



Quarterly Financial Report at 30 September 2014



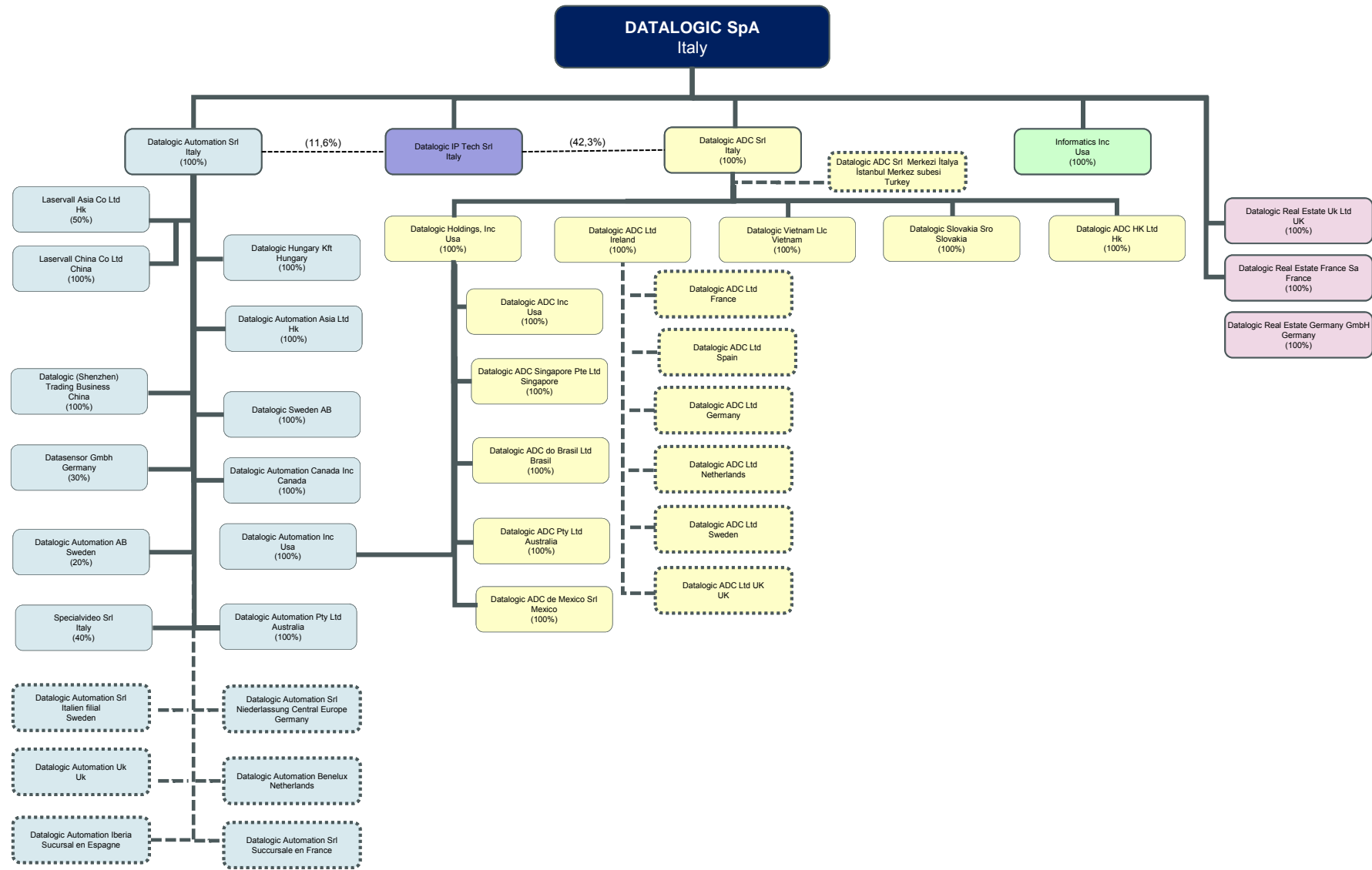
DATALOGIC GROUP

Quarterly Financial Report at 30 September 2014

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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

Todescato Piero
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 2014, 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 2014 in comparison with the same period a year earlier (figures in Euro thousands):

	nine months ended		Change	% change
	30.09.2014	30.09.2013		
Total revenues	340,064	330,773	9,291	2.8%
EBITDA (*)	52,007	43,219	8,788	20.3%
<i>% of total revenues</i>	<i>15.3%</i>	<i>13.1%</i>		
Group net profit/loss	25,680	17,652	8,028	45.5%
<i>% of total revenues</i>	<i>7.6%</i>	<i>5.3%</i>		
Net financial position (NFP) (**)	(81,661)	(125,051)	43,390	-34.7%

(*) **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 2014, the **Datalogic Group had revenues of € 340,064 thousand (€ 330,773 thousand in the same period of the previous year)**, of which € 323,268 thousand derived from product sales and € 16,796 thousand from services.

Revenues grew by 2.8% compared with the same period of the previous year. At constant euro/dollar exchange rates, they would have increased by 4.2%.

Group EBITDA was € 52,007 thousand, corresponding to 15.3% of total revenues, an increase of € 8,788 thousand compared with the same period of the previous year (€ 43,219 thousand as at 30 September 2013).

Group net profit, which as at 30 September 2014 was €25,680 thousand, is 45.5% higher than the profit obtained in the same period of the previous year, equal to €17,652 thousand.

ANALYSIS OF RECLASSIFIED INCOME STATEMENT DATA

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

(in €'000)	<i>nine months ended</i>				Change	% change
	30.09.2014		30.09.2013			
Total revenues	340,064	100.0%	330,773	100.0%	9,291	2.8%
Cost of sales	(174,616)	-51.3%	(174,212)	-52.7%	(404)	0.2%
Gross profit	165,448	48.7%	156,561	47.3%	8,887	5.7%
Other revenues	1,004	0.3%	845	0.3%	159	18.8%
Research and development expenses	(29,812)	-8.8%	(25,392)	-7.7%	(4,420)	17.4%
Distribution expenses	(60,467)	-17.8%	(62,071)	-18.8%	1,604	-2.6%
General & administrative expenses	(30,726)	-9.0%	(32,563)	-9.8%	1,837	-5.6%
Other operating costs	(1,828)	-0.5%	(1,468)	-0.4%	(360)	24.5%
Total operating cost and other costs	(122,833)	-36.1%	(121,494)	-36.7%	(1,339)	1.1%
Ordinary operating result before non-recurring costs and revenues and administrative costs arising from acquisitions (EBITANR)	43,619	12.8%	35,912	10.9%	7,707	21.5%
Non-recurring costs and revenues	(2,370)	-0.7%	1,059	0.3%	(3,429)	n.a.
Depreciation & amortisation due to acquisitions (*)	(4,097)	-1.2%	(4,359)	-1.3%	262	-6.0%
Operating result (EBIT)	37,152	10.9%	32,612	9.9%	4,540	13.9%
Net financial income (expenses)	(6,446)	-1.9%	(5,129)	-1.6%	(1,317)	25.7%
Profits/(losses) from associates	(41)	0.0%	250	0.1%	(291)	n.a.
Foreign exchange gains/(losses)	910	0.3%	(1,938)	-0.6%	2,848	n.a.
Pre-tax profit/(loss)	31,575	9.3%	25,795	7.8%	5,780	22.4%
Taxation	(5,895)	-1.7%	(8,143)	-2.5%	2,248	-27.6%
GROUP NET PROFIT/(LOSS)	25,680	7.6%	17,652	5.3%	8,028	45.5%
Depreciation and write-downs of tangible assets	(5,268)	-1.5%	(5,631)	-1.7%	363	-6.4%
Amortisation and write-downs of intangible assets	(3,120)	-0.9%	(1,676)	-0.5%	(1,444)	86.2%
EBITDA	52,007	15.3%	43,219	13.1%	8,788	20.3%

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

Gross profit significantly improved, from 47.3% to 48.7% of total revenues, primarily due to the reduction in cost of components.

Operating costs increased, in absolute terms, with respect to the same period of 2013 (+1.1%), albeit impact on revenues decreased (-0.6%).

It is worth noting that the Group increased investments in R&D expenses, both in absolute value (from € 25,392 thousand in the first nine months of 2013 to € 29,812 thousand in the first nine months of 2014), and in percentage on revenues (from 7.7% to 8.8% in the corresponding periods), by reason of the fact that these investments are deemed as a key lever for the business development.

In the quarter ended 30 September 2014, the non-recurring costs item amounted to € 2,370 thousand. The breakdown of this item, as included in the balance-sheet statement, is as follows:

ITEM	AMOUNT	TYPE OF COST
2) "Cost of goods sold"	595	leaving incentives
Total	595	
5) "Distribution expenses"	596	leaving incentives
Total	596	
6) "General and administrative expenses"	1,146	leaving incentives
6) "General and administrative expenses"	33	consulting
Total	1,179	
TOTAL NON-RECURRING COSTS	2,370	

These costs resulted from re-organisation internal to the Group, and are primarily related to the re-organisation of the operating structure of the Industrial Automation division.

