



Quarterly Financial Report at 30 September 2013



DATALOGIC GROUP

Quarterly Financial Report at 30 September 2013

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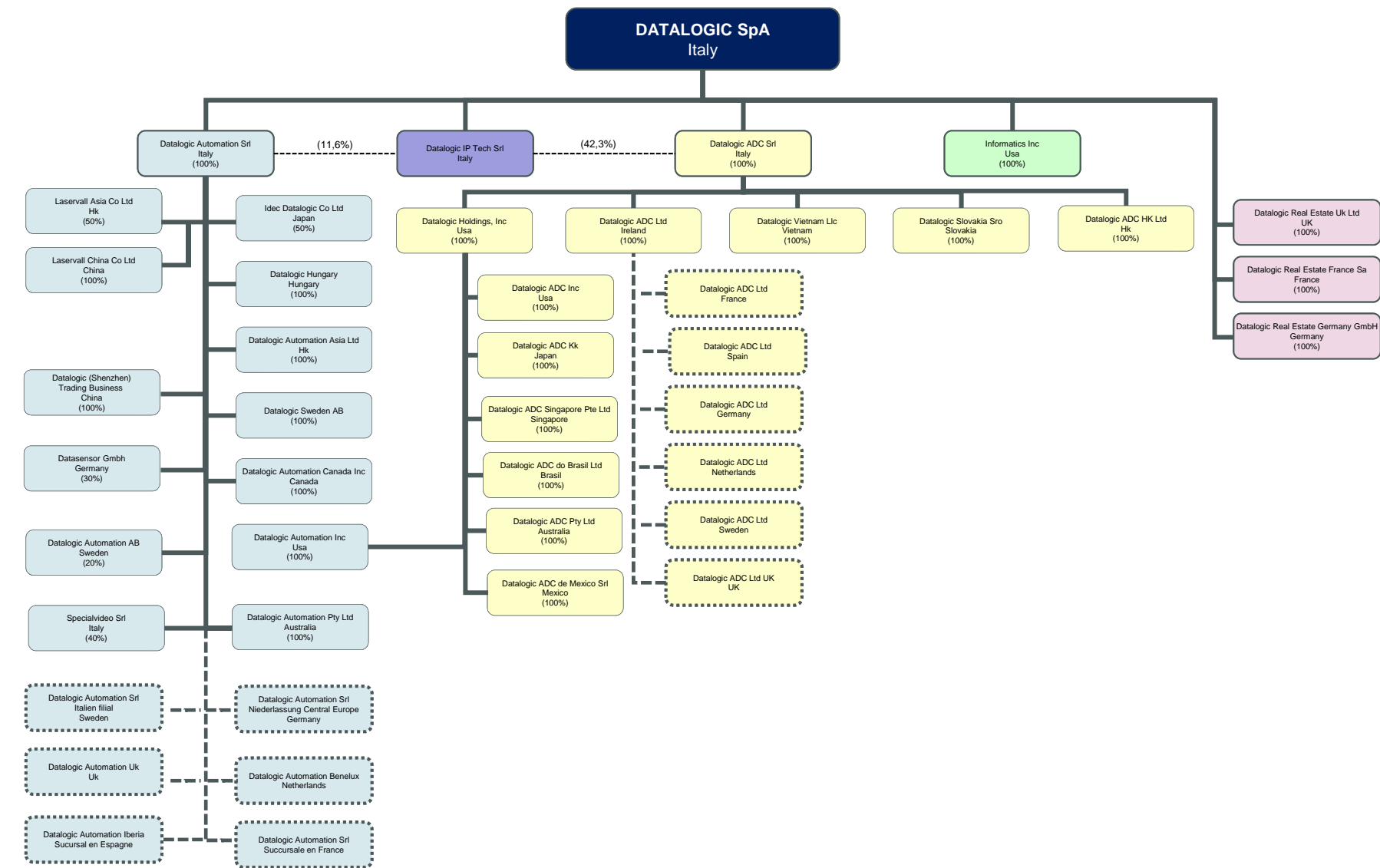
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ANNEXES

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)

Volta Romano
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)

Cervellera Enrico
Chairman

Ravaccia Mario Stefano Luigi
Statutory Auditor

Muserra Francesca
Statutory Auditor

Fuzzi Mario
Alternate Statutory Auditor

Biordi Stefano
Alternate Statutory Auditor

Bonfranceschi Paola
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 2015.

MANAGEMENT REPORT

REPORT ON OPERATIONS

To our Shareholders,

The report for the period ended 30 September 2013, which we submit to you for review, has been prepared in compliance with the instructions in the Borsa Italiana Regulations.

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

COMMENTS ON OPERATING AND FINANCIAL RESULTS

The following table summarises the Datalogic Group's key operating and financial results as at 30 September 2013 in comparison with the same period a year earlier (figures in Euro thousands):

	nine months ended		Change	% change
	30.09.2013	30.09.2012		
Total revenues	330,773	347,536	(16,763)	(4.8)%
EBITDA (*)	43,219	52,686	(9,467)	(18.0)%
% of total revenues	13.1%	15.2%		
Group net profit/loss	17,652	28,585	(10,933)	(38.2)%
% of total revenues	5.3%	8.2%		
Net financial position (NFP) (**)	(125,051)	(167,716)	42,665	(25.4)%

(*) EBITDA is a performance indicator not defined under IFRS. However, the management uses it to monitor and assess the company's operating performance as it is not influenced by 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 8.

As at 30 September 2013, the Datalogic Group had revenues of € 330,773 thousand (€ 347,536 thousand in the same period of the previous year), of which € 313,531 thousand derived from product sales and € 17,242 thousand from services.

Revenues grew by 4.8% compared with the same period of the previous year. At constant euro/dollar exchange rates, the decrease would have been 3.5%.

Group EBITDA was € 43,219 thousand, corresponding to 13.1% of total revenue, a decrease of € 9,467 thousand compared to the same period of the previous year (€ 52,686 thousand as at 30 September 2012).

Group net profit, which as at 30 September 2013 was € 17,652 thousand, is lower than the profit obtained in the same period of the previous year, equal to € 28,585 thousand. Net profit recorded last half year comprised € 5,500 thousand of positive income components connected with the sale of RFID assets.

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:

	nine months ended					
(in Euro thousands)	30.09.2013		30.09.2012		Change	% change
Total revenues	330,773	100.0%	347,536	100.0%	(16,763)	(4.8)%
Cost of sales	(174,212)	(52.7)%	(185,099)	(53.3)%	10,887	(5.9)%
Gross profit	156,561	47.3%	162,437	46.7%	(5,876)	(3.6)%
Other revenues	845	0.3%	6,299	1.8%	(5,454)	(86.6)%
Research and development expenses	(25,392)	(7.7)%	(23,824)	(6.9)%	(1,568)	6.6%
Distribution expenses	(62,071)	(18.8)%	(63,608)	(18.3)%	1,537	(2.4)%
General & administrative expenses	(32,563)	(9.8)%	(34,046)	(9.8)%	1,483	(4.4)%
Other operating costs	(1,468)	(0.4)%	(1,812)	(0.5)%	344	(19.0)%
Total operating cost and other costs	(121,494)	(36.7)%	(123,290)	(35.5)%	1,796	(1.5)%
Ordinary operating result before non-recurring costs and revenues and administrative costs arising from acquisitions (EBITANR)	35,912	10.9%	45,446	13.1%	(9,534)	(21.0)%
Non-recurring (costs) and revenues	1,059	0.3%	(3,805)	(1.1)%	4,864	n.a.
Depreciation & amortisation due to acquisitions (*)	(4,359)	(1.3)%	(4,230)	(1.2)%	(129)	3.0%
Operating result (EBIT)	32,612	9.9%	37,411	10.8%	(4,799)	(12.8)%
Net financial income (expenses)	(5,129)	(1.6)%	(5,563)	(1.6)%	434	(7.8)%
Associates' earnings/(losses)	250	0.1%	180	0.1%	70	38.9%
Foreign exchange earnings/(losses)	(1,938)	(0.6)%	83	0.0%	(2,021)	n.a.
Pre-tax profit/(loss)	25,795	7.8%	32,111	9.2%	(6,316)	(19.7)%
Taxes	(8,143)	(2.5)%	(3,526)	(1.0)%	(4,617)	130.9%
GROUP NET PROFIT/(LOSS)	17,652	5.3%	28,585	8.2%	(10,933)	(38.2)%
Amortisation and write-downs of Tangible assets	(5,631)	(1.7)%	(5,758)	(1.7)%	127	(2.2)%
Amortisation and write-downs of Intangible assets	(1,676)	(0.5)%	(1,482)	(0.4)%	(194)	13.1%
EBITDA	43,219	13.1%	52,686	15.2%	(9,467)	(18.0)%

(*) 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 that matches figures reported in year-end financial statements.

Total revenue for the first nine months of 2013 stood at € 330.8 million, down by 4.8% compared with € 347.5 million reported in the same period of the previous year.

In the third quarter, revenues of € 112 million increased by 1.2% compared to € 110.7 million recorded in the same period of 2012.

The booking (already acquired orders) during the quarter was equal to € 106 million.

The Automatic Data Capture (ADC) Division, specialised in the manufacture of fixed bar code readers for the retail market, manual readers and mobile computer for warehouse management, recorded a turnover of € 202.6 million (€ 222 million in the same period of 2012). This division is especially affected by the seasonal effect that characterises the third quarter of the year and is still affected by the reflective trend, at the macroeconomic level, of the retail segment that induces to delay investments.

The Industrial Automation Division, specialised in the production of automatic identification systems, security, detection and marking for the Industrial Automation market, reported a turnover of € 104.9 million (€ 99 million in the same period of 2012). This division benefited from a general recovery in the main sectors of reference compared to the previous financial year.

Lastly, Informatics reported a turnover of € 23.4 million (€ 26.7 million in the same period of 2012).

Gross profit decreased, in percentage terms, by 3.6% compared to the same period of 2012, while the impact on revenues increased, from 46.7% to 47.3%.

The "Other Revenues" item decreased by € 5,454 thousand compared to the same period last year, by reason of the fact that in the first nine months of 2012, this item included the sale of some assets such as patents, know-how and other intangible assets pertaining to the RFID business sector, totalling € 5,500 thousand.

Operating costs are lower by € 1,796 thousand over the same period of 2012 in absolute value, but they have increased (+1.2%) compared to the previous year in terms of percentage impact on revenues.

