



**Moving
ahead**

First Half 2011 Conference Call

29th July, 2011

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✦ HIGHLIGHTS

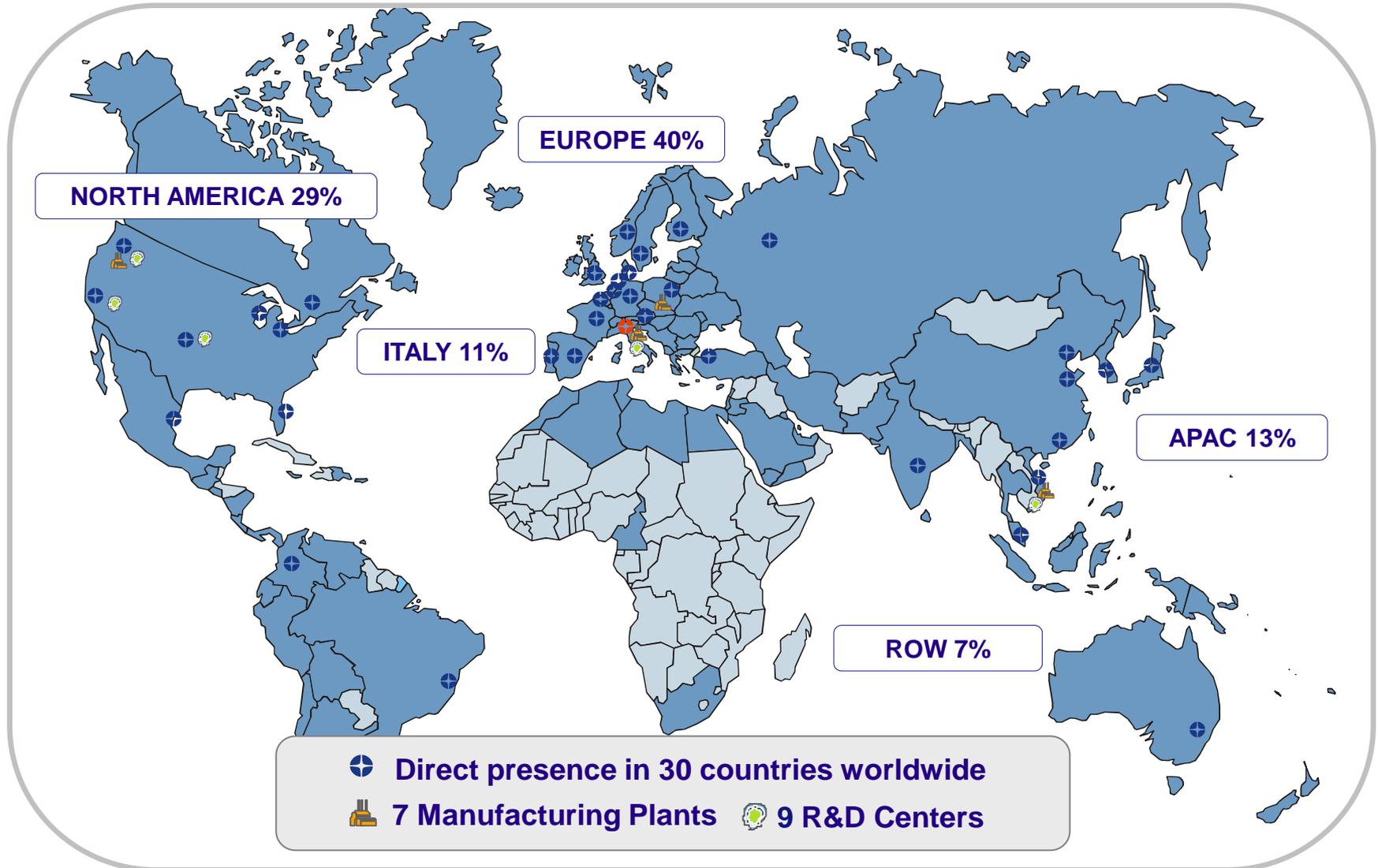
✦ 1H11 RESULTS

✦ OUTLOOK



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

2010 REVENUES – TOTAL €393M - BREAKDOWN BY AREA





Achievements

† **Datalogic Automation** is ranked **second best in the world** of industrial barcode scanners with laser and vision technologies as result of a recent market survey presented by VDC Research Group, Inc. (VDC) for the year 2010