As at 30 September 2014, depreciation and amortisation due to acquisitions (totalling € 4,097 thousand) broke down as follows:

	Nine months ended		Change
	30.09.2014	30.09.2013	
Acquisition of the PSC Group (on 30 November 2006)	1,543	1,586	(43)
Acquisition of Laservall SPA (on 27 August 2004)	220	331	(111)
Acquisition of Informatics Inc. (on 28 February 2005)	443	456	(13)
Acquisition of Evolution Robotics Retail Inc. (on 1 July 2010)	388	401	(13)
Acquisition of Accu-Sort Inc. (on 20 January 2012)	1,503	1,585	(82)
TOTAL	4,097	4,359	(262)

The "Ordinary operating result" (EBITANR) was € 43,619 thousand (12.8% of revenues) and up by 21.5% over the amount registered for the same period of the previous year (€35,912 thousand).

The following table compares the main operating results achieved in the third quarter of 2014 with the same period of 2013.

	QIII 2014		QIII 2013		Change	% change
TOTAL REVENUES	116,036	100.0%	112,004	100.0%	4,032	3.6%
EBITDA	17,854	15.4%	16,987	15.2%	867	5.1%
EBITANR (*)	14,998	12.9%	14,671	13.1%	327	2.2%
OPERATING RESULT (EBIT)	13,698	11.8%	13,225	11.8%	473	3.6%

(*) see definition on page 4

The following table compares the main operating results achieved in the third quarter of 2014 with those achieved in the second quarter of 2014.

	QIII 2014		QII 2014		Change	% change
TOTAL REVENUES	116,036	100.0%	115,782	100.0%	254	0.2%
EBITDA	17,854	15.4%	18,688	16.1%	(834)	-4.5%
EBITANR (*)	14,998	12.9%	15,943	13.8%	(945)	-5.9%
OPERATING RESULT (EBIT)	13,698	11.8%	12,165	10.5%	1,533	12.6%

(*) see definition on page 4

Total revenues in the third quarter of 2014 stood at € 116 million, with a slight increase compared to the second quarter of 2014, and up by 3.6% compared to the third quarter of 2013 (at constant exchange rates revenues would stand at € 116.1 million).

The growth trend was also confirmed by the booking (already acquired orders) for the three-month period, which is still remarkable and equal to € 116.3 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 € 226.5 million in the first nine months of 2014, up by 11.8% versus € 202.6 million in the first nine months of 2013. The turnover reported in the third quarter amounted to € 77.4 million, in line compared with the second quarter of 2014 and up by 13.1% compared to the third quarter of 2013. This Division continues to drive growth, encouraged by the success gained with the launching of new technologically-advanced products and the hiring, especially in Europe, of new professionals in the sales department.

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 € 95.1 million in the first nine months of 2014, down by 9.4% compared to € 104.9 million reported in the first nine months of 2013. The Division reported a recovery of 0.97% compared to the previous quarter, highlighting a turnover of € 32.5 million, thus reducing the yoy drop (-9.6% versus the third quarter of 2013), thanks to the positive performance in EMEA and APAC. The still negative trend in the United States is primarily due to a decrease of projects in the postal segment.

Lastly, **Informatics** reported a turnover of € 19.7 million compared with € 23.4 million in the first nine months of 2013. On a quarterly basis, Informatics reported a turnover of € 6.7 million compared with € 6.9 million in the second quarter of 2014 and € 7.8 million in the third quarter of 2013.

ANALYSIS OF FINANCIAL AND CAPITAL DATA

The following table shows the main financial and equity items as at 30 September 2014, for the Datalogic Group, compared with 31 December 2013 and 30 September 2013.

(in €000)	30.09.2014	31.12.2013	30.09.2013
Net intangible assets	56,939	59,058	56,270
Goodwill	158,744	145,092	148,095
Net tangible assets	53,235	51,328	49,861
Unconsolidated equity investments	4,935	5,452	3,387
Other non-current assets	41,884	39,441	39,781
Non-current capital	315,737	300,371	297,394
Net trade receivables vs. Customers	70,009	69,953	77,671
Amounts due to Suppliers	(73,067)	(84,712)	(63,173)
Inventories	64,560	53,803	52,565
Net working capital, trading	61,502	39,044	67,063
Other current assets	33,601	26,483	26,649
Other current liabilities and provisions for short term risks	(57,792)	(48,838)	(53,792)
Net working capital	37,311	16,689	39,920
Other M/L term liabilities	(23,156)	(20,359)	(20,552)
Liabilities for employee benefits / Severance Indemnity	(7,402)	(7,049)	(7,490)
Provisions for risks	(11,696)	(7,398)	(5,968)
Net invested capital	310,794	282,254	303,304
Total Shareholders' Equity	(229,133)	(185,247)	(178,253)
Net financial position	(81,661)	(97,007)	(125,051)

As at 30 September 2014, the net financial debt was negative for € 81,661 thousand, broken down as follows:

	30.09.2014	31.12.2013	30.09.2013
A. Cash and bank deposits	79,086	128,497	112,669
B. Other cash and cash equivalents	161	42	44
<i>b1. restricted cash deposit</i>	161	42	44
C. Securities held for trading	358	358	363
<i>c1. Short-term</i>	0	0	4
<i>c2. Long-term</i>	358	358	359
D. Cash and equivalents (A) + (B) + (C)	79,605	128,897	113,076
E. Current financial receivables	1,402	3,297	715
F. Other current financial receivables	0	0	0
<i>f1. hedging transactions</i>	0	0	0
G. Bank overdrafts	163	49	109
H. Current portion of non-current debt	63,113	46,360	32,155
I. Other current financial payables	549	248	300
<i>i1. hedging transactions</i>	0	14	68
<i>i2. payables for lease</i>	244	234	232
<i>i3. current financial payables</i>	305	0	0
J. Current financial debt (G) + (H) + (I)	63,825	46,657	32,564
K. Current financial debt, net (J) - (D) - (E) - (F)	(17,182)	(85,537)	(81,227)
L. Non-current bank borrowing	118,047	181,327	204,912
M. Other non-current financial assets	20,155	0	0
N. Other non-current liabilities	951	1,217	1,366
<i>n1. hedging transactions</i>	311	371	451
<i>n2. payables for lease</i>	640	846	915
O. Non-current financial debt (L) - (M) + (N)	98,843	182,544	206,278
P. Net financial debt (K) + (O)	81,661	97,007	125,051

Net financial debt as at 30 September 2014 is negative for € 81,661 thousand, an improvement of € 15,346 thousand compared to 31 December 2013 (when it was negative by € 97,007 thousand).

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

- purchase/sale of treasury shares that generated a positive cash flow, equal to € 11,311 thousand. In the first nine months of 2014, the Group purchased 125,005 treasury shares and sold 1,421,083 of them, with a capital gain of € 4,469 thousand,
- payment of dividends of € 9,351 thousand,
- cash outflows for leaving incentives amounting to € 1,608 thousand,

Investments were also made amounting to € 6,429 thousand.

Net working capital as at 30 September 2014 amounted to € 37,311 thousand, up by € 20,622 thousand compared to 31 December 2013 (€ 16,689 thousand), mainly due to both the decrease in trade payables, from € 84,712 thousand at year-end to € 73,067 thousand as at 30 September and the increase in inventories, from € 53,803 thousand to € 64,560 thousand.

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

	30 September 2014		31 December 2013	
	Total equity	Period results	Total equity	Period results
Parent Company shareholders' equity and profit	221,934	24,048	189,084	6,921
Difference between consolidated companies' net equity and their carrying value in the Parent Company's financial statements; effect of equity-based valuation	69,497	29,409	54,340	60,534
Reversal of dividends		(26,477)	0	(39,202)
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	(18,665)		(18,665)	
Effect of eliminating intercompany transactions	(13,807)	(1,538)	(9,445)	(3,693)
Reversal of write-downs and capital gains on equity investments	6,121		6,121	2,175
Sale of know-how	(7)		(7)	
Goodwill impairment	(1,395)		(1,395)	
Other	(1,066)	(116)	(953)	(51)
Deferred taxes	4,081	354	3,727	222
Group shareholders' equity	229,133	25,680	185,247	26,906

FINANCIAL INCOME (EXPENSES)

Financial income was negative by € 5,536 thousand, and improved compared to the same period of the previous year (negative by € 7,067 thousand), mainly due to a more favourable trend of Foreign exchange differences, from a negative situation, as at 30 September 2013, in the amount of € 1,938 thousand, and a positive situation, in the amount of € 910 thousand, as at 30 September 2014. This result is broken down as follows:

	nine months ended		Change
	30.09.2014	30.09.2013	
Financial income/(expenses)	(4,667)	(3,653)	(1,014)
Foreign exchange differences	910	(1,938)	2,848
Bank expenses	(2,050)	(1,568)	(482)
Other	271	92	179
Total net financial expenses	(5,536)	(7,067)	1,531

The significant increase in the "Bank expenses" item is attributable to the recognition of the portion pertaining to the upfront fees period, paid upon opening of long-term loans, in the amount of € 806 thousand, of which € 402 thousand are connected with the early redemption of a mortgage loan (€ 400 thousand as at 30 September 2013), as well as factoring costs amounting to € 672 thousand (€ 199 thousand in 2013).