It is worth noting that the Group significantly increased investments in R&D expenses, both in absolute value (from € 23,824 thousand in September 2012 to € 25,392 thousand in September 2013), and in percentage on revenues (from 6.9% to 7.7% in the corresponding nine months), by reason of the fact that these investments are deemed as a key lever for the business development.

In the nine months ended 30 September 2013, the non-recurring (cost) and revenues item shows a positive amount of € 1,059 thousand and it entirely relates to incentives to leave allocated in the previous year and charged back in the period due to the review and subsequent definition of the restructuring plan.

The breakdown of this item, as included in the balance-sheet statement, is as follows:

ITEM	AMOUNT
2) "Cost of goods sold"	62
4) "R&D expenses"	4
5) "Distribution expenses"	975
6) "General and administrative expenses"	18
TOTAL NON-RECURRING COSTS	1,059

In the nine months ended 30 September 2013, depreciation and amortisation due to acquisitions (totalling € 4,359 thousand) broke down as follows:

	nine months ended		
	30.09.2013	30.09.2012	Change
Acquisition of the PSC Group (on 30 November 2006)	1,586	1,633	(47)
Acquisition of Laservall SPA (on 27 August 2004)	331	331	-
Acquisition of Informatics Inc. (on 28 February 2005)	456	469	(13)
Acquisition of Evolution Robotics Retail Inc. (concluded on 1 July 2010)	401	410	(9)
Acquisition of Accu-Sort Inc. (concluded on 20 January 2012)	1,585	1,387	198
TOTAL	4,359	4,230	129

The "Ordinary operating result" (EBITANR) was € 35,912 thousand (10.9% of revenues) and decreased over the amount registered for the same period of the previous year (€45,446 thousand).

The next two tables compare the main operating results achieved in the third quarter of 2013 with the same period in 2012.

	QIII 2013		QIII 2012		Change	% change
TOTAL REVENUES	112,004	100.0%	110,676	100.0%	1,328	1.2%
EBITDA	16,987	15.2%	12,037	10.9%	4,950	41.1%
EBITANR (*)	14,671	13.1%	9,817	8.9%	4,854	49.4%
EBIT	13,225	11.8%	6,083	5.5%	7,142	117.4%

The next two tables compare the main operating results achieved in the third quarter of 2013 with the second quarter of 2013.

	QIII 2013		QII 2013		Change	% change
TOTAL REVENUES	112,004	100.0%	116,728	100.0%	(4,724)	-4.0%
EBITDA	16,987	15.2%	15,208	13.0%	1,779	11.7%
EBITANR (*)	14,671	13.1%	12,540	10.7%	2,131	17.0%
EBIT	13,225	11.8%	12,135	10.4%	1,090	9.0%

(*) see definition on page 3

The results for the quarter, albeit reflecting a seasonal effect and a still cautious attitude of retail companies penalised by a substantial decline in consumption in mature markets, show encouraging signs compared to the previous year. In particular, the Industrial Automation segment, thanks to the introduction of new products in the manufacturing sector and to T&L, recorded a substantial growth that leads to expect a close of the financial year in line with expectations.

ANALYSIS OF FINANCIAL AND CAPITAL DATA

The following table shows the main financial and equity items as at 30 September 2013, for the Datalogic Group, compared with 31 December 2012 and 30 September 2012.

(in Euro thousands)	30.09.2013	31.12.2012	30.09.2012
Net intangible assets	56,270	60,262	60,952
Goodwill	148,095	151,134	181,693
Net tangible assets	49,861	51,621	50,815
Unconsolidated equity investments	3,387	3,936	12,857
Other non-current assets	39,781	46,602	41,310
Non-current capital	297,394	313,555	347,627
Net trade receivables vs. Customers	77,671	82,552	102,231
Amounts due to Suppliers	(63,173)	(71,102)	(65,064)
Inventories	52,565	49,153	56,424
Net working capital, trading	67,063	60,603	93,591
Other current assets	26,649	25,577	28,300
Other current liabilities and provisions for short term risks	(53,792)	(71,566)	(75,893)
Net working capital	39,920	14,614	45,998
Other M/L term liabilities	(20,552)	(22,513)	(23,363)
Post-employment benefits	(7,490)	(7,367)	(6,874)
Provisions for risks	(5,968)	(3,768)	(3,653)
Net invested capital	303,304	294,521	359,735
Total Shareholders' Equity	(178,253)	(173,403)	(192,019)
Net financial position	(125,051)	(121,118)	(167,716)

As at 30 September 2013, the net financial position was negative for € 125,051 thousand, broken down as follows:

	30.09.2013	31.12.2012	30.09.2012
A. Cash and bank deposits	112,669	94,665	75,163
B. Other liquidities	44	87	336
<i>b1. restricted cash deposit</i>	44	87	336
C. Securities held for trading	363	9,585	9,263
<i>c1. Short-term</i>	4	9,227	9,263
<i>c2. Long-term</i>	359	358	0
D. Cash and equivalents (A) + (B) + (C)	113,076	104,337	84,762
E. Current financial receivables	715	0	0
F. Other current financial receivables	0	0	0
G. Bank overdrafts	109	154	269
H. Current portion of non-current debt	32,155	85,583	86,139
I. Other current financial payables	300	444	381
<i>I1. hedging transactions</i>	68	183	381
<i>I2. payables for lease</i>	232	261	0
J. Current financial debt (G) + (H) + (I)	32,564	86,181	86,789
K. Current financial debt, net (J) - (D) - (E) - (F)	(81,227)	(18,156)	2,027
L. Non-current bank borrowing	204,912	137,223	164,734
M. Other non-current financial receivables	0	0	0
N. Other non-current liabilities	1,366	2,051	955
<i>n1. hedging transactions</i>	451	961	955
<i>n2. payables for lease</i>	915	1,090	0
O. Non-current financial debt (L) - (M) + (N)	206,278	139,274	165,689
P. Net financial debt (K) + (O)	125,051	121,118	167,716

Net financial debt as at 30 September 2013 was € 125,051 thousand, worsening by € 3,933 thousand compared to 31 December 2012, (when it was negative by € 121,118 thousand).

Note that the following transactions were carried out in the period:

- payment of dividends of € 8,525 thousand,
- cash outflows for leaving incentives for managers, amounting to € 14,349 thousand
- cash outflows for leaving incentives amounting to € 2,071 thousand,
- cash outflows for consulting services connected with M&A activities and charged at cost in 2012, amounting to € 1,324 thousand,
- cash outflows for remuneration of the outgoing CEO, amounting to € 3,760 thousand,
- purchase of treasury shares of € 35 thousand.

Investments were also made amounting to € 7,455 thousand.

Net financial debt at 30 September 2013 worsened by € 11,612 thousand compared to June 2013 (when it was negative by € 113,439 thousand) mainly due to the payment of taxes (€ 7,985 thousand) and to the increase in net trading working capital (+ € 14,489 thousand) due to the decrease in trade payables.

Net working capital as at 30 September 2013 was € 39,920 thousand, up € 25,306 thousand on 31 December 2012 (€ 14,614 thousand), mainly due to:

- cash outflows for leaving incentives for managers, amounting to € 14,349 thousand classified in December 2012 under other current liabilities,

- cash outflows for taxes of € 9,493 thousand,
- cash outflows for remuneration of the outgoing CEO, in the amount of € 3,760 thousand classified in December 2012 under other current liabilities.

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

	30 September 2013		31 December 2012 Restated*	
	Total equity	Period results	Total equity	Period results
Parent Company shareholders' equity and profit	191,955	10,331	191,725	6,213
Difference between consolidated companies' net equity and their carrying value in the Parent Company's financial statements; effect of equity-based valuation	43,102	38,587	38,469	40,338
Reversal of dividends	0	(31,227)	0	(28,214)
Amortisation of intangible assets "business combination"	(5,827)		(5,827)	
Effect of acquisition under common control	(31,733)		(31,733)	
Elimination of capital gain on sale of business branch	(18,602)		(18,628)	(7,195)
Effect of eliminating intercompany transactions	(6,170)	(418)	(5,752)	(1,081)
Reversal of write-downs and capital gains on equity investments	3,946		3,946	381
Sale of know-how	(7)		(7)	
Goodwill impairment	(1,395)		(1,395)	
Other	(632)	268	(900)	(102)
Deferred taxes	3,616	111	3,505	(93)
Group portion of shareholders' equity	178,253	17,652	173,403	10,247

FINANCIAL INCOME (EXPENSES)

Financial income was negative by € 7,067 thousand, compared to a negative result of € 5,480 thousand, related to the first nine months of last year. This result is broken down as follows:

	nine months ended		
	30.09.2013	30.09.2012	Change
Financial income/(expenses)	(3,653)	(5,222)	1,569
Forex losses	(1,938)	83	(2,021)
Bank expenses	(1,568)	(869)	(699)
Other	92	528	(436)
Total net financial expenses	(7,067)	(5,480)	(1,587)

Item "Bank expenses" includes costs of € 275 thousand related to the substitute tax paid for the granting of a long-term loan, the portions of the period of upfront fees discounted at the disbursement date of long-term loans (€ 400 thousand) and costs and interests for factoring (€ 226 thousand).

Item "Other" includes net revenues totalling € 57 thousand from the adjustment to fair value and from the capital gains from the sale of treasury credit certificates recognised under the item "Other securities" (€ 1,030 thousand as at 30 September 2012).

Profits generated by companies carried at equity were recognised in the amount of € 250 thousand (€ 180 thousand as at 30 September 2012).

OUTLOOK FOR CURRENT YEAR AND SUBSEQUENT EVENTS

The results of the third quarter were encouraging compared to last year (sales increasing by 1.2% and EBITDA +41%) and despite a still difficult situation, in the main reference markets (especially *retail*), the Company confirms its sales forecasts for the second half-year, increasing compared to the same period last year.