Partnerships

† New commercial agreements in **the Self-Shopping Experience** have been finalised with **INCO in Denmark**, with **Mega Image, a company of Delhaize Group in Rumania**, and with **Selver in Estonia**. For these agreements finalized, a total of about 300 terminals have been supplied to the three retailers

† **Datalogic Mobile** completed installation of 750 Skorpio Gun™ mobile computers at the superstore, **Hastings Entertainment, a leader in American chains** for the sales of entertainment products. The company has 147 stores in 20 states. Books, movies, videogames and other multimedia products can be bought, rented or sold online or in the stores

† **Datalogic and Zucchetti become Partners**. The two companies, leaders in their respective markets, will collaborate together to create a personal and environmental safety solution based on barcode and RFID technology

† **Coop Lombardia chooses Datalogic's self-shopping solution** for its first Hypermarket to guarantee its members a unique shopping experience in terms of speed, autonomy and fun.



◆ HIGHLIGHTS

◆ 1H11 RESULTS

◆ OUTLOOK

- ✦ **Record results in 2Q11:**
 - ✦ **10th consecutive quarters of growth:** revenues driven by Scanning and Automation
 - ✦ Strong EBITDA growth, +10% YOY, and improvement of profitability with **EBITDA margin at 16%**
- ✦ In 2Q the new Supply Chain project in the ADC segment started: 8 M Euro of non recurring costs, of which 0.5 M Euro accounted in the ordinary costs
- ✦ R&D expenses stable at 6.4% on revenues

€000	2Q2010	2Q2011	Var %
Revenues	101,312	105,291	3.9%
Gross Operating Margin (GOM)	47,060	49,399	5.0%
Ord. Operating Profit (EBITANR*)	12,448	14,301	14.9%
Operating Profit (EBIT)	11,760	5,818	(50.5%)
EBT	11,610	3,701	(68.1%)
Net Income	7,120	2,159	(69.7%)
EBITDA	15,338	16,868	10.0%

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



- ✦ In 1H 2011 the project to merge Datalogic Scanning and Datalogic Mobile Operations structure into one redesigned **Global Supply Chain** serving ADC market and insuring **World Class Operations** started

✦ Main expected results

- ✦ Fully leverage Vietnam plant capability and realize 90% of total production in Vietnam by 2012
- ✦ Implement an efficient, flexible global supply chain management with Trade Working Capital at ~15% on sales
- ✦ Savings for around 12.5 M Euro starting from 2012 ensuring payback in one year

✦ Main impact on 1H 2011 results

- ✦ Extraordinary costs for around 11 M Euro expected in 2011; payback < 1 year
- ✦ In 1H2011 8.5 M Euro (over 80% of expected extraordinary costs) have been accounted:
 - 1,1 M Euro accounted as ordinary costs
 - 7.4 M Euro accounted as non recurring costs

€000	1H2010 (A)	1H2011 (B)	1H2011 w/o Supply Chain (C)	B/A %	C/A %
Supply Chain Operating Costs		(1,062)			
EBITDA	25,923	31,764	32,826	22.5%	26.6%
Non Recurring Costs		(7,414)			
Net Income	11,255	7,818	13,794	(30.5%)	22.6%

000€	Last Year 1H2010	%	Actual 1H 2011	%	Var %
Revenues	190,832	100.0%	210,247	100.0%	10.2%
COGS	(103,298)	-54.1%	(111,432)	-53.0%	
Gross Operating Margin	87,534	45.9%	98,815	47.0%	12.9%
Other revenues	606	0.3%	1,780	0.8%	
R&D	(12,659)	-6.6%	(13,389)	-6.4%	
Distribution Costs	(36,821)	-19.3%	(39,372)	-18.7%	
Administrative expenses	(17,587)	-9.2%	(20,441)	-9.7%	
Other operating expenses	(928)	-0.5%	(879)	-0.4%	
Total operating expenses and others	(67,995)	-35.6%	(74,081)	-35.2%	
Ordinary Operating Profit (EBITANR) (*)	20,145	10.6%	26,514	12.6%	31.6%
Non recurring costs/rev	338	0.2%	(7,414)	-3.5%	
Amort. Intang. Assets from acquis.	(1,999)	-1.0%	(2,176)	-1.0%	
Operating Profit (EBIT)	18,484	9.7%	16,924	8.0%	-8.4%
Financial (costs)/rev.	(3,037)	-1.6%	(2,905)	-1.4%	
Results from equity investments	86	0.0%	219	0.1%	
Foreing exchange (costs)/rev.	2,290	1.2%	(2,349)	-1.1%	
EBT	17,823	9.3%	11,889	5.7%	-33.3%
Taxes	(6,568)	-3.4%	(4,071)	-1.9%	
Net Income	11,255	5.9%	7,818	3.7%	-30.5%
Depreciation	(3,926)	-2.1%	(3,661)	-1.7%	
Amortization	(1,852)	-1.0%	(1,589)	-0.8%	
EBITDA	25,923	13.6%	31,764	15.1%	22.5%
<i>Exchange rate</i>	1.3268		1.4032		