The "Other" item includes dividends received by the Mandarin fund and the company Idec Corporation, totalling € 162 thousand.

Losses generated by companies carried at equity were recognised in the amount of € 41 thousand (compared with profits of € 250 thousand as at 30 September 2013).

OUTLOOK FOR CURRENT YEAR AND SUBSEQUENT EVENTS

An agreement was signed, effective on 30 June 2014, with Mr. Gian Paolo Fedrigo, CEO of the Industrial Automation Division, who decided to leave the company to evaluate new professional opportunities and initiatives. Mrs. Valentina Volta, member of Datalogic S.p.A.'s Board of Directors, took on the office of CEO of the Division.

On 1 September, a new General Manager for Americas, with more than one decade of experience in the sector, was appointed for the Industrial Automation Division. Moreover, in the second quarter, a new General Manager, with ten year experience in the sector of automatic identifications and SW solutions for the retail market, was appointed for the Informatics Division.

Significant investments are still being made in R&D. Especially in the Business Development Division, innovation represents not only a major and indispensable pillar for Datalogic's future, but also a dynamic and effective transversal structure according to which the Group will systematically rely on technology as the essential driver for growth and value generation.

The results of the first half of the year still confirm, and actually enhance, the positive trend reported in the second half of 2013, above all in the ADC Division. While taking also account of the positive trend in booking related to the quarter, a similar positive performance reported in previous quarters is also expected for the fourth quarter of 2014.

SECONDARY LOCATIONS

The Parent Company has no secondary locations.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS (Euro/000)	Note	30.09.2014	31.12.2013
A) Non current assets (1+2+3+4+5+6+7)		336.250	300.729
1) Tangible assets		53.235	51.328
land	1	5.347	5.223
buildings	1	24.654	24.528
other assets	1	21.106	19.822
assets in progress and payments on account	1	2.128	1.755
2) Intangible assets		215.683	204.150
goodwill	2	158.744	145.092
development costs	2	7.138	6.339
other	2	48.995	50.493
assets in progress and payments on account	2	806	2.226
3) Equity investments in associates	3	1.742	1.783
4) Financial assets		23.706	4.027
equity investments	5	3.193	3.669
securities	5	358	358
other	5	20.155	0
5) Loans			
6) Trade and other receivables	7	1.666	1.744
7) Receivables for deferred tax assets	13	40.218	37.697
B) Current assets (8+9+10+11+12+13+14)		248.819	282.075
8) Inventories		64.560	53.803
raw and ancillary materials and consumables	8	14.600	14.072
work in progress and semi-finished products	8	22.684	15.951
finished products and goods	8	27.276	23.780
9) Trade and other receivables	7	87.678	85.475
trade receivables	7	70.009	69.953
due within 12 months	7	68.880	68.406
<i>of which to associates</i>	7	1.129	1.536
<i>of which to related parties</i>	7		11
other receivables – accrued income and prepaid expenses	7	17.669	15.522
<i>of which to related parties</i>		75	75
10) Tax receivables	9	15.932	10.961
<i>of which to the parent company</i>		7.625	6.225
11) Financial assets	5	1.402	1.297
securities		0	0
other		1.402	1.297
12) Loans	5	0	2.000
of which to the parent company		0	2.000
13) Financial assets - Derivatives	6	0	0
14) Cash and cash equivalents	10	79.247	128.539
Total assets (A+B)		585.069	582.804

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

LIABILITIES (Euro/000)	Note	30.09.2014	31.12.2013
A) Total shareholders' equity (1+2+3+4+5)	11	229.133	185.247
1) Share capital	11	148.311	137.000
2) Reserves	11	94	(16.154)
3) Profits (losses) of previous years	11	55.048	37.495
4) Group profit (loss) for the period/year	11	25.680	26.906
5) Minority interests	11	0	0
B) Non current liabilities (6+7+8+9+10+11+12)		161.252	217.350
6) Financial payables	12	118.687	182.173
7) Financial liabilities - Derivatives	6	311	371
8) Tax payables	9	32	575
9) Deferred tax liabilities	13	20.099	17.136
10) Post-employment benefits	14	7.402	7.049
11) Provisions for risks and charges	15	11.696	7.398
12) Other liabilities	16	3.025	2.648
C) Current liabilities (13+14+15+16+17)		194.684	180.207
13) Trade and other payables	16	114.944	120.740
Trade payables	16	73.067	84.712
of which within 12 months	16	72.729	84.391
of which to associates	16	84	124
of which to related parties	16	254	197
other payables – accrued liabilities and deferred income	16	41.877	36.028
14) Tax payables	9	9.233	5.763
of which to the parent company		421	138
15) Provisions for risks and charges	15	6.682	7.047
16) Financial liabilities - Derivatives	6	0	14
17) Financial payables	12	63.825	46.643
Total liabilities (A+B+C)		585.069	582.804

CONSOLIDATED STATEMENT OF INCOME

(Euro /000)	Note	30.09.2014	30.09.2013
1) Total revenues	17	340.064	330.773
Revenues from sale of products		323.268	313.531
Revenues from services		16.796	17.242
<i>of which to related parties</i>		4.551	6.108
2) Cost of goods sold	18	175.211	174.150
of which non-recurring	18	595	(62)
<i>of which to related parties</i>		193	32
Gross profit (1-2)		164.853	156.623
3) Other operating revenues	19	1.004	845
of which non-recurring	19		
<i>of which to related parties</i>			
4) R&D expenses	18	29.876	25.454
of which non-recurring	18		(4)
of which amortisation, depreciation and write-downs pertaining to acquisitions		64	66
<i>of which to related parties</i>	18	8	
5) Distribution expenses	18	61.063	61.096
of which non-recurring	18	596	(975)
<i>of which to related parties</i>		44	
6) General and administrative expenses	18	35.938	36.838
of which non-recurring	18	1.179	(18)
of which amortisation, depreciation and write-downs pertaining to acquisition	18	4.033	4.293
<i>of which to related parties</i>		645	1.069
7) Other operating expenses	18	1.828	1.468
Total operating costs		128.705	124.856
Operating result		37.152	32.612
8) Financial income	20	16.365	5.885
<i>of which to related parties</i>		11	
9) Financial expenses	20	21.901	12.952
Net financial income (expenses) (8-9)		(5.536)	(7.067)
10) Profits from associates	3	(41)	250
Profit (loss) before taxes from the operating assets		31.575	25.795
Income tax	21	5.895	8.143
Profit/(loss) for the period		25.680	17.652
Basic earnings/(loss) per share (€)	22	0,4431	0,3106
Diluted earnings/(loss) per share (€)	22	0,4431	0,3106

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Euro /000)	Note	30.09.2014	30.09.2013
Net profit/(loss) for the period		25.680	17.652
Other components of the statement of comprehensive income:			
<i>Other components of the statement of comprehensive income which will be restated under profit/(loss) for the year:</i>			
Profit/(loss) on cash flow hedges	11	54	454
Profit/(loss) due to translation of the accounts of foreign companies	11	10.323	(2.772)
Reserve for exchange rate adjustment	11	5.871	(1.728)
Total profit/(loss) of Statement of Comprehensive Income		16.248	(4.046)
Total net profit/(loss) for the period		41.928	13.606
Attributable to:			
Parent company shareholders		41.928	13.606
Minority interests		0	0

CONSOLIDATED STATEMENT OF CASH FLOW

(Euro /000)	30.09.2014	30.09.2013
Profit before taxes	31.575	25.795
Depreciation and amortisation of tangible and intangible assets and write-downs	12.485	11.665
Change in employee benefits reserve	353	123
Provision to the write-down reserve	835	453
Net financial expenses/(income) including exchange rate differences	5.536	7.067
Adjustments to value of financial assets	41	(250)
Cash flow from operations before changes in working capital	50.825	44.853
Change in trade receivables (net of provision)	(891)	4.428
Change in final inventories	(10.757)	(3.412)
Change in current assets	(2.147)	6.021
Other medium-/long-term assets	78	101
Change in trade payables	(11.645)	(7.929)
Change in other current liabilities	5.849	(17.819)
Other medium/long-term assets	377	240
Change in provisions for risks and charges	3.933	1.058
Commercial foreign exchange gains/(losses)	(1.521)	(660)
Foreign exchange effect of working capital	(4)	(758)
Cash flow from operations after changes in working capital	34.097	26.123
Change in tax	(7.497)	(9.535)
Foreign exchange effect of tax	1.421	(173)
Interest paid and banking expenses	(6.446)	(5.129)
Cash flow generated from operations (A)	21.575	11.286
(Increase)/decrease in intangible assets excluding exchange rate effect	(5.795)	(3.199)
(Increase)/decrease in tangible assets excluding exchange rate effect	(634)	(4.256)
Change in unconsolidated equity interests	476	799
Changes generated by investment activity (B)	(5.953)	(6.656)
Change in LT/ST financial receivables	(18.379)	8.550
Change in short-term and medium-/long-term financial debt	(46.492)	13.432
Financial foreign exchange gains/(losses)	2.431	(1.278)
Purchase/sale of treasury shares	11.311	(35)
Change in reserves and exchange rate effect of financial assets/liabilities, equity and tangible and intangible assets	(4.667)	1.275
Dividend payment	(9.351)	(8.525)
Cash flow generated (absorbed) by financial assets (C)	(65.147)	13.419
Net increase (decrease) in available cash (A+B+C)	(49.525)	18.049
Net cash and cash equivalents at beginning of period (Note 10)	128.448	94.511
Net cash and cash equivalents at beginning of period (Note 10)	78.923	112.560