SECONDARY LOCATIONS

The Parent Company has no secondary locations.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS (Euro/000)	Notes	30.09.2013	31.12.2012 Restated (*)
A) Non current assets (1+2+3+4+5+6+7)		297.753	313.913
1) Tangible assets		49.861	51.621
land	1	5.073	5.112
buildings	1	23.961	24.379
other assets	1	17.245	18.659
assets in progress and payments on account	1	3.582	3.471
2) Intangible assets		204.365	211.396
goodwill	2	148.095	151.134
development costs	2	1.414	1.674
other	2	47.634	53.579
assets in progress and payments on account	2	7.222	5.009
3) Equity investments in associates	3	2.762	2.698
4) Financial assets		984	1.596
equity investments	5	625	1.238
securities	5	359	358
5) Loans			
6) Trade and other receivables	7	1.848	1.949
7) Receivables for deferred tax assets	13	37.933	44.653
B) Current assets (8+9+10+11+12+13+14)		270.317	261.261
8) Inventories		52.565	49.153
raw and ancillary materials and consumables	8	14.222	20.761
work in progress and semi-finished products	8	12.125	8.140
finished products and goods	8	26.218	20.252
9) Trade and other receivables	7	89.330	100.232
trade receivables	7	77.671	82.552
due within 12 months	7	75.960	81.215
of which from associates	7	1.708	1.335
of which from related parties	7	3	2
other receivables – accrued income and prepaid expenses	7	11.659	17.680
of which from related parties		75	75
10) Tax receivables	9	14.990	7.897
of which from the parent company		8.409	3.058
11) Financial assets	5	719	9.227
securities		4	9.227
Other		715	
12) Loans		0	0
of which to associates			
13) Financial assets - Derivatives	6	0	0
14) Cash and cash equivalents	10	112.713	94.752
Total assets (A+B)		568.070	575.174

(*) Figures disclosed for comparison purposes have been restated due to the application of IAS 19R, as specified in note 11

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

LIABILITIES (Euro/000)	Notes	30.09.2013	31.12.2012 Restated (*)
A) Total shareholders' equity (1+2+3+4+5)	11	178.253	173.403
1) Share capital	11	135.237	135.272
2) Reserves	11	(11.781)	(7.735)
3) Profit (loss) brought forward	11	37.145	35.619
4) Group profit (loss) for the period/year	11	17.652	10.247
5) Minority interests	11		
B) Non-current liabilities (6+7+8+9+10+11+12)		240.288	172.922
6) Financial payables	12	205.827	138.313
7) Financial liabilities - Derivatives	6	451	961
8) Tax liabilities		574	2.417
9) Deferred tax liabilities	13	17.104	17.462
10) Post-employment benefits	14	7.490	7.367
11) Provisions for risks and charges	15	5.968	3.768
12) Other liabilities	16	2.874	2.634
C) Current liabilities (13+14+15+16+17)		149.529	228.849
13) Trade and other payables	16	99.710	125.453
Trade payables	16	63.173	71.102
of which within 12 months	16	62.803	70.789
of which to associates	16	19	32
of which to related parties	16	351	281
other receivables – accrued income and prepaid expenses	16	36.537	54.351
14) Tax liabilities		10.426	9.244
of which to the parent company		0	16
15) Provisions for risks and charges	15	6.829	7.971
16) Financial liabilities - Derivatives	6	68	183
17) Financial debt	12	32.496	85.998
Total liabilities (A+B+C)		568.070	575.174

(*) Figures disclosed for comparison purposes have been restated due to the application of IAS 19R, as specified in note 11

CONSOLIDATED STATEMENT OF INCOME

(Euro /000)	Notes	30.09.2013	30.09.2012 Restated (*)
1) Total revenues	17	330.773	347.536
Revenues from sale of products		313.531	328.710
Revenues for services		17.242	18.826
<i>of which to related parties</i>		6.108	7.102
2) Cost of goods sold	18	174.150	185.757
of which non-recurring	18	(62)	658
<i>of which to related parties</i>		32	171
Gross profit (1-2)		156.623	161.779
3) Other operating revenues	19	845	6.299
of which non-recurring	19		
4) R&D expenses	18	25.388	24.100
of which non-recurring	18	(4)	276
5) Distribution expenses	18	61.096	66.203
of which non-recurring	18	(975)	2.595
6) General and administrative expenses	18	36.904	38.552
of which non-recurring	18	(18)	276
of which amortisation pertaining to acquisitions	18	4.359	4.230
<i>of which to related parties</i>		1.069	692
7) Other operating expenses	18	1.468	1.812
of which non-recurring	18		
Total operating costs		124.856	130.667
Operating result		32.612	37.411
8) Financial income	20	5.885	7.133
9) Financial expenses	20	12.952	12.613
Net financial income (expenses) (8-9)		(7.067)	(5.480)
10) Profits from associates	3	250	180
Profit (loss) before taxes from the operating assets		25.795	32.111
Income tax	21	8.143	3.526
Profit/(loss) for the period		17.652	28.585
Basic earnings/(loss) per share (€)	22	0,3106	0,5053
Diluted earnings/(loss) per share (€)	22	0,3106	0,5053

(*) Figures disclosed for comparison purposes have been restated due to the application of IAS 19R, as specified in note 11

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Euro /000)	Notes	30.09.2013	30.09.2012 Restated (*)
Net profit/(loss) for the period		17.652	28.585
Other components of the statement of comprehensive income:			
<i>Other components of the statement of comprehensive income that will be restated under profit/(loss) for the year:</i>			
Profit/(loss) on cash flow hedges	11	454	(205)
Profit/(loss) due to translation of the accounts of foreign companies	11	(2.772)	401
Profit/(loss) on exchange rate adjustments for financial assets available for sale	11		(662)
Reserve for exchange rate adjustment	11	(1.728)	
Total other components of the statement of comprehensive income that will be restated under profit/(loss) for the year		(4.046)	(466)
<i>Other components of the statement of comprehensive income that will not be restated under profit/(loss) for the year:</i>			
Actuarial (Loss)/profit on definite-benefit plans		-	-
		-	-
Total other components of the statement of comprehensive income that will not be restated under profit/(loss) for the year		-	-
Total profit/(loss) of Comprehensive Income Statement		(4.046)	(466)
Total net profit/(loss) for the period		13.606	28.119
Attributable to:			
Parent company shareholders		13.606	28.119
Minority interests		0	0

(*) Figures disclosed for comparison purposes have been restated due to the application of IAS 19R, as specified in note 11

CONSOLIDATED STATEMENT OF CASH FLOW

(Euro /000)	30.09.2013	30.09.2012 Restated (*)
Pre-tax profit	25.795	32.111
Depreciation and amortisation of tangible and intangible assets and write-downs	11.665	11.470
Change in employee benefits reserve	123	208
Provision to the write-down reserve	453	353
Net financial expenses/(income) including exchange rate differences	7.067	5.480
Adjustments to value of financial assets	(250)	(180)
Cash flow from operations before changes in working capital	44.853	49.442
Change in trade receivables (net of provision) (**)	4.428	(16.718)
Change in final inventories (**)	(3.412)	7.381
Change in current assets (**)	6.021	(8.524)
Other medium/long-term assets (**)	101	292
Change in trade payables (**)	(7.929)	(6.016)
Change in other current liabilities (**)	(17.819)	(4.617)
Other medium/long-term assets	240	143
Change in provisions for risks and charges	1.058	6.625
Commercial foreign exchange gains/(losses)	(660)	(393)
Foreign exchange effect of working capital	(758)	66
Cash flow from operations after changes in working capital	26.123	27.681
Change in tax	(9.535)	(9.323)
Foreign exchange effect of tax	(173)	(19)
Interest paid and banking expenses	(5.129)	(5.563)
Cash flow generated from operations (A)	11.286	12.776
(Increase)/decrease in intangible assets excluding exchange rate effect (**)	(3.199)	(3.841)
(Increase)/decrease in tangible assets excluding exchange rate effect (**)	(4.256)	(5.855)
Change in unconsolidated equity interests	799	(4.726)
Acquisition of an equity investment		(100.264)
Changes generated by investment activity (B)	(6.656)	(114.686)
Change in LT/ST financial receivables	8.550	859
Change in short-term and medium-/long-term financial debt	13.432	21.677
Financial foreign exchange gains/(losses)	(1.278)	476
Purchase/sale of treasury shares	(35)	2.168
Change in reserves and exchange rate effect of financial assets/liabilities, equity and tangible and intangible assets	1.275	(495)
Dividend payment	(8.525)	(8.518)
Cash flow generated (absorbed) by financial assets (C)	13.419	16.167
Net increase (decrease) in available cash (A+B+C)	18.049	(85.743)
Net cash and cash equivalents at start of period (Note 10)	94.511	160.637
Net cash and cash equivalents at end of period (Note 10)	112.560	74.894

(*) Figures disclosed for comparison purposes have been restated due to the application of IAS 19R, as specified in note 11

(**) For 2012, these items are net of the balances from the acquisition of Accu Sort System Inc that were reported under item "Acquisition of an equity investment"

CHANGES IN CONSOLIDATED 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	IAS reserve	Total	Profit for the year	Total Group shareholder s' equity
01.01.2012 Restated (*)	131.480	(769)	(4.760)	(157)	(5.686)	5.411	958	3.658	8.681	18.708	25.748	170.250
Allocation of earnings	0				0	25.658		424		26.082	(26.082)	0
Dividends			0		0	(8.518)				(8.518)		(8.518)
Translation reserve	0				0					0		0
Change in IAS reserve	0				0					0		0
Sale/purchase of treasury shares	2.168				0					0		2.168
Other changes					0					0		0
Profit/(loss) as at 30.09.2012	0				0					0	28.585	28.585
Total other components of the statement of comprehensive income		(205)	401	(662)	(466)							(466)
30.09.2012	133.648	(974)	(4.359)	(819)	(6.152)	22.551	958	4.082	8.681	36.272	28.251	192.019

Description	Share capital and capital reserves		Other reserves				Retained earnings						
	Total share capital and capital reserves	Cash-flow hedge reserve	Translation reserve	Reserve for exchange rate adjustment	Held-for-sale financial assets reserve	Total other reserves	Earnings carried forward	Capital grant reserve	Legal reserve	IAS reserve	Total	Profit for the year	Total Group shareholder s' equity
01.01.2013 Restated (*)	135.272	(835)	(6.901)		1	(7.735)	21.908	958	4.082	8.671	35.619	10.247	173.403
Allocation of earnings	0					0	9.941		306		10.247	(10.247)	0
Dividends			0			0	(8.525)				(8.525)		(8.525)
Translation reserve	0					0					0		0
Change in IAS reserve	0					0					0		0
Sale/purchase of treasury shares	(35)					0					0		(35)
Other changes						0	(208)			12	(196)		(196)
Profit/(loss) as at 30.09.2013	0					0					0	17.652	17.652
Total other components of the statement of comprehensive income		454	(2.772)	(1.728)		(4.046)							(4.046)
30.09.2013	135.237	(381)	(9.673)	(1.728)	1	(11.781)	23.116	958	4.388	8.683	37.145	17.652	178.253

(*) Figures disclosed for comparison purposes have been restated due to the application of IAS 19R, as specified in note 11

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

INTRODUCTION

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

Datalogic SpA (hereinafter, "Datalogic", the "Parent Company" or the "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 (BO).