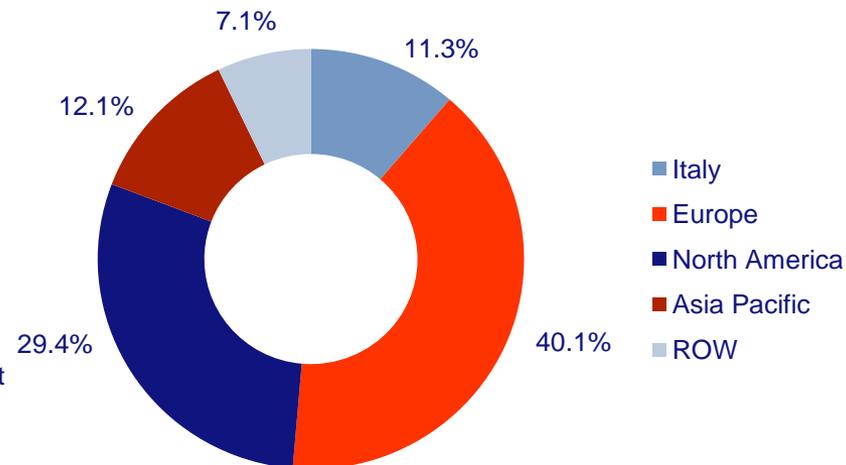
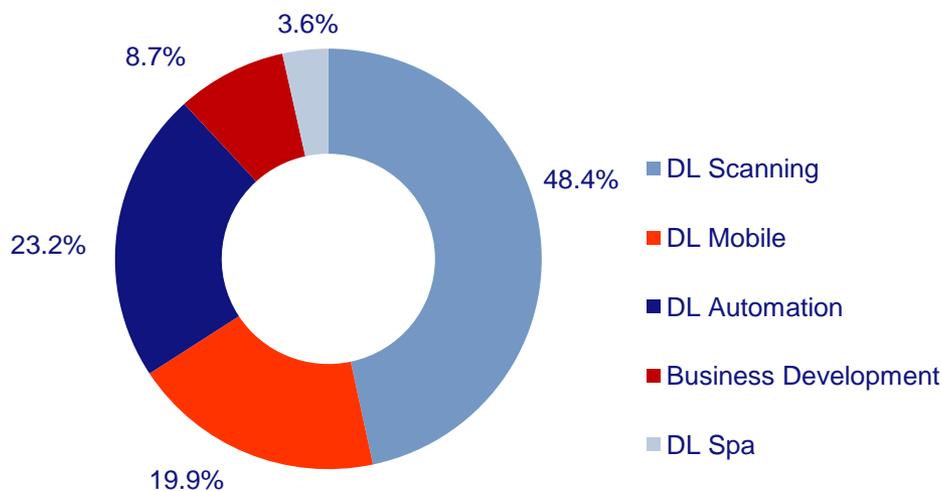
(*) Ordinary Operating Profit before non recurring costs/revenues and amortization of intangible assets from acquisition (EBITANR)

REVENUES BY DIVISION

€000	1H10	1H11	Var %
Datalogic Scanning	89,316	101,728	13.9%
Datalogic Mobile (*)	41,926	41,823	(0.2%)
Datalogic Automation	43,351	48,772	12.5%
Business Development	16,561	18,203	9.9%
Datalogic S.p.A.	6,906	7,557	9.4%
Adjustments	(7,228)	(7,836)	8.4%
Total revenues	190,832	210,247	10.2%