STATEMENT OF SHAREHOLDERS' EQUITY

Description	Share capital and capital reserves		Reserves of Statement of Comprehensive Income					Profits for previous years						
	Total share capital and capital reserves	Cash-flow hedge reserve	Translation reserve	Reserve for exchange rate adjustment	Actuarial gains/(losses) reserve	Held-for-sale financial assets reserve	Total Reserves of Statement of Comprehensive Income	Earnings carried forward	Capital contribution 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)	0	1	(11.781)	23.116	958	4.388	8.683	37.145	17.652	178.253

Description	Share capital and capital reserves		Reserves of Statement of Comprehensive Income					Profits for previous years						
	Total share capital and capital reserves	Cash-flow hedge reserve	Translation reserve	Reserve for exchange rate adjustment	Actuarial gains/(losses) reserve	Held-for-sale financial assets reserve	Total Reserves of Statement of Comprehensive Income	Earnings carried forward	Capital contribution reserve	Legal reserve	IAS reserve	Total	Profit for the year	Total Group shareholder s' equity
01.01.2014	137.000	(280)	(12.729)	(2.767)	(378)	0	(16.154)	23.466	958	4.388	8.683	37.495	26.906	185.247
Allocation of earnings	0						0	26.559		347		26.906	(26.906)	0
Dividends			0				0	(9.351)				(9.351)		(9.351)
Translation reserve	0						0					0		0
Change in IAS reserve	0						0					0		0
Sale/purchase of treasury shares	11.311						0					0		11.311
Other changes							0				(2)	(2)		(2)
Profit/(loss) as at 30.09.2014	0						0					0	25.680	25.680
Total other components of the statement of comprehensive income		54	10.323	5.871			16.248							16.248
30.09.2014	148.311	(226)	(2.406)	3.104	(378)	0	94	40.674	958	4.735	8.681	55.048	25.680	229.133

(*) 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 S.p.A. (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 2014 includes the figures of the Parent Company and its subsidiaries (defined hereinafter as the “Group”), as well as its minority interests in associated companies. This Interim report on operations, ended 30 September 2014, was prepared by the Board of Directors on 7 November 2014.

PRESENTATION AND CONTENT OF THE CONSOLIDATED FINANCIAL STATEMENTS

This Interim report on operations as at 30 September 2014 was prepared pursuant to Article 154 ter of the Italian Legislative Decree no. 58/1998, and to the Consob provisions in this field.

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 criteria and accounting standards are consistent with those used for the financial statements as at 31 December 2013 to which reference is made for further details.

GROUP STRUCTURE

The consolidated financial statements include the statements of the Parent Company and of the companies in which the former directly or indirectly holds the majority of voting rights.

The companies consolidated on a line-by-line basis for the period ended 30 September 2014 are as follows:

Company	Registered office	Share Capital	Total shareholders' equity (€000)	Profit/loss for the period (€000)	% Ownership	
Datalogic S.p.A.	Bologna – Italy	Euro	30,392,175	221,934	24,048	
Datalogic Real Estate France Sa	Paris – France	Euro	2,227,500	3,552	(13)	100%
Datalogic Real Estate Germany GmbH	Erkenbrechtsweiler-Germany	Euro	1,025,000	1,654	(89)	100%
Datalogic Real Estate UK Ltd	Redbourn- England	GBP	3,500,000	4,845	(28)	100%
Datalogic IP tech S.r.l.	Bologna – Italy	Euro	65,677	1,231	(1,810)	100%
Informatics Inc.	Plano Texas - Usa	\$USA	9,996,000	17,647	445	100%
Datalogic Automation S.r.l.	Monte San Pietro (BO) - Italy	Euro	10,000,000	6,601	(924)	100%
Datalogic Sweden AB	Malmö – Sweden	KRS	200,000	11	(13)	100%
Datalogic Automation INC	Telford, USA	\$USA	6,009,352	40,329	(2,167)	100%
Datalogic Automation PTY Ltd	Mount Waverley (Melbourne)-Australia	\$AUD	3,188,118	(227)	80	100%
Datalogic Automation Asia Limited	Hong-Kong -China	HKD	7,000,000	(356)	39	100%
Datalogic (Shenzhen) Trading Business China	Shenzhen - China	USD	2,136,696	1,019	391	100%
Datalogic Hungary kft	Fonyod-Hungary	HUF	3,000,000	795	202	100%
Accu-Sort GmbH	Berlin - Germany	Euro	25,565	285	(25)	100%
Datalogic ADC S.r.l.	Bologna – Italy	Euro	10,000	138,888	5,463	100%
Datalogic Mobile Asia	Hong-Kong -China	HKD	100,000	66	3	100%
Datalogic ADC Ltd Ireland	Dublin - Ireland	Euro	100	13,867	458	100%
Datalogic Slovakia S.r.o.	Tvrn-Slovakia	Euro	66,388	11,651	11,708	100%
Datalogic Holdings Inc..	Eugene OR-Usa	\$USA	100	74,751	(2,057)	100%
Datalogic ADC Inc.	Eugene OR-Usa	\$USA	11	84,594	1,412	100%
Datalogic ADC do Brazil	Sao Paulo - Brazil	R\$	159,525	165	173	100%
Datalogic Scanning GmbH	Darmstadt-Germany	Euro	306,775	3,661	2	100%
Datalogic Scanning Eastern Europe GmbH	Darmstadt-Germany	Euro	25,000	2,362	154	100%
Datalogic ADC Pty	Sidney-Australia	\$ AUD	2	1,169	(6)	100%
Datalogic Vietnam Llc	Vietnam	USD	3,000,000	39,344	15,834	100%
Datalogic ADC Singapore	Singapore	SGD	100,000	457	227	100%

The following companies were consolidated at equity as at 30 September 2014:

Company	Registered office	Share Capital	Total Shareholders' Equity (€000)	Profit/loss for the period (€000)	% Ownership	
Laservall Asia Co. Ltd	Hong-Kong – China	HKD	460,000	3,332	(82)	50%

Change in scope of consolidation

It is noted that on 29 January 2014, a Branch of ADC S.r.l. was established with registered offices in Istanbul.

INFORMATION ON STATEMENT OF FINANCIAL POSITION

ASSETS

Note 1. Tangible assets

Details of movements as at 30 September 2014 and 31 December 2013 are as follows:

	30.09.2014	31.12.2013	Change
Land	5,347	5,223	124
Buildings	24,654	24,528	126
Other assets	21,106	19,822	1,284
Assets in progress and payments on account	2,128	1,755	373
Total	53,235	51,328	1,907

The "Other assets" item as at 30 September 2014 mainly includes the following categories: Plant and machinery (€ 4,095 thousand), Trade and industrial equipment (€ 7,674 thousand), Office furniture and machines (€ 6,257 thousand), General plant (€ 1,633 thousand), Motor vehicles (€ 238 thousand), and Maintenance on third-party assets (€ 1,010 thousand).

The main increases for the period related to the purchase of moulds (€ 1,577 thousand), of office and electronic machines (€ 1,432 thousand) and improvements to third-party assets (€ 454 thousand).

The balance of "Assets in progress and payments on account" consists of € 1,009 thousand for investments related to the building of the new plant in Hungary and down payments for equipment, instruments and moulds for normal production activities.

Note 2. Intangible assets

Details of movements as at 30 September 2014 and 31 December 2013 are as follows:

	30.09.2014	31.12.2013	Change
Goodwill	158,744	145,092	13,652
Development costs	7,138	6,339	799
Other	48,995	50,493	(1,498)
Assets in progress and payments on account	806	2,226	(1,420)
Total	215,683	204,150	11,533

Goodwill, totalling € 158,744 thousand, consisted of the following items:

	30.09.2014	31.12.2013	Change
CGU ADC	92,285	84,667	7,618
CGU IA	54,125	48,929	5,196
CGU Informatics	12,334	11,496	838
Total	158,744	145,092	13,652

The change in “Goodwill”, compared to 31 December 2013, 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 2013, 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 2014.

“**Development costs**”, which amount to € 7,138 thousand, consist of specific development projects capitalised when they meet IAS 38 requirements and in compliance with Group policies, which call for the capitalisation only of projects relating to development of products featuring significant innovation. An increase of € 1,755 thousand was reported over the period, connected with a project completed in January 2014.