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

This Interim report on operations as at 30 September 2013 includes the figures of the Parent Company and its subsidiaries (defined hereinafter as the "Group") and its minority interests in associated companies. It was prepared by the Board of Directors on 7 November 2013.

PRESENTATION AND CONTENT OF THE INTERIM REPORT ON OPERATIONS

This Interim report on operations as at 30 September 2013 was prepared pursuant to Article 154 ter of the Italian Legislative Decree no. 58/1998, and to the Consob provisions in this field.

Financial statements

The financial statements adopted are compliant with those required by IAS 1 and that were used in the consolidated financial statements for the year ended 31 December 2012, in particular:

- the consolidated statement of financial position was prepared by classifying the assets and liabilities according to the "current/non-current" criterion;
- the consolidated income statement was prepared by classifying the operating costs by function, as this type of presentation is considered to be more appropriate for the Group's specific business and is compliant with the internal reporting procedures;
- in addition to the profit for the period, the statement of comprehensive income presents the components reported directly under shareholders' equity for transactions other than those set up with shareholders;
- the consolidated cash flow statement was prepared by presenting the operations according to the indirect method, as allowed by IAS 7.

Furthermore, as required by Consob resolution no. 15519 of 27 July 2006 in regard to the consolidated income statement, costs and revenues from non-recurring operations have been specifically identified and the relative effects on the major interim levels have been indicated separately. Non-recurring events and transactions are mainly identified according to the nature of the transactions. In particular, items which, given their nature, do not occur on an on-going basis during normal operations are included

among non-recurring costs/revenues (these include, for example: income/expenses from business combinations and income/expenses from corporate reorganisation processes).

New accounting standards, interpretations and modifications adopted by the Group

The International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) issued by the International Financial Reporting Interpretations Committee (IFRIC), endorsed by the European Commission and in force when this Report is approved, were applied for the evaluation and measurement of the accounting balances.

The accounting standards adopted for preparation of the interim report on operations as at 30 September 2013 conform to those used for the preparation of the consolidated financial statements for the period ended 31 December 2012, except for the adoption on 1 January 2013 of the new standards, amendments to already applicable standards and interpretations listed below:

- **IAS 1 Presentation of Financial Statements- Disclosure of items of other components of the Comprehensive Income**

The amendment to IAS 1 includes the group of items disclosed in other components of the comprehensive income. Items that might be in the future reclassified in the income statement (e.g. the net profit on hedging of net investments, translation differences of foreign financial statements, net movement on cash flow hedges and net profit/loss from financial assets available for sale) should now be disclosed separately from items that will never be reclassified (e.g. actuarial profit/loss on definite-benefit plans and revaluation of land and buildings). This amendment referred only to the modality of presentation and had no effect on the Group's performance or financial position.

- **IAS 1 Presentation of Financial Statements - Clarification of the requirements for comparative information**

This amendment to IAS 1 clarifies that when an entity provides additional comparative information with respect to minimum comparative statements set out by IFRS, in the notes to the accounts, this entity must disclose the related comparative information, in compliance with IFRS standards. The presentation of this voluntary comparative information does not involve full notes to the accounts complete with all statements. When an entity applies an accounting standard retroactively, it retrospectively provides a restatement or reclassification of items in its financial statements and these changes have a material impact on the financial position at the beginning of the previous period, the entity in question shall provide an opening statement of financial position (the "third balance-sheet"). This amendment clarifies that notes to this third balance sheet are not required. Unless the entity submits full consolidated financial statements, pursuant to IAS 34.9, a third balance sheet in the interim financial statements is not required. This clarification had no impact on the Group abbreviated Consolidated Half-Year Financial Statements by reason of the fact that no retroactive application on accounting standards have had a material impact on the financial position at the beginning of the previous period.

- **IAS 32 - Tax effect of distribution to holders of equity investments (Amendment)**

The amendment to *IAS 32 Financial Instruments: Disclosures* clarifies that Income tax relating to distributions to holders of an equity investments should be accounted for under IAS 12 *Income Tax*. This amendment cancels from IAS 32 the requisites related to taxes and requires that the entity should apply IAS 12 to any income tax relating to distributions to holders of an equity investment. This amendment had no impact on the Group abbreviated Consolidated Half-Year Financial Statements as there are no tax effects connected with monetary and non-monetary distributions.

- **IAS 34 - Interim financial reporting and segment information by total assets and liabilities (Amendment)**

The amendment clarifies the requirements set out by IAS 34 and relating to segment information to improve consistency with requirements set out by IFRS 8 *Operating Segments*. Total assets and liabilities for a reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change in the total amount for a segment from that previously disclosed in the last annual financial statements.

- **IAS 19 (2011) Employee Benefits (IAS 19R)**

IAS 19R comprises some changes in accounting for employee defined benefit plans, including actuarial gains and losses, which are now recognised under other components in the comprehensive income statement and permanently excluded from the income statement. Expected revenues from the plan assets are no longer recognised in the income statement. Conversely, interest on net liabilities (assets) of the plan should be recognised in the income statement. This interest should be calculated by using the same interest rate applied for the discounting of bonds and costs related to past worker services that are now recognised in the income statement. Other changes comprise new information, such as information on qualitative sensitivity. The effects of the adoption of IAS 19R are described in Note 11.

- **IFRS 7 Disclosures - Offsetting Financial Assets and Financial Liabilities - Amendments to IFRS 7**

These amendments require the entity to supply information on offsetting rights and related agreements (e.g. guarantees). The information will supply the reader of the financial statements with useful information to evaluate the effect of offsetting agreements on the financial position of the entity. The new information is required for all financial instruments accounted for and offset pursuant to IAS 32. The information is also required for financial instruments object of framework offsetting agreements (or similar agreements), regardless from whether they are offset according to IAS 32. In light of the fact that the Group is not offsetting any financial instrument, pursuant to IAS 32, and has signed no relevant offsetting agreements, these amendments have no impact on the financial position or profit/(loss).

- **IFRS 10 Consolidated Financial Statements, IAS 27 (2011) Separate Financial Statements**

IFRS 10 establishes a single control model that is applicable to all the companies, including special purpose entities. IFRS 10 standard supersedes the part of IAS 27 *Consolidated and Separate Financial Statements* that governed the accounting of the consolidated financial statements and SIC-12 *Consolidation - Special Purpose Entities*. The IFRS 10 standard changes the definition of control and determines that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and is also able to use its power over the investee to affect these returns. An investor controls an investee if and only if it has simultaneously: a) power over the investee; (b) exposure, or rights, to variable returns from its involvement with the investee; and (c) the ability to use its power over the investee to affect the amount of the returns. The IFRS 10 standard had no impact on the consolidation of equity investments owned by the Group.

- **IFRS 11 Joint Arrangements and IAS 28 (2011) Investments in Associates and Joint Ventures**

The IFRS 11 standard supersedes IAS 31 *Investments in Joint Ventures* and SIC-13 *Joint Controlled Entities - Non-Monetary Contributions by Venturers* and, according to this standard, the use of the proportionate consolidation method to account for joint ventures is not permitted. Jointly controlled companies that can be defined as a *joint venture* must be accounted for using the equity method. The application of this standard had no impact on the Group consolidated financial statements.

- **IFRS 12 Disclosure of Interests in Other Entities**

The IFRS 12 standard sets forth the information requisites for equity investments held by a company on subsidiaries, joint ventures, associated companies and unconsolidated structured entities. These information requisites do not apply to abbreviated interim financial statements, unless significant events and/or transactions that occurred over the period require the provision of such information. Therefore, the Group has not supplied any information as per IFRS 12 in the abbreviated Consolidated Half-Year Financial Statements.

- **IFRS 13 Measurement at fair value**

Within the IFRS standards, IFRS 13 introduces a new converged guideline for any fair value measurement. IFRS 13 does not amend the cases that require the usage of fair-value but rather provides the guidelines on how to assess fair-value in IFRS, when the application of fair-value is required or allowed by the same international accounting standards. The application of IFRS 13 had no relevant impact on *Fair Value* measurements carried out by the Group.

In addition to the aforementioned amendments and new standards, also IFRS 1 *First-time adoption of International Financial Reporting Standard* was amended, applicable to annual periods beginning on or after 1 January 2013. This amendment is not relevant for the Group, which has not adopted the IFRS standards the first time.

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

GROUP STRUCTURE

The Interim Report on operations includes the financial 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 30 September 2013 are as follows:

Company	Registered office	Share capital	Total shareholders' equity (€/000)	Profit/loss for the period (€ /000)	% Ownership
Datalogic SPA Holding	Bologna – Italy	Euro 30,392,175	191,955	10,331	
Datalogic Real Estate France Sa	Paris – France	Euro 2,227,500	3,574	(22)	100%
Datalogic Real Estate Germany gmbH	Erkenbrechtsweiler - Germany	Euro 1,025,000	1,775	(68)	100%
Datalogic Real Estate UK Ltd	Redbourn - England	GBP 3,500,000	4,532	70	100%
IP tech srl	Bologna – Italy	Euro 65,677	6,403	1,657	100%
Informatics Inc.	Plano Texas - Usa	\$USA 9,996,000	15,856	903	100%
Datalogic Automation srl	Monte San Pietro (BO) - Italy	Euro 10,000,000	6,365	(896)	100%
Datalogic Sweden AB	Malmö – Sweden	KRS 200,000	33	(5)	100%
Datalogic Automation INC	Telford, USA	\$USA 6,009,352	40,112	(147)	100%
Datalogic Automation PTY LTD	Mount Waverley (Melbourne) - Australia	\$AUD 3,188,118	(307)	54	100%
Datalogic Automation Asia Limited	Hong-Kong – China	HKD 7,000,000	200	614	100%
Datalogic (Shenzhen) Trading Business China	Shenzhen - China	USD 2,136,696	485	207	100%
Datafoton kft	Fonyod - Hungary	HUF 3,000,000	762	503	100%
Accu-Sort Gmbh		USD 100	2,304	(4)	100%
Datalogic ADC Srl	Bologna – Italy	Euro 10,000	147,089	13,667	100%
Datalogic Mobile Asia	Hong-Kong – China	HKD 100,000	(119)	(200)	100%
Datalogic ADC Ltd Ireland	Dublin - Ireland	Euro 100	16,205	5,152	100%
Datalogic Slovakia sro	Tvrn - Slovakia	Euro 66,388	5,923	6,269	100%
Datalogic Holdings Inc.	Eugene OR - Usa	\$USA 100	71,407	(2,188)	100%
Datalogic ADC Inc.	Eugene OR - Usa	\$USA 11	78,747	7,337	100%
Datalogic ADC do Brasil	Sao Paulo - Brazil	R\$ 159,525	67	291	100%
Datalogic ADC Mexico	Colonia Cuauhtemoc - Mexico	\$USA -	(1,615)	(209)	100%
Datalogic Scanning GMBH	Darmstadt - Germany	Euro 306,775	3,684	(269)	100%
Datalogic Scanning Eastern Europe Gmbh	Darmstadt - Germany	Euro 30,000	2,051	437	100%
Datalogic ADC PTY	Sidney - Australia	\$ AUD 2	1,180	154	100%
Datalogic ADC Japan	Tokyo - Japan	JPY 151,437,000	(632)	50	100%
Datalogic Vietnam LLC	Vietnam	USD 2,500,000	6,426	4,655	100%
Datalogic ADC Singapore	Singapore	SGD 100,000	218	83	100%

The companies consolidated at equity for the period ended 30 September 2013 are as follows:

Company	Registered office		Share capital	Total shareholders' equity (€/000)	Profit/loss for the period (€/000)	% Ownership
Idec DatalogicCo. Ltd	Osaka – Japan	Yen	300,000,000	2,056	110	50%
Laservall Asia Co. Ltd	Hong-Kong – China	HKD	460,000	3,316	390	50%

During the first nine months of 2013 no changes occurred in the scope of consolidation.