REVENUES BY AREA

€000	1H10	1H11	Var %
Italy	21,894	23,710	8.3%
Europe	75,455	84,281	11.7%
North America	53,681	61,878	15.3%
Asia Pacific	24,445	25,382	3.8%
ROW	15,357	14,996	(2.3%)
Total revenues	190,832	210,247	10.2%

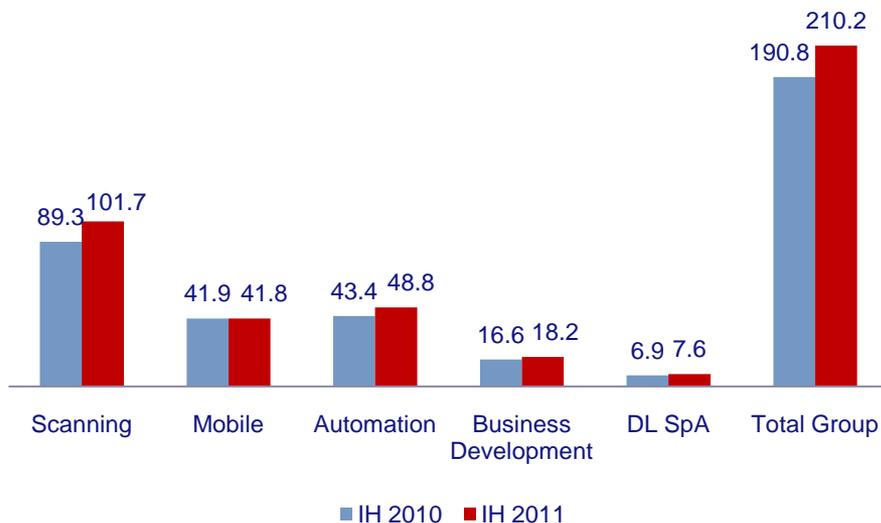


(*) Datalogic Mobile includes Enterprise Business Solutions BU

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

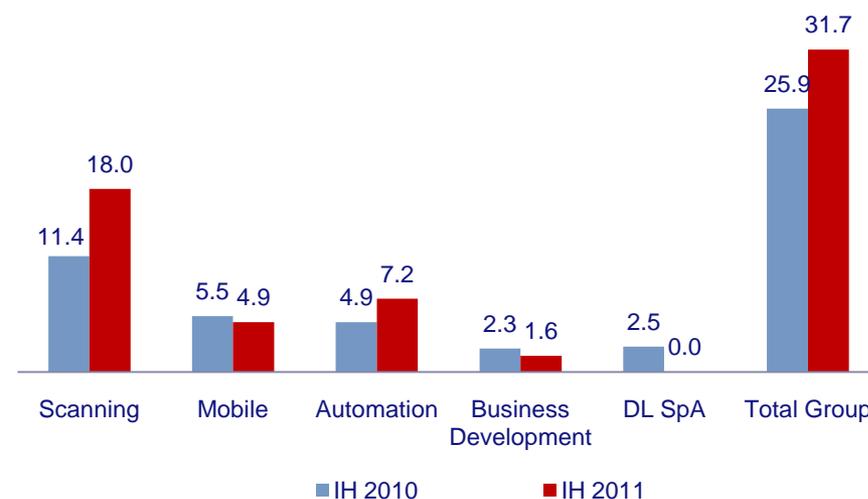
REVENUES

(€mln)



EBITDA

(€mln)



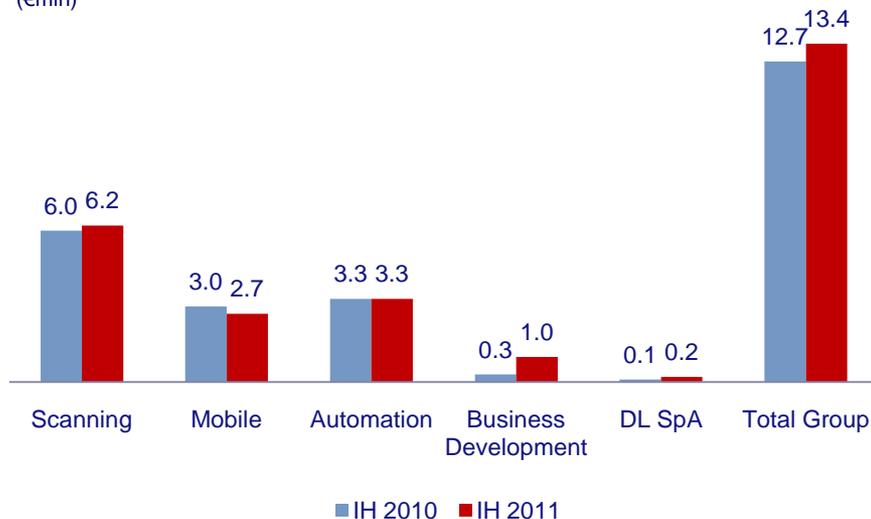
Revenues Growth	1H11/1H10
Scanning	13.9%
Mobile	(0.2%)
Automation	12.5%
Business Development	9.9%
Datalogic S.p.A.	9.4%
Total Group	10.2%