The “**Other**” item, which amounts to € 48,995 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:

	30.09.2014	31.12.2013	Indefinite useful life
Acquisition of the PSC Group (on 30 November 2006)	18,847	18,712	
PATENTS	18,087	17,603	20
TRADE MARK	386	563	10
CLIENT PORTFOLIO	374	546	10
Acquisition of Laservall SPA (on 27 August 2004)	0	221	
COMMERCIAL STRUCTURE	0	221	10
Acquisition of Informatics Inc. (on 28 February 2005)	264	676	
COMMERCIAL STRUCTURE	264	676	10
Acquisition of Evolution Robotics Retail Inc. (on 1 July 2010)	3,200	3,301	
PATENTS	533	550	10
TRADE SECRETS	2,667	2,751	10
Acquisition of Accu-Sort Inc. (on 20 January 2012)	16,256	16,308	
PATENTS	9,631	9,645	10
TRADE SECRETS	6,625	6,663	10
Licence agreement	6,596	6,948	5.-15
Other	3,832	4,327	
TOTAL OTHER INTANGIBLE ASSETS	48,995	50,493	

The “Other” item mainly consists of software licences.

The “Assets in progress and payments on account” item, equal to € 806 thousand, is attributable to the capitalisation of costs relating to the R&D projects with the features required by IAS 38 and currently still underway.

Note 3. Equity investments in associates

Equity investments owned by the Group as at 30 September 2014 were as follows:

	31.12.2013	Increases	Decreases	Exch. diff.	Share of profit	30.09.2014
Associates						
Laservall Asia CO. Ltd	1,707				(41)	1,666
Datalogic Automation AB	2					2
Specialvideo Srl	29					29
Datasensor GMBH	45					45
Total associates	1,783	0	0	0	(41)	1,742
TOTAL	1,783	0	0	0	(41)	1,742

The change in the “associates” item is due to the Group result realised by the associate Laservall Asia Co.

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:

30.09.2014	Loans and receivables	Financial assets at fair value charged to the income statement	Available for sale	Total
Non-current financial assets	1,666	20,155	3,551	25,372
Financial assets – equity investments (5)			3,193	3,193
Financial assets - Securities			358	358
Financial assets - Other		20,155		20,155
Other receivables (7)	1,666			1,666
Current financial assets	167,123	0	0	167,123
Trade receivables from third parties (7)	68,880			68,880
Other receivables from third parties (7)	17,594			17,594
Financial assets - Other (5)	1,402			1,402
Financial assets - Securities (5)	0			0
Cash and cash equivalents (10)	79,247			79,247
TOTAL	168,789	20,155	3,551	192,495

30.09.2014	Derivatives	Other financial liabilities	Total
Non-current financial liabilities	311	121,712	122,023
Financial payables (12)		118,687	118,687
Financial liabilities - Derivative instruments (6)	311		311
Other payables (16)		3,025	3,025
Current financial liabilities	0	178,431	178,431
Trade payables to third parties (16)		72,729	72,729
Other payables (16)		41,877	41,877
Short-term financial payables (12)		63,825	63,825
TOTAL	311	300,143	300,454

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).

30.09.2014	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets - Equity Investments (5)	3,106		87	3,193
Financial assets - LT securities (5)	358			358
Financial assets - Other LTs (5)			20,155	20,155
Financial assets - Other (5)			1,402	1,402
Assets measured at fair value	3,464	0	21,644	25,108
Liabilities measured at fair value				
Financial liabilities - LT Derivative instruments (6)		311		311
Total Liabilities measured at fair value	0	311	0	311

Note 5. Available-for-sale financial assets and Loans

AFS financial assets include the following items:

	30.09.2014	31.12.2013	Change
Securities	21,915	1,655	20,260
Long-term government bonds	358	358	0
Other LT financial assets	20,155	0	20,155
Other ST financial assets	1,402	1,297	105
Other equity investments	3,193	3,669	(476)
Total	25,108	5,324	19,784

The “Other LT financial assets” item consists of an investment of corporate liquidity in two insurance policies, subscribed in May and July 2014.

The “Other ST financial assets” item comprises receivables from factoring companies regarding trade receivables disposed without recourse, for which, as at 30 September 2014, the amount of the sale has not yet been entirely collected.

As at 30 September 2014, equity interests held in other companies were as follows:

	31.12.2013	Increases	Decreases	Adj. to fair value	Write-downs	30.09.2014
Listed equity investments	3,106					3,106
Unlisted equity investments	563	22	(498)	0	0	87
Total equity investments	3,669	22	(498)	0	0	3,193

The amount of “Listed equity investments” item is made of the 1.2% investment in the share capital of the Japanese company Idec Corporation, listed on the Tokyo Stock Exchange.

The amount of the “Unlisted equity investments” item is mainly represented by the Parent Company’s investment in the Mandarin Fund, a Private Equity fund that mainly invests in Italian and Chinese small and medium-sized companies, whose primary investors and sponsors are Intesa San Paolo and two leading Chinese banks. The increase for the period is due to the purchase of 158 quotas and the repayment of 3,607 (at par) quotas of the aforementioned fund.

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

	30.09.2014	31.12.2013
Financial receivables	0	2,000
Total financial receivables	0	2,000

The financial receivable of € 2,000 thousand, subscribed on 20 December 2013, was redeemed on 27 March 2014.

Note 6. Financial derivatives

	30.09.2014		31.12.2013	
	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		311		371
Interest rate derivatives - ST cash flow hedges				14
Total	0	311	0	385

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 € 311 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 2014, the notional principal of interest swaps totalled € 17,062 thousand (€ 27,350 thousand as at 31 December 2013).

Currency derivatives

As at 30 September 2014, the Group had no active forward contracts for exchange rate risk.

Note 7. Trade and other receivablesTrade and other receivables

	30.09.2014	31.12.2013	Change
Third-party trade receivables	71,448	70,665	783
Deducted: provision for doubtful receivables	2,568	2,259	309
Net third-party trade receivables	68,880	68,406	474
Receivables from associates	1,129	1,536	(407)
Laservall Asia	453	541	(88)
Datasensor GMBH	116	202	(86)
Specialvideo	12	41	(29)
Datalogic Automation AB	548	752	(204)
Related-party receivables	0	11	(11)
Total Trade receivables	70,009	69,953	56
Other receivables – current accrued income and prepaid expenses	17,669	15,522	2,147
Other receivables – non-current accrued income and prepaid expenses	1,666	1,744	(78)
Total other receivables - accrued income and prepaid expenses	19,335	17,266	2,069
Deducted: non-current portion	1,666	1,744	(78)
Trade and other receivables - current portion	87,678	85,475	2,203

Trade receivables

“Trade receivables falling due within 12 months” as at 30 September 2014 are equal to € 70,009 thousand.

As at 30 September 2014, trade receivables assigned to the factoring amounted to € 23,671 thousand (compared to € 17,443 thousand at end 2013).

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

Customer trade receivables are posted net of doubtful debt provision totalling € 2,568 thousand (€ 2,259 thousand as at 31 December 2013).

Other receivables – accrued income and prepaid expenses

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

	30.09.2014	31.12.2013	Change
Other short-term receivables	2,488	2,291	197
Other long-term receivables	1,666	1,744	(78)
VAT receivables	12,622	10,842	1,780
Accrued income and prepaid expenses	2,559	2,389	170
Total	19,335	17,266	2,069

Note 8. Inventories

	30.09.2014	31.12.2013	Change
Raw and ancillary materials and consumables	14,600	14,072	528
Work in progress and semi-finished products	22,684	15,951	6,733
Finished products and goods	27,276	23,780	3,496
Total	64,560	53,803	10,757

Inventories are shown net of an obsolescence provision that, as at 30 September 2014, amounted to €9,444 thousand (€9,118 thousand as at 31 December 2013). The movements of this provision as at 30 September of each year is shown hereunder:

	2014	2013
1 January	9,118	9,448
Exchange-rate change	523	(537)
Allocations	1,692	3,515
Release for scrap and other utilisations	(1,889)	(2,955)
30 September	9,444	9,471

Note 9. Tax receivables and tax payables

As at 30 September 2014, the "Tax receivables" item amounted to € 15,932 thousand, up by € 4,971 thousand (€ 10,961 thousand as at 31 December 2013). This item includes the amount receivable from the Parent Company Hydra relating to the IRES (corporate tax) credit arising from participation in tax consolidation, equal to € 7,625 thousand, up by € 1,400 thousand (€ 6,225 thousand as at 31 December 2013).

As at 30 September 2014, the "Tax payables" item amounted to € 9,265 thousand, up by € 2,927 thousand (€ 6,338 thousand as at 31 December 2013). This item includes the amount payable to the Parent Company Hydra relating to the IRES (corporate tax) liability arising from participation in tax consolidation, equal to € 421 thousand as at 30 September 2014 (€ 138 thousand as at 31 December 2013).