INFORMATION ON STATEMENT OF FINANCIAL POSITION

Note 1. Tangible assets

Details of movements as at 30 September 2013 and 31 December 2012 are as follows:

	30.09.2013	31.12.2012	Change
Land	5,073	5,112	(39)
Buildings	23,961	24,379	(418)
Other assets	17,245	18,659	(1,414)
Assets in progress and payments on account	3,582	3,471	111
Total	49,861	51,621	(1,760)

Details of movements at 30 September 2013 are as follows:

The “Other assets” item as at 30 September 2013 mainly includes the following categories: Plant and machinery (€ 4,384 thousand), Trade and industrial equipment (€ 4,936 thousand), Office furniture and machines (€ 5,683 thousand), General plant (€ 1,476 thousand), Motor vehicles (€ 277 thousand), and Maintenance on third-party assets (€ 338 thousand).

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

It is worth noting that item “Other assets” includes € 305 thousand of impairment of the residual value of assets and upgrading of third-party assets following the termination of the rental contract by the head office in Sesto Calende.

Note 2. Intangible assets

Details of movements as at 30 September 2013 and 31 December 2012 are as follows:

	30.09.2013	31.12.2012	Change
Goodwill	148,095	151,134	(3,039)
Development costs	1,414	1,674	(260)
Other	47,634	53,579	(5,945)
Assets in progress and payments on account	7,222	5,009	2,213
Total	204,365	211,396	(7,031)

Details of movements at 30 September 2013 are as follows:

Goodwill, totalling € 148,095 thousand, consisted of the following items:

	30.09.2013	31.12.2012	Change
CGU ADC	86,347	88,258	(1,911)
CGU IA	50,067	50,985	(918)
CGU Informatics	11,681	11,891	(210)
Total	148,095	151,134	(3,039)

The change in “Goodwill” by comparison with 31 December 2012 is mainly attributable to 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 2012, to which reference should be made, in compliance with IFRS 3 goodwill has not been amortised since 1 January 2004 and is tested for *impairment* each year unless loss 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 *discounted cash flow method*.

There were no write-downs as at 30 September 2013.

The “**Other**” item, which amounts to € 47,634 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:

	30.09.2013	31.12.2012	Change
Acquisition of the PSC Group (on 30 November 2006)	19,625	21,672	
PATENTS	18,351	19,933	20
TRADE MARK	647	883	10
CLIENT PORTFOLIO	627	856	10
Acquisition of Laservall SPA (on 27 August 2004)	332	663	
UNPATENTED TECHNOLOGY	0	0	7
COMMERCIAL STRUCTURE	332	663	10
Acquisition of Informatics Inc. (on 28 February 2005)	839	1,313	
COMMERCIAL STRUCTURE	839	1,313	10
Acquisition of Evolution Robotics Retail Inc. (concluded on 1 July 2010)	3,500	3,981	
PATENTS	583	663	10
TRADE SECRETS	2,917	3,318	10
Acquisition of Accu-Sort Inc. (concluded on 20 January 2012)	17,169	19,155	
PATENTS	10,154	11,329	10
TRADE SECRETS	7,015	7,826	10
License agreement	2,219	2,808	5
Other	3,950	3,987	
TOTAL OTHER INTANGIBLE ASSETS	47,634	53,579	

The change compared to 31 December 2012 is attributable mainly to amortisation for the period (€ 5,772 thousand).

The “Other” item mainly consists of software licenses.

€ 2,333 thousand of the increase in the “Assets in progress and payments on account” is attributable to the capitalisation of costs relating to the two research and development projects with the features required by IAS 38 that are currently still underway.

Note 3. Equity investments in associates

Equity investments owned by the Group as at 30 September 2013 were as follows:

	31.12.2012	Increases	Decreases	Forex differences	Share of profit	30.09.2013
Associates						
Idec Datalogic CO.Ltd	1,159			(186)	55	1,028
Laservall Asia CO. Ltd	1,463				195	1,658
Datalogic Automation AB	2					2
Specialvideo Srl	29					29
Datasensor GMBH	45					45
Total associates	2,698	0	0	(186)	250	2,762

The change in the “associates” item is due to the group result realised 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 statement of financial position items coming within the scope of “financial instruments” as defined by IAS/IFRSs are as follows:

30.09.2013	Loans and receivables	Available for sale	Total
Non-current financial assets	1,848	984	2,832
Financial assets - Equity investments (5)		625	625
Financial assets - Securities		359	359
Other receivables (7)	1,848		1,848
Current financial assets	200,976	0	200,976
Trade receivables from third parties (7)	75,960		75,960
Other receivables from third parties (7)	11,584		11,584
Financial assets - Other (5)	715		715
Financial assets - Securities (5)	4		4
Cash and cash equivalents (10)	112,713		112,713
TOTAL	202,824	984	203,808

30.09.2013	Derivatives	Other financial liabilities	Total
Non-current financial liabilities	451	208,701	209,152
Financial payables (12)		205,827	205,827
Financial liabilities - Derivative instruments (6)	451		451
Other payables (16)		2,874	2,874
Current financial liabilities	68	131,836	131,904
Trade payables to third parties (16)		62,803	62,803
Other payables (16)		36,537	36,537
Financial liabilities - Derivative instruments (6)	68		68
Short-term financial payables (12)		32,496	32,496
TOTAL	0	340,537	341,056

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).

30.09.2013	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets - Equity Investments (5)			625	625
Financial assets - LT securities (5)	359			359
Financial assets - Other (5)			715	715
Financial assets - Securities (5)	4			4
Assets measured at fair value	363	0	1,340	1,703
Liabilities measured at fair value				
Financial liabilities - LT Derivative instruments (6)		451		451
Financial liabilities - ST derivative instruments (6)		68		68
	0	519	0	519

Note 5. Available-for-sale financial assets

AFS financial assets include the following items:

	30.09.2013	31.12.2012	Change
Securities	1,078	9,585	(8,507)
Long-term government bonds	359	358	1
Short-term government bonds		9,227	(9,227)
Securities	4		4
Other	715		715
Other equity investments	625	1,238	(613)
Total	1,703	10,823	(9,120)

The decrease in item “Short-term government bonds” results from the sale, with a capital gain (€ 112 thousand) entered in the income statement, of CCTs owned in 2012 by the Parent Company.

The “Other” item comprises receivables from factoring companies regarding trade receivables disposed without recourse, for which the amount of the sale has not yet been entirely collected as at 30 September 2013.

As at 30 September 2013, equity interests held by the Group in other companies were as follows:

	31.12.2012	Increases	Decreases	Adj. to fair value	Write-downs	30.09.2013
Unlisted shares	1,238	(613)				625
Total equity investments	1,238	(613)	0	0	0	625

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. It should be noted that the Parent Company holds a minority interest in the Alien Technology Corporation that was written down completely as at 31 December 2010.

Note 6. Derivative financial instruments

	30.09.2013		31.12.2012	
	Assets	Liabilities	Assets	Liabilities
Financial instruments measured at fair value and recognised in the statement of comprehensive income				
Interest rate derivatives - LT cash flow hedges		451		961
Interest rate derivatives - ST cash flow hedges		68		183
Total	0	519	0	1,144

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 € 519 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.

As at 30 September 2013, the notional capital of the interest rate swaps was € 33,292 thousand (€ 47,249 thousand as at 31 December 2012) and US\$ 2,300 thousand (US\$ 8,600 thousand as at 31 December 2012).

Currency derivatives

As at 30 September 2013, the Group had no active forward contracts for exchange rate risk.

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

	30.09.2013	31.12.2012	Change
Third-party trade receivables	78,421	83,313	(4,892)
Less: doubtful debt provision	2,461	2,098	363
Net third-party trade receivables	75,960	81,215	(5,255)
Receivables from associates	1,708	1,335	373
Idec Datalogic CO Ltd	294	373	(79)
Laservall Asia	632		632
Datasensor GMBH	253	217	36
Specialvideo	18	12	6
Datalogic Automation AB	511	733	(222)
Related-party receivables	3	2	1
Total Trade receivables	77,671	82,552	(4,881)
Other receivables – current accrued income and prepaid expenses	11,659	17,680	(6,021)
Other receivables – non-current accrued income and prepaid expenses	1,848	1,949	(101)
Total other receivables - accrued income and prepayments	13,507	19,629	(6,122)
Less non-current portion	1,848	1,949	(101)
Trade and other receivables - current portion	89,330	100,232	(10,902)

Trade receivables

“Trade receivables falling due within 12 months” as at 30 September 2013 are equal to €77,671 thousand, down 6% by comparison with 31 December 2012.

Receivables from associates arise from commercial transactions carried out at arm's length conditions.

Other receivables – accrued income and prepaid expenses

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

	30.09.2013	31.12.2012	Change
Other current receivables	3,447	2,790	657
Other long-term receivables	1,848	1,949	(101)
VAT Tax Credit	5,976	12,783	(6,807)
Accrued income and prepaid expenses	2,236	2,107	129
Total	13,507	19,629	(6,122)

The decrease in VAT receivable is mainly due to the collection (€7,019 thousand) by the ADC Ltd subsidiary of the VAT receivable generated in the first year of activity.