EBITDA Margin *	1H 2010	1H 2011
Scanning	12.8%	17.7%
Mobile	13.1%	11.7%
Automation	11.3%	14.8%
Business Development	13.9%	8.8%
Total Group	13.6%	15.1%

* EBITDA on total revenues

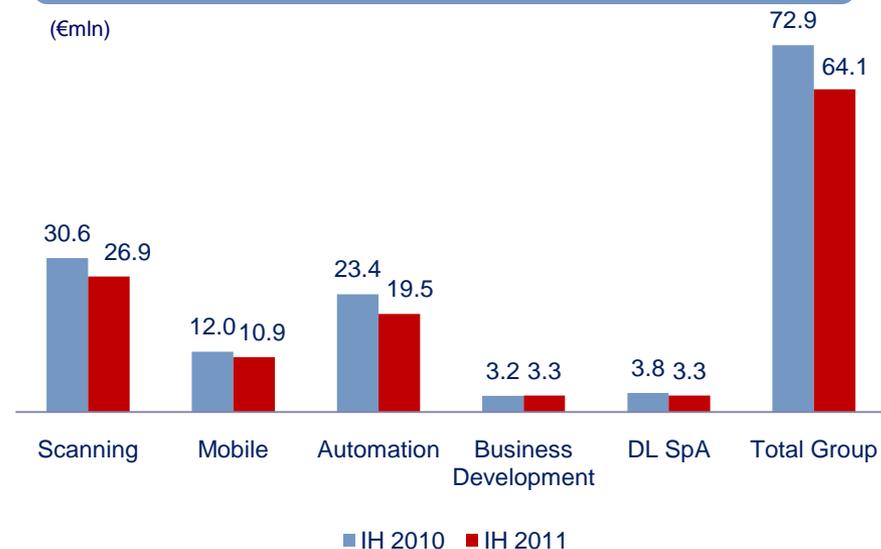
R&D COSTS

(€mln)