Note 10. Cash and cash equivalents

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

	30.09.2014	31.12.2013	Change
Cash and cash equivalents shown on financial statements	79,247	128,539	(49,292)
Restricted cash	(161)	(42)	(119)
Current account overdrafts	(163)	(49)	(114)
Cash and cash equivalents for statement	78,923	128,448	(49,525)

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

	30.09.2014	31.12.2013
A. Cash and bank deposits	79,086	128,497
B. Other cash and cash equivalents	161	42
<i>b1. restricted cash deposit</i>	161	42
C. Securities held for trading	358	358
<i>c1. Short-term</i>	0	0
<i>c2. Long-term</i>	358	358
D. Cash and equivalents (A) + (B) + (C)	79,605	128,897
E. Current financial receivables	1,402	3,297
F. Other current financial receivables	0	0
<i>f1. hedging transactions</i>	0	0
G. Bank overdrafts	163	49
H. Current portion of non-current debt	63,113	46,360
I. Other current financial payables	549	248
<i>i1. hedging transactions</i>	0	14
<i>i2. payables for lease</i>	244	234
<i>i3. current financial payables</i>	305	0
J. Current financial debt (G) + (H) + (I)	63,825	46,657
K. Current financial debt, net (J) - (D) - (E) - (F)	(17,182)	(85,537)
L. Non-current bank borrowing	118,047	181,327
M. Other non-current financial assets	20,155	0
N. Other non-current liabilities	951	1,217
<i>n1. hedging transactions</i>	311	371
<i>n2. payables for lease</i>	640	846
O. Non-current financial debt (L) - (M) + (N)	98,843	182,544
P. Net financial debt (K) + (O)	81,661	97,007

Net financial debt as at 30 September 2014 is negative for € 81,661 thousand, an improvement of € 15,346 thousand compared to 31 December 2013 (when it was negative by € 97,007 thousand).

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

- purchase/sale of treasury shares that generated a positive cash flow, equal to € 11,311 thousand. In the first nine months of 2014, the Group purchased 125,005 treasury shares and sold 1,421,083 of them, with a capital gain of € 4,469 thousand,
- payment of dividends of € 9,351 thousand,
- cash outflows for leaving incentives amounting to € 1,608 thousand,

Investments were also made amounting to € 6,429 thousand.

Net working capital as at 30 September 2014 amounted to € 37,311 thousand, up by € 20,622 thousand compared to 31 December 2013 (€ 16,689 thousand), mainly due to both the decrease in trade payables, from € 84,712 thousand at year-end to € 73,067 thousand as at 30 September and the increase in inventories, from € 53,803 thousand to € 64,560 thousand.

INFORMATION ON SHAREHOLDERS' EQUITY AND STATEMENT OF FINANCIAL POSITION

LIABILITIES

Note 11. Shareholders' Equity

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

	30.09.2014	31.12.2013
Share Capital	30,392	30,392
Share premium reserve	108,162	100,863
Extraordinary share-cancellation reserve	2,813	2,813
Treasury shares held in portfolio	6,140	(5,171)
Treasury share reserve	804	8,103
Share capital and capital reserves	148,311	137,000
Cash-flow hedge reserve	(226)	(280)
Translation reserve	(2,406)	(12,729)
Reserve for exchange rate adjustment	3,104	(2,767)
Actuarial gains/(losses) reserve	(378)	(378)
Held-for-sale financial assets reserve	0	0
Other reserves	94	(16,154)
Retained earnings	55,048	37,495
Earnings carried forward	40,674	23,466
Capital grant reserve	958	958
Legal reserve	4,735	4,388
IAS reserve	8,681	8,683
Profit (loss) for the period	25,680	26,906
Total Group shareholders' equity	229,133	185,247

Share Capital

Movements in share capital as at 30 September 2014 are reported below (in Euro '000):

	Number of shares	Share Capital	Extraordinary share-cancellation reserve	Share premium reserve	Treasury shares	Treasury share reserve	Total
01.01.2014	57,053,258	30,392	2,813	100,863	(5,171)	8,103	137,000
Purchase of treasury shares	(125,005)			(1,022)	(1,022)	1,022	(1,022)
Sale of treasury shares	1,421,083			8,321	8,321	(8,321)	8,321
Capital gains/(capital losses) from the sale of treasury shares					4,469		4,469
Costs for the purchase/sale of treasury shares					(457)		(457)
30.09.2014	58,349,336	30,392	2,813	108,162	6,140	804	148,311

Ordinary shares

As at 30 September 2014, the total number of ordinary shares was 58,446,491, including 97,155 held as treasury shares, making the number of outstanding shares at that date equal to 58,349,336. On 11 March 2014, all treasury shares held at that date were sold through the accelerated bookbuilding procedure, thus obtaining a capital gain of € 4,469 thousand. The shares have a nominal unit value of € 0.52 and are fully paid up.

Treasury shares

As at 30 September 2014, the “treasury shares” item, positive by € 6,140 thousand, included purchases and sales of treasury shares in the amount of € 11,311 thousand, which have been recognised net of gains and charges realised following the sale of treasury shares. In the first nine months of 2014, the Group purchased 125,005 treasury shares and sold 1,421,083, with a capital gain of € 4,469 thousand.

Due to the sale of treasury shares, the Capital reserve (Treasury share reserve), established pursuant to provisions set out by Art. 2357 of the It. Civil Code, was entirely released.

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 € 311 thousand) and amounts are shown net of the tax effect (€ 85 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 which 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 is provided not is it deemed probable that they will be reimbursed in the foreseeable future.

Actuarial gains/(losses) reserve

Pursuant to IAS 19R, this reserve includes actuarial gains and losses, which are now recognised under other components in the comprehensive income statement and permanently excluded from the income statement.

Profits of previous years

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.

Profits/losses of previous years

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

Dividends

On 23 April 2014, the Ordinary Shareholders' Meeting of Datalogic S.p.A. decided to distribute an ordinary dividend of € 0.16 per share (€ 0.15 in 2013). The overall dividends of € 9,351 thousand began to be paid starting from 15 May 2014 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 2014		31 December 2013	
	Total equity	Period results	Total equity	Period results
<i>Parent Company shareholders' equity and profit</i>	221,934	24,048	189,084	6,921
Difference between consolidated companies' net equity and their carrying value in the Parent Company's financial statements; effect of equity-based valuation	69,497	29,409	54,340	60,534
Reversal of dividends		(26,477)	0	(39,202)
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	(18,665)		(18,665)	
Effect of eliminating intercompany transactions	(13,807)	(1,538)	(9,445)	(3,693)
Reversal of write-downs and capital gains on equity investments	6,121		6,121	2,175
Sale of know-how	(7)		(7)	
Goodwill impairment	(1,395)		(1,395)	
Other	(1,066)	(116)	(953)	(51)
Deferred tax liabilities	4,081	354	3,727	222
Group shareholders' equity	229,133	25,680	185,247	26,906

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

The breakdown of this item is as detailed below:

	30.09.2014	31.12.2013	Change
Bank loans	181,160	227,674	(46,514)
EU financing		13	(13)
Payables to factors	305		305
Payables for leasing	884	1,080	(196)
Bank overdrafts (ordinary current accounts)	163	49	114
Total financial payables	182,512	228,816	(46,304)

The breakdown of changes in the "Bank loans" item as at 30 September 2014 and 30 September 2013 is shown below:

	2014	2013
1 January	227,674	222,806
Foreign exchange differences	1,492	152
Increases	20,306	123,694
Repayments	(44,414)	(36,000)
Decreases for loan repayments	(23,898)	(73,675)
30 September	181,160	236,977

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.

Increases are related to the use by the Parent Company of two Hot Money credit lines.

Decreases for reimbursement is due to the advance redemption of a portion of medium to long term loan concluded on 28 June 2013 as well as to a portion of the Hot Money line.

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	21,000,000	EBITDA/OFN	PFN /EBITDA	semi-annual	Datalogic Group
Datalogic SpA	USD	21,171,429	PFN/PN	PFN /EBITDA	semi-annual	Datalogic Group
Datalogic SpA	EUR	35,750,000	EBITDA/OFN	PFN /EBITDA	semi-annual	Datalogic Group
Datalogic SpA	EUR	6,562,500	PFN/PN	PFN /EBITDA	semi-annual	Datalogic Group
Datalogic SpA	EUR	16,250,000	EBITDA/OFN	PFN /EBITDA	semi-annual	Datalogic Group
Datalogic SpA	EUR	70,000,000	EBITDA/OFN	PFN /EBITDA	semi-annual	Datalogic Group

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

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:

	30.09.2014	31.12.2013	Change
Datalogic Automation Inc.	7,998	6,162	1,836
Datalogic Automation S.r.l. (*)	967	1,016	(49)
Datalogic ADC HK Ltd	(2)	(2)	0
Datalogic ADC S.r.l.	(1,708)	(1,200)	(508)
Datalogic RE France Sa	52	52	0
Datalogic RE Germany GmbH	(75)	(75)	0
Datalogic RE Uk Ltd	114	107	7
Datalogic scanning GmbH	(504)	(504)	0
Datalogic Holding Inc	5,515	3,923	1,592
Datalogic ADC Ltd	(113)	37	(150)
Datalogic ADC Inc.	473	(132)	605
Datalogic ADC Pty	103	91	12
Datalogic Scanning SAS	0	0	0
Datalogic Slovakia S.r.o.	843	841	2
Datalogic Vietnam Llc	325	308	17
Datalogic S.p.A.	(3,109)	(91)	(3,018)
Informatics Inc	78	(70)	149
Datalogic IP TECH S.r.l.	7,430	8,817	(1,387)
Total net long-term deferred taxes	18,387	19,280	(892)
Deferred taxes recognized due to the consolidation entries	1,732	1,281	451
Total net long-term deferred taxes	20,119	20,561	(441)