Note 8. Inventories

	30.09.2013	31.12.2012	Change
Raw and ancillary materials and consumables	14,222	20,761	(6,539)
Work in progress and semi-finished products	12,125	8,140	3,985
Finished products and goods	26,218	20,252	5,966
Total	52,565	49,153	3,412

Inventories are shown net of an obsolescence provision that, as at 30 September 2013, amounted to € 9,471 thousand (€ 9,448 thousand as at 31 December 2012). The movements of this provision as at 30 September of each year is shown hereunder:

	2013
1 January	9,448
Exchange-rate change	(537)
Allocations	3,515
Release for scrap and other utilisations	(2,955)
30 September	9,471

Note 9. Tax receivables/tax payables

As at 30 September 2013, the item "tax receivables" amounts to € 14,990 thousand and records an increase of € 7,093 thousand (€ 7,897 thousand as at 31 December 2012); this item includes the amount receivable from Parent Company Hydra relating to the IRES (corporate tax) credit arising from participation in tax consolidation, of € 8,409 thousand with an increase of € 5,351 thousand (€ 3,058 thousand as at 31 December 2012).

As at 30 September 2013, the item "tax payables" amounts to € 10,426 thousand and records an increase of € 1,182 thousand (€ 9,244 thousand as at 31 December 2012); this item includes the amount payable to Parent Company Hydra relating to the IRES (corporate tax) credit arising from participation in tax consolidation; as at 30 September 2013, the item was zero whereas it amounted to € 16 thousand as at 31 December 2012.

Note 10. Cash and cash equivalents

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

	30.09.2013	31.12.2012	Change
Cash and cash equivalents shown on financial statements	112,713	94,752	17,961
Restricted cash	(44)	(87)	43
Current account overdrafts	(109)	(154)	45
Cash and cash equivalents for statement	112,560	94,511	18,049

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

	30.09.2013	31.12.2012	30.09.2012
A. Cash and bank deposits	112,669	94,665	75,163
B. Other liquidities	44	87	336
<i>b1. restricted cash deposit</i>	44	87	336
C. Securities held for trading	363	9,585	9,263
<i>c1. Short-term</i>	4	9,227	9,263
<i>c2. Long-term</i>	359	358	0
D. Cash and equivalents (A) + (B) + (C)	113,076	104,337	84,762
E. Current financial receivables	715	0	0
F. Other current financial receivables	0	0	0
G. Bank overdrafts	109	154	269
H. Current portion of non-current debt	32,155	85,583	86,139
I. Other current financial payables	300	444	381
<i>I1. hedging transactions</i>	68	183	381
<i>I2. payables for lease</i>	232	261	0
J. Current financial debt (G) + (H) + (I)	32,564	86,181	86,789
K. Current financial debt, net (J) - (D) - (E) - (F)	(81,227)	(18,156)	2,027
L. Non-current bank borrowing	204,912	137,223	164,734
M. Other non-current financial receivables	0	0	0
N. Other non-current liabilities	1,366	2,051	955
<i>n1. hedging transactions</i>	451	961	955
<i>n2. payables for lease</i>	915	1,090	0
O. Non-current financial debt (L) - (M) + (N)	206,278	139,274	165,689
P. Net financial debt (K) + (O)	125,051	121,118	167,716

Net financial debt as at 30 September 2013 was € 125,051 thousand, worsening by € 3,933 thousand compared to 31 December 2012, (when it was negative by € 121,118 thousand).

Note that the following transactions were carried out in the period:

- payment of dividends of € 8,525 thousand,
- cash outflows for leaving incentives for managers, amounting to € 14,349 thousand
- cash outflows for leaving incentives amounting to € 2,071 thousand,
- cash outflows for consulting services connected with M&A activities and charged at cost in 2012, amounting to € 1,324 thousand,
- cash outflows for remuneration of the outgoing CEO, amounting to € 3,760 thousand,
- purchase of treasury shares of € 35 thousand.

Investments were also made amounting to € 7,455 thousand.

Net financial debt at 30 September 2013 worsened by € 11,612 thousand compared to June 2013 (when it was negative by € 113,439 thousand) mainly due to the payment of taxes (€ 7,985 thousand) and to the increase in net trading working capital (+ € 14,489 thousand) due to the decrease in trade payables.

Net working capital as at 30 September 2013 was € 39,920 thousand, up € 25,306 thousand on 31 December 2012 (€ 14,614 thousand), mainly due to:

- cash outflows for leaving incentives for managers, amounting to € 14,349 thousand classified in December 2012 in other current liabilities,
- cash outflows for taxes of € 9,493 thousand,
- cash outflows for remuneration of the outgoing CEO, in the amount of € 3,760 thousand classified in December 2012 under other current liabilities.

INFORMATION ON STATEMENT OF FINANCIAL POSITION - SHAREHOLDERS' EQUITY AND LIABILITIES

Note 11. Shareholders' equity

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

	30.09.2013	31.12.2012	IAS 19R Application	31.12.2012 Restated*
Share capital	30,392	30,392		30,392
Share premium reserve	99,602	99,637		99,637
Extraordinary share-cancellation reserve	2,813	2,813		2,813
Treasury shares held	(6,935)	(6,900)		(6,900)
Treasury share reserve	9,365	9,330		9,330
Share capital and capital reserves	135,237	135,272	135,272	135,272
Cash-flow hedge reserve	(381)	(835)		(835)
Translation reserve	(9,673)	(6,901)		(6,901)
Reserve for exchange rate adjustment	(1,728)	0		0
Held-for-sale financial assets reserve	1	1		1
Other reserves	(11,781)	(7,735)	0	(7,735)
Retained earnings	37,145	35,928	(309)	35,619
Earnings carried forward	23,116	22,217	(309)	21,908
Capital grant reserve	958	958		958
Legal reserve	4,388	4,082		4,082
IAS reserve	8,683	8,671		8,671
Net profit (loss) for the period	17,652	9,938	309	10,247
Total Group shareholders' equity	178,253	173,403	135,272	173,403

(*) Figures disclosed for comparison purposes have been restated due to the application of IAS 19R

Share capital

Movements in share capital as at 30 September 2013 are reported below (in Euro '000):

	Number of shares	Share capital	Extraordinary share-cancellation reserve	Share premium reserve	Treasury shares	Treasury share reserve	Total
01.01.2013	56,838,134	30,392	2,813	99,637	(6,900)	9,330	135,272
Purchase of treasury shares	(5,182)			(35)	(35)	35	(35)
Sale of treasury shares							0
Capital gains/(capital losses) from the sale of treasury shares							0
Costs for the purchase/sale of treasury shares							0
30.09.2013	56,832,952	30,392	2,813	99,602	(6,935)	9,365	135,237

Ordinary shares

As at 30 September 2013, the total number of ordinary shares was 58,446,491, including 1,613,539 held as treasury shares, making the number of shares in circulation at that date 56,832,952. The shares have a nominal unit value of €0.52 and are fully paid up.

Treasury shares

The "Treasury shares" item, negative for €6,935 thousand, includes purchases and sales of treasury shares in the amount of €9,365 thousand, which have been recognised net of gains and charges realised following the sale of treasury shares (€2,430 thousand). During the first nine months of 2013, treasury shares of €35 thousand were purchased.

Pursuant to provisions set out by Art. 2453 of the Italian Civil Code, capital reserves, totalling €9,365 thousand, have been made unavailable (Treasury share reserve).

Other Reserves

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 €381 thousand) and amounts are shown net of the tax effect (€138 thousand).

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.

Reserve for exchange rate adjustment

In application to IAS 21.15, this reserve comprises profit/losses generated by monetary elements that are an integral part of the net investment of foreign managements. In particular, it relates to the effect of exchange rates measurement at year-end for receivables for loans in US dollars supplied by the Parent Company Datalogic S.p.A. to the subsidiaries Datalogic Automation Inc., Datalogic Automation S.r.l. and Datalogic Holdings Inc., and granted to acquire the Accu-Sort Inc. Group. For these loans no regulation and/or a defined reimbursement plan are provided not is it deemed probable that they will be reimbursed in the foreseeable future.

Financial asset revaluation reserve

This reserve primarily includes the adjustment at fair value of securities available for sale, recorded under financial assets.

Cumulative retained earnings*IAS reserve*

This reserve was created upon first-time adoption of international accounting standards as 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.

Dividends

On 23 April 2013, the Ordinary Shareholders' Meeting of Datalogic S.p.A. decided to distribute an ordinary dividend of € 0.15 per share (€ 0.15 in 2012). The overall dividends of € 8,525 thousand began to be paid starting from 16 May 2013 and had been paid in full by 30 September.

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

	30 September 2013		31 December 2012 Restated*	
	Total equity	Period results	Total equity	Period results
<i>Parent Company shareholders' equity and profit</i>	191,955	10,331	191,725	6,213
Difference between consolidated companies' net equity and their carrying value in the Parent Company's financial statements; effect of equity-based valuation	43,102	38,587	38,469	40,338
Reversal of dividends	0	(31,227)	0	(28,214)
Amortisation of intangible assets "business combination"	(5,827)		(5,827)	
Effect of acquisition under common control	(31,733)		(31,733)	
Elimination of capital gain on sale of business branch	(18,602)		(18,628)	(7,195)
Effect of eliminating intercompany transactions	(6,170)	(418)	(5,752)	(1,081)
Reversal of write-downs and capital gains on equity investments	3,946		3,946	381
Sale of know-how	(7)		(7)	
Goodwill impairment	(1,395)		(1,395)	
Other	(632)	268	(900)	(102)
Deferred taxes	3,616	111	3,505	(93)
Group portion of shareholders' equity	178,253	17,652	173,403	10,247

(*) Figures disclosed for comparison purposes have been restated due to the application of IAS 19R, as specified in note 11

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

The breakdown of this item is as detailed below:

	30.09.2013	31.12.2012	Change
Bank loans	236,976	222,806	14,170
EU financing	91	0	91
Payables for lease	1,147	1,351	(204)
Bank overdrafts (ordinary current accounts)	109	154	(45)
Total financial payables	238,323	224,311	14,012

Following is the breakdown of changes in "Bank loans" as at 30 September 2013:

	2013	2012
1 January	222,806	229,472
Foreign exchange differences	152	732
Increases	123,694	78,579
Repayments	(36,000)	(23,000)
Decreases for loan repayments	(73,675)	(20,052)
30 September	236,976	265,731

The **increases** are mainly related to the use by the parent company of the following sources:

- standby credit lines and Hot Money in the amount of € 15,000 thousand,
- a medium to long-term loan of € 110,000 thousand, concluded on 28 June 2013.