TWC

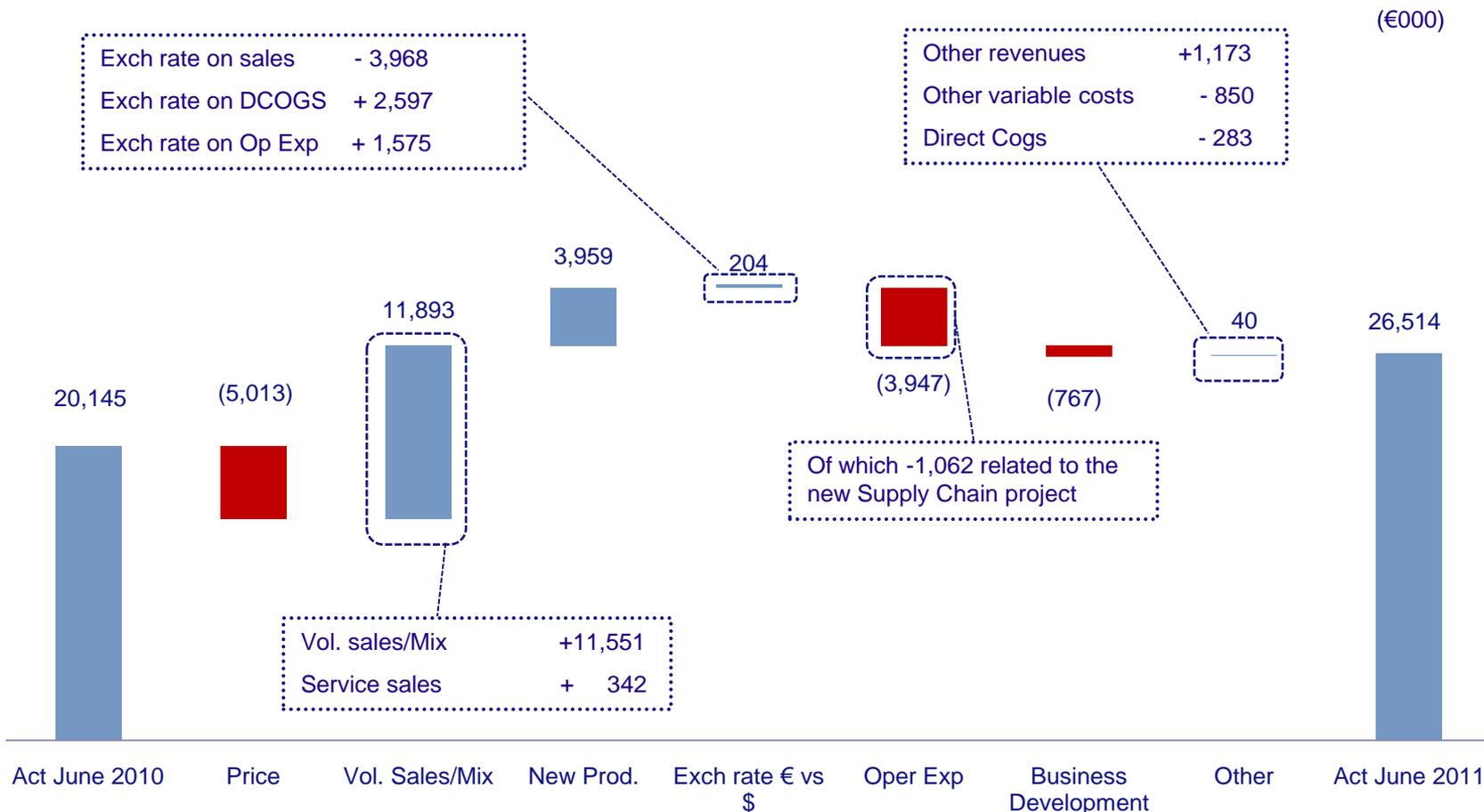
(€mln)



R&D/Revenues	1H 2010	1H 2011
Scanning	6.7%	6.1%
Mobile	7.2%	6.5%
Automation	7.6%	6.8%
Business Development	1.8%	5.5%
Total Group	6.7%	6.4%

TWC/Annualised Revenues	1H 2010	1H 2011
Scanning	17.1%	13.2%
Mobile	14.3%	13.0%
Automation	27.0%	20.0%
Business Development	9.7%	9.1%
Total Group	19.1%	15.2%