Note 14. Post-employment benefits

The breakdown of changes in the “Post-employment benefits” item as at 30 September 2014 and 30 September 2013 is shown below:

	2014	2013
1 January	7,049	7,367
Amount allocated in the period	1,480	1,126
Utilisation	(537)	(335)
Other movements	14	69
Social security receivables for the employee severance indemnity reserve	(604)	(737)
30 September	7,402	7,490

Note 15. Provisions for risks and charges

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

	30.09.2014	31.12.2013	Change
Short-term provisions for risks and charges	6,682	7,047	(365)
Long-term provisions for risks and charges	11,696	7,398	4,298
Total	18,378	14,445	3,933

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

	31.12.2013	Increases	(Uses) and (Releases)	Diff. exchange rate	30.09.2014
Product warranty provision	8,008	1,014	(341)	533	9,214
Corporate restructuring fund	23		(23)		0
Provision for management incentive scheme	2,740	2,703	(9)	378	5,812
Other	3,674	257	(737)	158	3,352
Total Provisions for risks and charges	14,445	3,974	(1,110)	1,069	18,378

The “**Product warranty provision**” covers the estimated cost of repairing products sold as up to 30 September 2014 and covered by periodical warranty; it amounts to € 9,214 thousand (of which € 5,588 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 period 2013-2015.

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

- € 2,779 thousand for a “stock rotation” provision for the ADC Group and Informatics;
- € 284 thousand for agent termination indemnities;
- € 228 thousand for a pending tax dispute related to some Italian companies.

Note 16. Trade and other payables

This table shows the details of trade and other payables:

	30.09.2014	31.12.2013	Change
Trade payables due within 12 months	72,729	84,391	(11,662)
Third-party trade payables	72,729	84,391	(11,662)
Payables to associates	84	124	(40)
<i>Laservall Asia</i>	69	101	(32)
<i>Datasensor GMBH</i>	2	2	0
<i>Datalogic Automation AB</i>	13	21	(8)
Payables to related parties	254	197	57
Total Trade payables	73,067	84,712	(11,645)
Other payables – current accrued liabilities and deferred income	41,877	36,028	5,849
Other payables – non-current accrued liabilities and deferred income	3,025	2,648	377
Total other payables – accrued liabilities and deferred income	44,902	38,676	6,226
Deducted: non-current portion	3,025	2,648	377
Current portion	114,944	120,740	(5,796)

Other payables – accrued liabilities and deferred income

The detailed breakdown of this item is as follows:

	30.09.2014	31.12.2013	Change
Other current payables:	21,505	17,591	3,914
<i>Payables to employees</i>	13,297	10,708	2,589
<i>Payables to pension and social security agencies</i>	3,680	3,287	393
<i>Directors' remuneration payable</i>	416	431	(15)
<i>Other payables</i>	4,112	3,165	947
Other long-term payables	3,025	2,648	377
VAT liabilities	3,739	3,536	203
Accrued liabilities and deferred income	16,633	14,901	1,732
Total	44,902	38,676	6,226

Payables to employees are the amounts due for wages and salaries and holidays, accrued with respect to staff at balance-sheet date. It is worth noting that this item includes € 751 thousand related to the debt for the management incentive scheme related to re-organization occurred in the first six months of 2014.

The "Other payables" item includes the residual debt (€ 2,384 thousand) for the purchase, occurred in 2013, of a licence agreement capitalised under item Intangible assets.

INFORMATION ON THE STATEMENT OF INCOME

Note 17. Revenue

	Nine months ended		Change
	30.09.2014	30.09.2013	
Revenues from sale of products	323,268	313,531	9,737
Revenues from services	16,796	17,242	(446)
Total	340,064	330,773	9,291

Revenues earned from sales of goods and services increased by 2.8% year on year (4.2% at constant exchange rates).

The following table shows the repartition in percentage of revenues per geographical areas:

	Nine months ended		Change
	30.09.2014	30.09.2013	
Revenues in Italy	10%	9%	1%
Revenues in Europe	42%	37%	5%
Revenues in North America	29%	33%	-4%
Revenues in Rest of the world	19%	21%	-2%

Note 18. Cost of goods sold and operating costs

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

	Nine months ended		Change
	30.09.2014	30.09.2013	
TOTAL COST OF GOODS SOLD (1)	175,211	174,150	1,061
<i>of which non-recurring</i>	595	(62)	657
TOTAL OPERATING COSTS (2)	128,705	124,856	3,849
Research and Development expenses	29,876	25,454	4,422
<i>of which non-recurring</i>	0	(4)	4
<i>of which amortisation, depreciation pertaining to acquisitions</i>	64	66	(2)
Distribution expenses	61,063	61,096	(33)
<i>of which non-recurring</i>	596	(975)	1,571
General and administrative expenses	35,938	36,838	(900)
<i>of which non-recurring</i>	1,179	(18)	1,197
<i>of which amortisation, depreciation pertaining to acquisitions</i>	4,033	4,293	(260)
Other operating costs	1,828	1,468	360
TOTAL (1+2)	303,916	299,006	4,910
of which non-recurring costs	2,370	(1,059)	3,429
of which amortisation, depreciation pertaining to acquisitions	4,097	4,359	(262)

In the period ended 30 September 2014, the non-recurring costs item amounted to € 2,370 thousand.

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

ITEM	AMOUNT	TYPE OF COST
2) "Cost of goods sold"	595	leaving incentives
Total	595	
4) "R&D expenses"	0	leaving incentives
Total	0	
5) "Distribution expenses"	596	leaving incentives
Total	596	
6) "General and administrative expenses"	1,146	leaving incentives
6) "General and administrative expenses"	33	consulting
Total	1,179	
TOTAL NON-RECURRING COSTS	2,370	

These costs resulted from re-organisation internal to the Group, and are primarily related to the re-organisation of the operating structure of the Industrial Automation division.

Depreciation and amortisation due to acquisitions (totalling € 4,097 thousand) are broken down as follows:

	Nine months ended		Change
	30.09.2014	30.09.2013	
Acquisition of the PSC Group (on 30 November 2006)	1,543	1,586	(43)
Acquisition of Laservall SPA (on 27 August 2004)	220	331	(111)
Acquisition of Informatics Inc. (on 28 February 2005)	443	456	(13)
Acquisition of Evolution Robotics Retail Inc. (on 1 July 2010)	388	401	(13)
Acquisition of Accu-Sort Inc. (on 20 January 2012)	1,503	1,585	(82)
TOTAL	4,097	4,359	(262)

Total cost of goods sold (1)

In absolute terms, the "Total cost of goods sold" item reported an increase of € 1,061 compared to the same period of 2013. The impact on revenues from sale of products decreased by around 0.6 percentage points. At constant exchange rates and net of extraordinary costs, the increase was 2.04% lower, over two percentage points, than the increase at average constant exchange rates, thus confirming a significant Group recovery in efficiency.

Total operating costs (2)

The operating costs, net of the non-recurring items and the amortisation pertaining to acquisitions, increased from € 121,494 thousand to € 122,833 thousand (+1.1%). At constant exchange rates and net of extraordinary costs, the increase was of € 3,189 thousand (+2.62%).

Specifically:

- "R&D expenses" increased by € 4,420 thousand, net of extraordinary costs, compared to the same period of the previous year (€ 4,839 thousand, at constant exchange rates, equal to 19.06%). This increase is primarily attributable to the increase in payroll & employee benefits,

amounting to € 3,299 thousand (€ 3,628 thousand at constant exchange rates), and higher amortisation, amounting to € 1,128 thousand (€ 1,158 thousand at constant exchange rates) related, in the amount of € 1,116 thousand, to two special development projects (capitalised as they are consistent with requirements set out by IAS 38). They started to be amortised in February 2014 and October 2013, respectively.

- **“Distribution expenses”** amounted to € 61,063 thousand and, net of extraordinary costs, decreased by € 1,604 thousand with respect to the comparison period. Based on the analysis at constant exchange rates, and net of extraordinary items, a net decrease of € 525 thousand (-0.85%) is reported, determined by a decrease in operating expenses and amortisation of € 1,763 thousand, primarily related to increased shipment costs and an increase in payroll & employee benefits of € 1,239 thousand.
- **“General and administrative expenses”** amounted to € 35,938 thousand. Net of extraordinary items and at constant exchange rates, this item decreased by € 1,507 thousand compared to the same period of the previous year (equal to -4.63%). At constant exchange rates, and net of extraordinary items, a decrease is reported, primarily attributable to consultancy expenses (decrease of € 1,193 thousand).

