - | - | - | 4,284 |
| Industrial Automation Group | | 2,530 | | | | | | | 2,530 |
| DI Ip Tech Srl | | 104 | | | | | | | 104 |
| DI Scanning Spa | | 614 | | | | | | | 614 |
| DI Scanning Group Srl | | 1,036 | | | | | | | 1,036 |
| Trade payables | 12 | - | 106 | 3 | 110 | | 48 | 26 | 305 |
| DI Spa | | | | | 89 | | 48 | | 137 |
| DI Scanning Group Srl | | | | | 5 | | | | 5 |
| Industrial Automation Group | 12 | | 106 | 3 | 16 | | | 26 | 163 |
| Distribution / service expenses | 12 | - | 129 | 51 | 65 | | 48 | 30 | 335 |
| DI Spa | | | 12 | | 44 | | 48 | | 104 |
| Industrial Automation Group | 12 | | 117 | 51 | 16 | | | 30 | 226 |
| DI Scanning Group Srl | | | | | 5 | | | | 5 |
| Commercial revenue | 646 | - | - | 989 | - | | - | 1,344 | 2,979 |
| Industrial Automation Group | 646 | | | 989 | | | | 1,344 | 2,979 |
| Profits from associates | 59 | - | - | - | | | - | (25) | 34 |
| Automation Group | 59 | | | | | | | (25) | 34 |

NUMBER OF EMPLOYEES

| | 31.03.2012 | 31.03.2011 | Change |
|------------------------------|-------------------|-------------------|---------------|
| Industrial Automation Group | 846 | 598 | 248 |
| Automatic Data Capture Group | 1,632 | 1,290 | 342 |
| Corporate Group | 68 | 52 | 16 |
| Informatics | 113 | 111 | 2 |
| Total | 2,659 | 2,074 | 608 |

The increase in the personnel of the Industrial Automation Group is related to the change in the consolidation area (+ 247 persons).

The Chairman of the Board of Directors
Signed Romano Volta

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

Oggetto: Resoconto Intermedio di gestione al 31 marzo 2012

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 2012 corrisponde alle risultanze documentali, ai libri e alle scritture contabili.


Datalogic S.p.A.

(Marco Rondelli)