EBITANR * - 1H 2011 Actual vs. Last Year



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

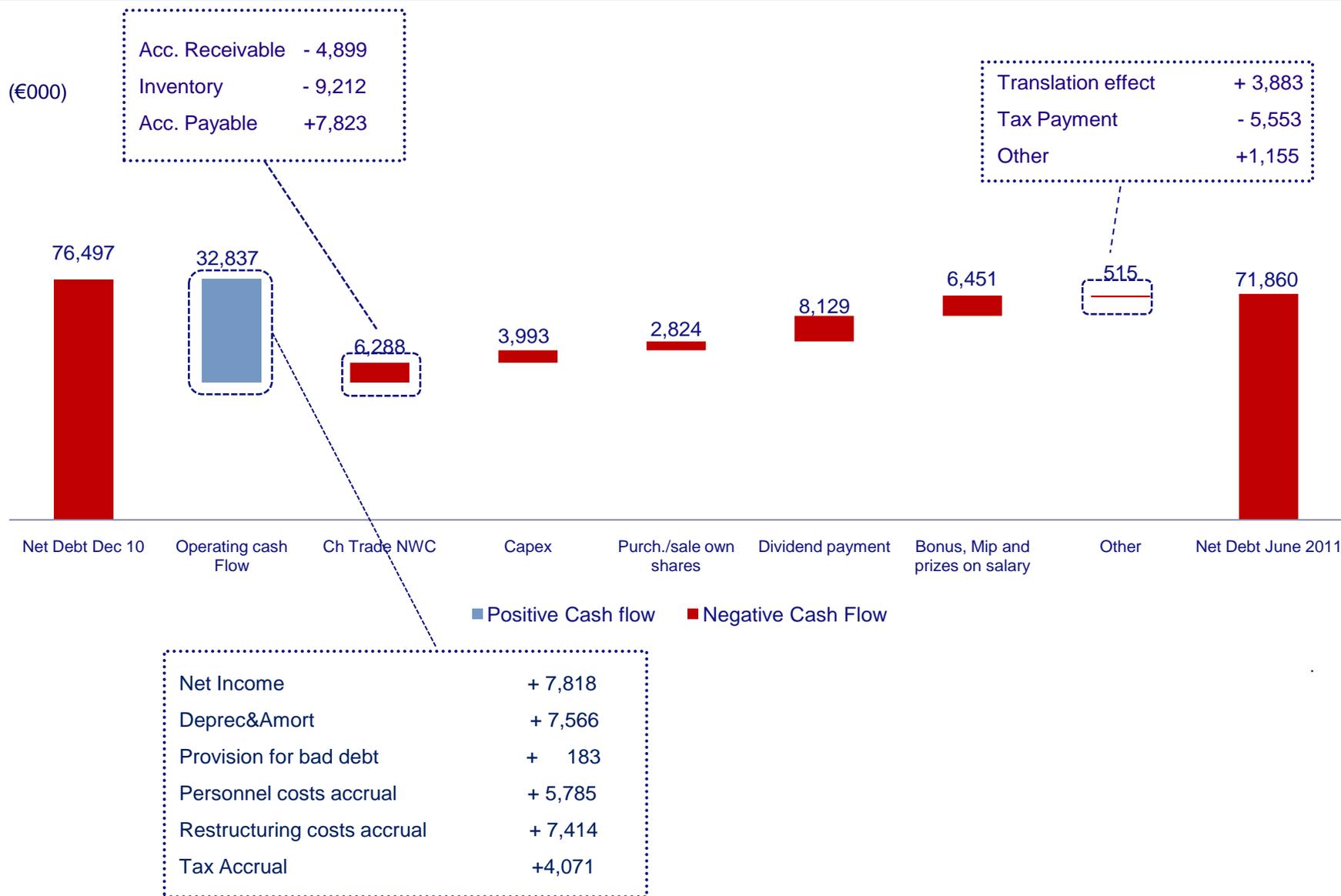
Note:

The Exchange rate variance has been calculated on Sales/COGS/Operating expenses originally denominated in USD (\$). The variance was the result of the difference between June'11 Actual (1,403) and June'10 Actual (1,327) €/USD exchange rate.

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

€000	At 31/12/2010	At 30/06/2011
Intangible fixed assets	40,998	35,674
Goodwill	106,088	99,076
Tangible fixed assets	50,042	48,548
Non Consolidated investments	3,286	3,655
Other fixed assets	23,088	23,790
Total Fixed Assets	223,502	210,743
Net trade account receivables	69,353	74,069
ST account payables	(56,688)	(64,511)
Inventory	45,308	54,520
Trade Working Capital	57,973	64,078
Other current receivables	16,827	16,616
Other ST payables and provision for risk & future charges	(47,553)	(54,130)
Net Working Capital	27,247	26,564
Other LT payables	(17,144)	(15,560)
Employees' severance Indemnity	(7,121)	(7,004)
LT provision for risk & future charges	(9,823)	(12,228)
Net Invested Capital	216,661	202,515
Equity	140,164	130,655
Net Financial Position	(76,497)	(71,860)
<i>Exchange rate</i>	1.3362	1.4453

Net Debt Analysis: Dec. 2010 – June 2011





✦ HIGHLIGHTS

✦ 1H11 RESULTS

✦ OUTLOOK

GLOBAL TRENDS

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



VALUE TO THE CUSTOMER

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



+8% average market growth* - 2009 through 2013

*Company's estimates based on available market trend data

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

- ✦ 2013 organic revenues target in the range of 470-480 mln Euro, CAGR at 11%
- ✦ 2013 EBITDA target in the range of 80-85 mln Euro, CAGR >45%
- ✦ 2013 EBITDA margin in the range of 17%-18%
- ✦ R&D investments between 6%-7% of revenues per year
- ✦ Strong cash generation and expected positive financial position in 2013
- ✦ Investment in capex stable at around 2.5% of revenues per year
- ✦ 2012 ROE target around 23%-24%

Thank You!

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We Welcome Your Questions!