The **decrease** of the repayment refers to the stand by lines of credit and the hot money in the amount of € 36,000 thousand. Following the granting of the new loan, the shares being due within this year of some mortgage loans were redeemed in advance for a total amount of € 15,809 thousand. Moreover, the medium/long-term loan, to be due in 2014, was redeemed on 24 July 2013.

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		Covenant		Frequency	Reference statements
Datalogic SpA	EUR	1,500,000	DFL	PN	DFL / PN	annual	Datalogic SpA
Datalogic SpA	EUR	5,000,000	PFN/PN	PFN /EBITDA		annual	Datalogic Group
Datalogic SpA	EUR	24,000,000	EBITDA/OFN	PFN /EBITDA		semi-annual	Datalogic Group
Datalogic SpA	Usd	26,817,143	PFN/PN	PFN /EBITDA		semi-annual	Datalogic Group
Datalogic SpA	EUR	41,250,000	EBITDA/OFN	PFN /EBITDA		semi-annual	Datalogic Group
Datalogic SpA	EUR	9,375,000	PFN/PN	PFN /EBITDA		semi-annual	Datalogic Group
Datalogic SpA	EUR	18,750,000	EBITDA/OFN	PFN /EBITDA		semi-annual	Datalogic Group
Datalogic SpA	EUR	110,000,000	EBITDA/OFN	PFN /EBITDA	DFL	semi-annual	Datalogic Group
Datalogic Automation Srl	EUR	5,000,000	PFN/PN	PFN /EBITDA		semi-annual	Datalogic Group
Datalogic Automation Srl	EUR	500,000	DFL	PN	DFL / PN	annual	Datalogic SpA
Datalogic Automation Srl	EUR	500,000	DFL	PN	DFL / PN	annual	Datalogic SpA

Key: PN = Shareholders' Equity; PFN = Net Financial Position; DFL = Gross Financial Payables

All covenants were fulfilled at the date of this Interim report on operations.

Note 13. Deferred taxes

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:

	30.09.2013	31.12.2012	Change
Datalogic SpA	(1,007)	231	(1,238)
Datalogic IP Tech Srl	9,039	10,756	(1,717)
Datalogic RE France Sa	52	52	0
Datalogic RE Germany gmbh	(75)	(75)	0
Datalogic RE Uk Ltd	106	109	(3)
Informatics Inc.	(120)	(134)	14
Datalogic Automation Srl (*)	1,239	1,596	(357)
Datalogic Automation INC	6,808	7,018	(210)
Datalogic ADC srl	(1,332)	(580)	(752)
Datalogic Holding Inc and Datalogic ADC Inc	3,372	5,901	(2,529)
Datalogic Slovakia sro	750	794	(44)
Datalogic ADC Ltd Ireland	754	761	(7)
Datalogic ADC PTY	97	88	9
Datalogic ADC HK Ltd	(2)	(2)	0
Datalogic Scanning UK Ltd	0	14	(14)
Datalogic Scanning GMBH	(504)	(504)	0
Total net long-term deferred taxes	19,177	26,025	(6,848)
Deferred taxes recognised due to the consolidation entries	1,652	1,166	486
Total net long-term deferred taxes	20,829	27,191	(6,362)

(*) include the balances of the branches.

Note 14. Post-employment benefits

The movements are the following:

	2013	2012
1 January	7,367	6,666
Amount allocated in the period	1,126	1,118
Uses	(335)	(884)
Other changes	69	469
Social security receivables for the employee severance indemnity reserve	(737)	(495)
30 September	7,490	6,874

Note 15. Provisions for risks and charges

The breakdown of the “provisions risks and charges” item was as follows:

	30.09.2013	31.12.2012	Change
Short-term provisions for risks and charges	6,829	7,971	(1,142)
Long-term provisions for risks and charges	5,968	3,768	2,200
Total	12,797	11,739	1,058

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

	31.12.2012	Increases	(Uses) and (Releases)	Transfers	Forex differences	30.09.2013
Product warranty provision	7,084	1,463	(708)		(118)	7,721
Corporate restructuring fund	1,861	0	(1,333)	(445)	(4)	79
Provision for management incentive scheme	0	2,167	0	51	(40)	2,178
Other	2,795	176	(120)		(31)	2,820
Total Provisions for risks and charges	11,739	3,806	(2,161)	(394)	(193)	12,797

The “**product warranty provision**” covers the estimated cost of repairing products sold as up to 30 September 2013 and covered by periodical warranty; this provision amounts to €7,721 thousand (of which €3,496 thousand long-term) and is considered sufficient in relation to the specific risk it covers.

The increase in the “**Provision for management incentive scheme**” is attributable to the estimate on the portion pertaining to the provision for a long-term plan for directors and managers for the 2013-2015 period.

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

- €2,485 thousand for a “stock rotation” provision for the ADC Group and Informatics;
- €265 thousand for agent termination indemnities;
- €38 thousand that related to a legal dispute for the ILOR ten-yearly exemption, envisaged by the Presidential Decree 218/78 (consolidated text of Law on interventions in Southern Italy), related to former Datasud for the financial year 2006.

Note 16. Trade and other payables

This table shows the details of trade and other payables:

	30.09.2013	31.12.2012	Change
Trade payables due within 12 months	62,803	70,789	(7,986)
Third-party trade payables	62,803	70,789	(7,986)
Payables to associates	19	32	(13)
<i>Idec Datalogic CO Ltd</i>	3	11	(8)
<i>Laservall Asia</i>	8	10	(2)
<i>Datasensor GMBH</i>	8	1	7
<i>Datalogic Automation AB</i>	0	10	(10)
Payables to related parties	351	281	70
Total Trade payables	63,173	71,102	(7,929)
Other payables – current accrued liabilities and deferred income	36,537	54,351	(17,814)
Other payables – non-current accrued liabilities and deferred income	2,874	2,634	240
Total other payables – accrued liabilities and deferred income	39,411	56,985	(17,574)
Less non-current portion	2,874	2,634	240
Current portion	99,710	125,453	(25,743)

Other payables – accrued liabilities and deferred income

The detailed breakdown of this item is as follows:

	30.09.2013	31.12.2012	Change
Other current payables	18,313	34,714	(16,401)
Other long-term payables	2,874	2,634	240
VAT liabilities	3,524	6,211	(2,687)
Accrued liabilities and deferred income	14,700	13,426	1,274
Total	39,411	56,985	(17,574)

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

	30.09.2013	31.12.2012	Change
Payables to employees	13,924	23,435	(9,511)
Payables to pension and social security agencies	3,367	3,260	107
Directors’ remuneration payables	394	7,116	(6,722)
Other payables	628	903	(275)
Total	18,313	34,714	(16,401)

Payables to employees are the payables, due to wages and salaries and holidays, accrued with respect to staff at balance-sheet date. It is worth noting that this item includes € 1,949 thousand related to the debt for the management incentive scheme allocated in 2011 and 2012 and still unpaid (€ 3,813 thousand as at 31 December 2012).

During the third quarter of 2013, an incentive plan for managers related to the years 2010 to 2012 was paid (€ 11,487 thousand as at 31 December 2012).

The decrease in item “Directors’ remuneration payables” is attributable to the payment of the remuneration to the leaving CEO, amounting to € 3,760 thousand and the 2010-2012 incentive plan for directors of Group companies (€2,862 thousand as at 31 December 2012).

INFORMATION ON THE INCOME STATEMENT

Note 17. Revenues

The following table shows the breakdown of revenues between sale of products and services for the half-year ended 30 September 2013, compared with the same period of the previous year:

	Nine months ended		
	30.09.2013	30.09.2012	Change
Revenues from sale of products	313,531	328,710	(15,179)
Revenues for services	17,242	18,826	(1,584)
Total	330,773	347,536	(16,763)

Revenues earned from sales of goods and services decreased by 4.8% year on year (-3.5% at constant exchange rates).

The following table shows the breakdown in percentage of revenues by geographical areas:

	30.09.2013	30.09.2012	Change
Revenues in Italy	9%	9%	0%
Revenues in Europe	37%	40%	-3%
Revenues in North America	33%	34%	-1%
Revenues in Rest of the world	21%	17%	4%

Note 18. Cost of goods sold and operating costs

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

	Nine months ended		
	30.09.2013	30.09.2012	Change
TOTAL COST OF GOODS SOLD (1)	174,150	185,757	(11,607)
<i>of which non-recurring</i>	(62)	658	(720)
TOTAL OPERATING COSTS (2)	124,856	130,667	(5,811)
Research and Development expenses	25,388	24,100	1,288
<i>of which non-recurring</i>	(4)	276	(280)
Distribution expenses	61,096	66,203	(5,107)
<i>of which non-recurring</i>	(975)	2,595	(3,570)
General and administrative expenses	36,904	38,552	(1,648)
<i>of which non-recurring</i>	(18)	276	(294)
<i>of which amortisation pertaining to acquisitions</i>	4,359	4,230	129
Other operating costs	1,468	1,812	(344)
<i>of which non-recurring</i>			0
TOTAL (1+2)	299,006	316,424	(17,418)
of which non-recurring costs	(1,059)	3,805	(4,864)
of which amortisation pertaining to acquisitions	4,359	4,230	129

In the period ended 30 September 2013, item non-recurring (cost) and revenues shows a positive amount of € 1,059 thousand and it entirely relates to incentives to leave allocated in the previous year and charged back in the period due to the review and subsequent definition of the restructuring plan.

The breakdown of this item in the financial statements is as follows:

ITEM	AMOUNT
2) "Cost of goods sold"	62
4) "R&D expenses"	4
5) "Distribution expenses"	975
6) "General and administrative expenses"	18
TOTAL NON-RECURRING COSTS	1,059

The amortisation from acquisitions (equal to € 4,359 thousand) included under "General and administrative expenses" are comprised of:

	Nine months ended		
	30.09.2013	30.09.2012	Change
Acquisition of the PSC Group (on 30 November 2006)	1,586	1,633	(47)
Acquisition of Laservall SPA (on 27 August 2004)	331	331	0
Acquisition of Informatics Inc. (on 28 February 2005)	456	469	(13)
Acquisition of Evolution Robotics Retail Inc. (concluded on 1 July 2010)	401	410	(9)
Acquisition of Accu-Sort Inc. (concluded on 20 January 2012)	1,585	1,387	198
TOTAL	4,359	4,230	129

TOTAL COST OF GOODS SOLD (1)

This item decreased by 6.25% compared to the same period in 2012. At constant exchange rates and net of extraordinary costs, the percentage decrease would have been equal to 4.18%.