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

	Nine months ended		Change
	30.09.2014	30.09.2013	
Capital losses on assets	68	21	47
Contingent liabilities	22	71	(49)
Provisions for doubtful accounts	835	435	400
Non-income taxes	771	736	35
Cost charge backs	163	145	18
Other	(31)	60	(91)
Total	1,828	1,468	360

The “Other” item, amounting to €31 thousand, included revenues of €75 thousand due to the redemption of a reserve.

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.

It should be noted that some items disclosed in the 2013 comparison period have been restated for homogeneity and comparison purposes.

	Nine months ended		Change
	30.09.2014	30.09.2013	
Purchases	132,852	129,448	3,404
Inventory change	(13,898)	(5,491)	(8,407)
Payroll & employee benefits	102,333	95,031	7,302
Amortisation and depreciation	12,485	11,665	820
Goods receipt & shipment	11,271	11,802	(531)
Technical, legal and tax advisory services	7,216	9,298	(2,082)
Marketing expenses	5,861	5,730	131
Travel & accommodation	5,556	5,712	(156)
Building expenses	4,346	4,589	(243)
Repairs	4,086	3,365	721
Material collected from the warehouse	3,719	3,008	711
Vehicle expenses	2,664	2,882	(218)
EDP expenses	2,558	1,412	1,146
Subcontracted work	1,978	855	1,123
Consumables	1,759	1,325	434
Royalties	1,694	957	737
Telephone expenses	1,634	1,504	130
Utilities	1,371	1,403	(32)
Directors' remuneration	1,360	1,414	(54)
Commissions	1,126	1,025	101
Quality certification expenses	892	756	136
Accounts certification expenses	881	1,091	(210)
Insurance	774	935	(161)
Entertainment expenses	682	661	21
Allocation to product warranty provision	673	754	(81)
Meeting expenses	523	1,006	(483)
R&D materials	484	319	165
Stationery and printings	325	353	(28)
Leasing and maintenance of other tangible assets	286	129	157
Training courses for employees	277	263	14
Leasing and maintenance of plant and machinery	265	467	(202)
Other	5,883	5,338	545
Total (1+2)	303,916	299,006	4,910

The decrease in the "Goods receipt & shipment" item, amounting to € 531 thousand, is due to a better management of shipment costs, already implemented last year, which resulted, in 2013 already, in a yoy decrease of € 536 thousand versus 2012.

The "Technical, legal and tax advisory services" item reported a decrease of € 2,082 thousand, mainly due to costs, borne in 2013, related to projects completed in the same year.

The increase in the "EDP expenses" item, equal to € 1,146 thousand, relates to various components; during the current year, data lines among the Group companies have been upgraded; some support activities have been outsourced (helpdesk and servers); new annual licenses for software and software maintenance and assistance have been purchased.

The increase in the "Subcontracted work" item is due to a higher use of external services in connection with important works in progress.

The increase in the "Royalties" item is primarily related to a license contract entered in the last months of last year.

The “Other” item mainly consists of several costs all of which are lower than € 100 thousand.

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

	Nine months ended		Change
	30.09.2014	30.09.2013	
Wages and salaries	76,911	73,099	3,812
Social security expenses	15,060	14,760	300
Employee severance indemnities	1,202	1,014	188
Retirement and similar benefits	903	744	159
Medium- to long-term managerial incentive plan	2,704	2,182	522
Other costs	2,652	3,351	(699)
Leaving incentives	2,901	(119)	3,020
Total	102,333	95,031	7,302

The “Wages and salaries” item, equal to € 76,911 thousand, includes Sales commissions and incentives of € 8,417 thousand (€ 9,196 thousand as at 30 September 2013). The increase in this item is due to increased in-house R&D activities, as well as to the hiring of personnel for the start-up of the branch in Brazil.

The “Leaving incentives” item includes:

- € 2,337 thousand, classified under the “non-recurring costs and revenues” item as they related to leaving incentives concerning the operating re-organisation of the Industrial Automation division, and
- € 564 thousand, which 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
	30.09.2014	30.09.2013	
Miscellaneous income and revenues	387	614	(227)
Rents	55	44	11
Capital gains on asset disposals	93	61	32
Incidental income and cost cancellation	30	27	3
Grants to Research and Development expenses	389	45	344
Other	50	54	(4)
Total	1,004	845	159

Note 20. Net financial income (expenses)

	Nine months ended		Change
	30.09.2014	30.09.2013	
Interest expenses on bank current accounts/loans	4,852	3,807	1,045
Foreign exchange losses	14,815	7,465	7,350
Bank expenses	2,050	1,568	482
Other	184	112	72
Total financial expenses	21,901	12,952	8,949
Interest income on bank current accounts/loans	185	154	31
Foreign exchange gains	15,725	5,527	10,198
Other	455	204	251
Total financial income	16,365	5,885	10,480
Net financial income (expenses)	(5,536)	(7,067)	1,531

Total financial expenses

The “Foreign exchange losses” item, equal to € 14,815 thousand, is mainly attributable to the Parent Company (€ 5,715 thousand), the Automatic Data Capture Group (€ 7,050 thousand) and the Industrial Automation Group (€ 1,954 thousand).

The most significant increases related to the “Bank expenses” item, are attributable to the following:

- recognition of the portion pertaining to the upfront fees period, paid upon opening of long-term loans, in the amount of € 806 thousand, of which € 402 thousand are connected with the early redemption of a mortgage loan (€ 400 thousand as at 30 September 2013);
- factoring costs, amounting to € 672 thousand (€ 199 thousand in 2013).

Total financial income

The “Foreign exchange gains” item, equal to € 15,725 thousand, is mainly attributable to the Parent Company (€ 7,773 thousand), the Automatic Data Capture Group (€ 5,320 thousand) and the Industrial Automation Group (€ 2,509 thousand).

Note 21. Taxation

	Nine months ended		Change
	30.09.2014	30.09.2013	
Income tax	5,513	1,753	3,760
Deferred taxes	382	6,390	(6,008)
Total	5,895	8,143	(2,248)

The average tax rate comes to 18.67% (31.57% as at 30 September 2013)

Note 22. Earnings/(Loss) per share**Basic Earnings/loss per share**

	Nine months ended	
	30.09.2014	30.09.2013
Group profit/(loss) for the period	25,680,000	17,652,000
Average number of shares	57,952,681	56,837,558
Basic Earnings/loss per share	0.4431	0.3106

Basic EPS as at 30 September 2014 was calculated by dividing Group net profit of € 25,680 thousand (Group net profit of € 17,652 thousand as at 30 September 2013) by the weighted average number of ordinary shares outstanding as at 30 September 2014, equal to 57,952,681 shares (56,837,558 as at 30 September 2013).

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 SpA.

Intragroup transactions are executed as part of the ordinary operations and at arm’s length conditions. Furthermore, there are other relationships with related parties, chiefly with parties that control the parent company, or with individuals that carry out the coordination and management of Datalogic S.p.A.

Related-party transactions refer chiefly to commercial and securities transactions (instrumental and non-instrumental premises for the Group under lease or leased to the parent company) as well as to companies joining the scope of tax consolidation. None of these assumes particular economic or strategic importance for the Group since receivables, payables, revenues and costs to the related parties are not a significant proportion of the total amount of the financial statements.

RELATED PARTIES	Hydra (parent company)	Hydra Immobiliare	Non-consolidated Automation Group companies	Studio Associato Caruso	Laservall Asia	Total 30.09.14
	parent company	company controlled by Chairman of BoD	associates	company controlled by a company Body member	associate	
Shareholdings	0	0	76	0	1,666	1,742
Automation Group			76		1,666	1,742
Trade receivables - accrued income and prepaid expenses	0	75	676	0	453	1,204
Automation Group		75	635		453	1,163
ADC Group			41			41
Receivables pursuant to tax consolidation	7,625	0	0	0	0	7,625
DI IP Tech Srl	4,009					4,009
DI Automation Srl	1,163					1,163
DI Spa	2,453					2,453
Liabilities pursuant to tax consolidation	421	0	0	0	0	421
DI ADC	421					421
Trade payables - accrued liabilities and deferred income	0	109	15	145	69	338
DI Spa				95		95
DI IP Tech Srl				4		4
ADC Group			3	23		26
Automation Group		109	12	23	69	213
Financial payables	0	0	0	0	0	0
Sales / service expenses	0	422	59	222	187	890
DI Spa		52		141		193
ADC Group			15	34		49
DI IP Tech Srl				14		14
Automation Group		370	44	33	187	634
Commercial revenues	0	0	2,386	0	2,165	4,551
ADC Group			201			201
Automation Group			2,185		2,165	4,350
Financial revenues	11	0	0	0	0	11
DI Spa	11					11
Profits (losses) from associates	0	0	0	0	(41)	(41)
Automation Group					(41)	(41)

NUMBER OF EMPLOYEES

	Half year ended		Change
	30.09.2014	30.09.2013	
Industrial Automation Group	786	768	18
Automatic Data Capture Group	1,444	1,426	18
Corporate Group	114	99	15
Informatics	100	114	(14)
Total	2,444	2,407	37

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 2014**

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 2014 corrisponde alle risultanze documentali, ai libri e alle scritture contabili.

Datalogic S.p.A.

(Marco Rondelli)