TOTAL OPERATING COSTS (2)

Operating costs decreased by 4.45%, from € 130,667 thousand to € 124,856 thousand. At constant exchange rates and net of non-recurring items and of the amortisation pertaining to acquisitions, there were no significant differences compared to the same period last year (+ € 109 thousand).

In particular:

- **"R&D expenses"** amounted to € 25,388 thousand and increased by € 1,288 thousand compared with the same period of the previous year (+ € 1,926 thousand at constant exchange rates, net of extraordinary costs, equal to 8%). This increase is primarily attributable to the increase in personnel costs, in the amount of € 641 thousand (+ € 915 thousand at constant exchange rates and net of extraordinary costs), and consulting services, in the amount of € 237 thousand;
- **"distribution expenses"** total € 61,096 thousand, down € 5,107 thousand on the previous period; at constant exchange rates and net of non-recurring items, there were no significant differences compared to the same period of 2012. There has been a decrease in shipping costs of € 1,017 thousand and an increase in marketing expenses of € 723 thousand.
- **"general and administrative expenses"** total € 36,904 thousand, down € 1,648 thousand on the same period of 2012. Net of extraordinary items and at constant exchange rates, this item decreased by € 1,160 thousand compared to the same period of the previous year.

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

	Nine months ended		
	30.09.2013	30.09.2012	Change
Capital losses on assets	21	80	(59)
Contingent liabilities	71	53	18
Provisions for doubtful accounts	435	353	82
Non-income taxes	736	947	(211)
Cost charge backs	145	290	(145)
Other	60	89	(29)
Total	1,468	1,812	(344)

Breakdown of costs by type

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

	Nine months ended		
	30.09.2013	30.09.2012	Change
Purchases	129,448	132,649	(3,201)
Inventory change	(5,491)	3,685	(9,176)
Payroll & employee benefits	95,031	97,278	(2,247)
Goods receipt & shipment	11,802	12,003	(201)
Amortisation, depreciation and write-downs	11,665	11,470	195
Technical, legal and tax advisory services	9,298	10,313	(1,015)
Travel & accommodation	5,712	6,217	(505)
Marketing expenses	5,464	4,599	865
Building expenses	4,589	5,156	(567)
Repairs	3,365	3,701	(336)
Material collected from the warehouse	3,008	2,429	579
Vehicle expenses	2,882	3,242	(360)
Telephone expenses	1,504	1,599	(95)
Directors' remuneration	1,414	4,212	(2,798)
EDP expenses	1,412	1,376	36
Utilities	1,403	1,513	(110)
Consumables	1,325	1,088	237
Accounts certification expenses	1,091	927	164
Commissions	1,025	802	223
Meeting expenses	1,006	1,056	(50)
Royalties	957	804	153
Insurance	935	617	318
Subcontracted work	855	1,072	(217)
Quality certification expenses	756	760	(4)
Entertainment expenses	661	772	(111)
Leasing and maintenance of plant and machinery	467	357	110
Stationery	353	432	(79)
R&D materials	319	315	4
Personnel training	263	230	33
Other	6,487	5,750	737
Total (1+2)	299,006	316,424	(17,418)

The item “Amortisation, depreciation and write-downs” includes the write-down of € 305 thousand related to the disposal of assets not completely depreciated following the transfer of part of the production of Sesto Calende to another factory.

The increase in item “Marketing expenses” is primarily attributable to the attendance to new exhibitions and the increase in marketing co-participation expenses.

The decrease in item “Building expenses” is due to the recording, in the nine months of 2012, of non-recurring costs, resulting from the integration process of the companies Datalogic Automation Inc. and Accu-Sort.

The decrease in item “Directors’ remuneration” is attributable to the lower cost borne following the changes occurred in the management over the period.

The “Other” item mainly consists of several costs all of which are lower than €300 thousand.

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

	Nine months ended		Change
	30.09.2013	30.09.2012	
Wages and salaries	73,099	70,421	2,678
Social security charges	14,760	14,013	747
Employee severance indemnities	1,014	1,135	(122)
Retirement and similar benefits	744	1,352	(607)
Medium- to long-term managerial incentive plan	2,182	2,175	7
Other costs	3,232	8,183	(4,951)
<i>of which leaving incentives</i>	<i>(1,059)</i>	<i>3,979</i>	<i>(5,038)</i>
Total	95,031	97,278	(2,247)

The “wages and salaries” item of €73,099 thousand includes *sales commissions and incentive payments* for €10,272 thousand (€6,702 thousand for the period ended 30 September 2012).

The “Other costs” item includes early retirement incentives of €119 thousand, of which:

- positive components, amounting to €1,059 thousand, classified under item “Non-recurring costs and revenues” as they related to incentives to leave, allocated and classified under the same item as the previous year, but charged back in the first half of 2013 due to the review and subsequent definition of the restructuring plan,
- €940 thousand are not classified under “non-recurring costs and revenues” as they refer to the normal managerial turnover.

Note 19. Other operating revenues

The detailed breakdown of this item is as follows:

	Nine months ended		Change
	30.09.2013	30.09.2012	
Miscellaneous income and revenues	614	470	144
Rents	44	122	(78)
Capital gains on asset disposals	61	5,544	(5,483)
Incidental income and cost cancellation	27	6	21
Grants to research and development expenses	45	94	(49)
Other	54	63	(9)
Total	845	6,299	(5,454)

The decrease in the “Capital gains on asset disposals” item is due to the capital income made in 2012 (€ 5,500 thousand) with the sale of some assets, such as patents, know-how and other intangible assets relating to the RFID business.

Note 20. Net financial income (expenses)

	Nine months ended		Change
	30.09.2013	30.09.2012	
Interest expenses on bank current accounts/loans	3,807	5,815	(2,008)
Foreign exchange losses	7,465	5,308	2,157
Bank expenses	1,568	869	699
Other	112	621	(509)
<i>Total financial expenses</i>	<i>12,952</i>	<i>12,613</i>	<i>339</i>
Interest income on bank current accounts/loans	154	593	(439)
Foreign exchange gains	5,527	5,391	136
Other	204	1,149	(945)
<i>Total financial income</i>	<i>5,885</i>	<i>7,133</i>	<i>(1,248)</i>
Net financial income (expenses)	(7,067)	(5,480)	(1,587)

Total financial expenses

The item “Foreign exchange losses”, equal to € 7,465 thousand, is attributable to the ADC Group (€ 4,812 thousand), the Parent Company (€ 1,767 thousand) and the Industrial Automation Group (€ 869 thousand).

The most significant increases in item “Bank expenses” are broken down as follows:

- the recognition of the portion for the period of up front fees discounted at the disbursement date of long-term loans and costs and interests for factoring (€ 400 thousand as at 30 September 2013 and € 138 thousand as at 30 September 2012);
- increase by € 275 thousand, related to the substitute tax paid for the granting of a long-term loan.

The decrease in item “Other” is due to the recording, in 2012, of interests for the discounting of the account payable for the incentive plan addressed to the management of € 391 thousand.

Total financial income

The item “Foreign exchange gains”, equal to € 5,527 thousand, is mainly attributable to the ADC Group (€ 3,640 thousand), the Industrial Automation Group (€ 962 thousand) and the Parent Company (€ 925 thousand).

The decrease in item “Other” is due to the recording at fair value of securities held in 2012 (€ 1,030 thousand) by the company Datalogic Spa, which, in 2013, were sold while obtaining a capital gain (€ 112 thousand).

Note 21. Taxes

	Nine months ended		Change
	30.09.2013	30.09.2012	
Income taxes	1,753	10,999	(9,246)
Substitute tax		2,057	(2,057)
Deferred taxes	6,390	(9,530)	15,920
Total	8,143	3,526	4,617

The average tax rate comes to 31.57% (10.98% as at 30 September 2012).

Note 22. Earnings/loss per share

Basic Earnings/loss per share

	Nine months ended	
	30.09.2013	30.09.2012
Group profit/(loss) for the period	17,652,000	28,585,000
Average number of shares	56,837,558	56,574,863
Basic Earnings/loss per share	0.3106	0.5053

Basic EPS as at 30 September 2013 was calculated by dividing Group net profit of € 17,652 thousand (Group net profit of € 28,585 thousand at 30 September 2012) by the weighted average number of ordinary shares outstanding as at 30 September 2013 equal to 56,837,558 shares (56,574,863 as at 30 September 2012).

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 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 S.p.A.

Intra-group 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 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	Laservall Asia	TOTAL 30/09/13
	associate	parent company	company controlled by Chairman of BoD	associates	company controlled by a company Body member	associate	
Equity investments	1,028	0	0	76	0	1,658	2,762
Automation Group	1,028			76		1,658	2,762
Trade and other receivables	294	0	78	782	0	632	1,786
Automation Group	294		75	782		632	1,783
DI Spa			3				3
Receivables pursuant to tax consolidation	0	8,409	0	0	0	0	8,409
DI Automation Srl		1,152					1,152
DI ADC		1,493					1,493
Datalogic IP Tech Srl		742					742
DI Spa		5,022					5,022
Trade payables	3	0	110	8	241	8	370
DI Spa					194		194
ADC Group					5		5
Automation Group	3		110	8	33	8	162
Datalogic IP Tech Srl					9		9
Financial payables	0	0	0	0	0	0	0
DI Spa							0
Distribution / service expenses	14	47	390	35	589	26	1,101
DI Spa		47	24		504		575
Datalogic Real Estate srl							0
Automation Group	14		366	35	51	26	492
ADC Group					17		17
Datalogic IP Tech Srl					17		17
Commercial revenues	1,300	0	1	2,110	0	2,697	6,108
Automation Group	1,300			1,993		2,697	5,990
DI Spa			1		0		1
ADC Group				117			117
Profits(losses) from associates	55	0	0	0	0	195	250
Automation Group	55					195	250

NUMBER OF EMPLOYEES

	30.09.2013	30.09.2012	Change
Corporate	99	72	27
ADC Group	1,426	1,419	7
Automation Group	768	808	(40)
informatics	114	107	7
Total	2,407	2,406	1

The Chairman of the Board of Directors
Mr. Romano Volta

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

Resoconto Intermedio di gestione al 30 settembre 2013

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 30 settembre 2013 corrisponde alle risultanze documentali, ai libri e alle scritture contabili.

Datalogic S.p.A.

(Marco Rondelli)

