



# **Consolidated Half-Year Financial Report**

**30 June 2014**



## **DATALOGIC GROUP**

### **Consolidated Half-Year Financial Report at 30 June 2014**

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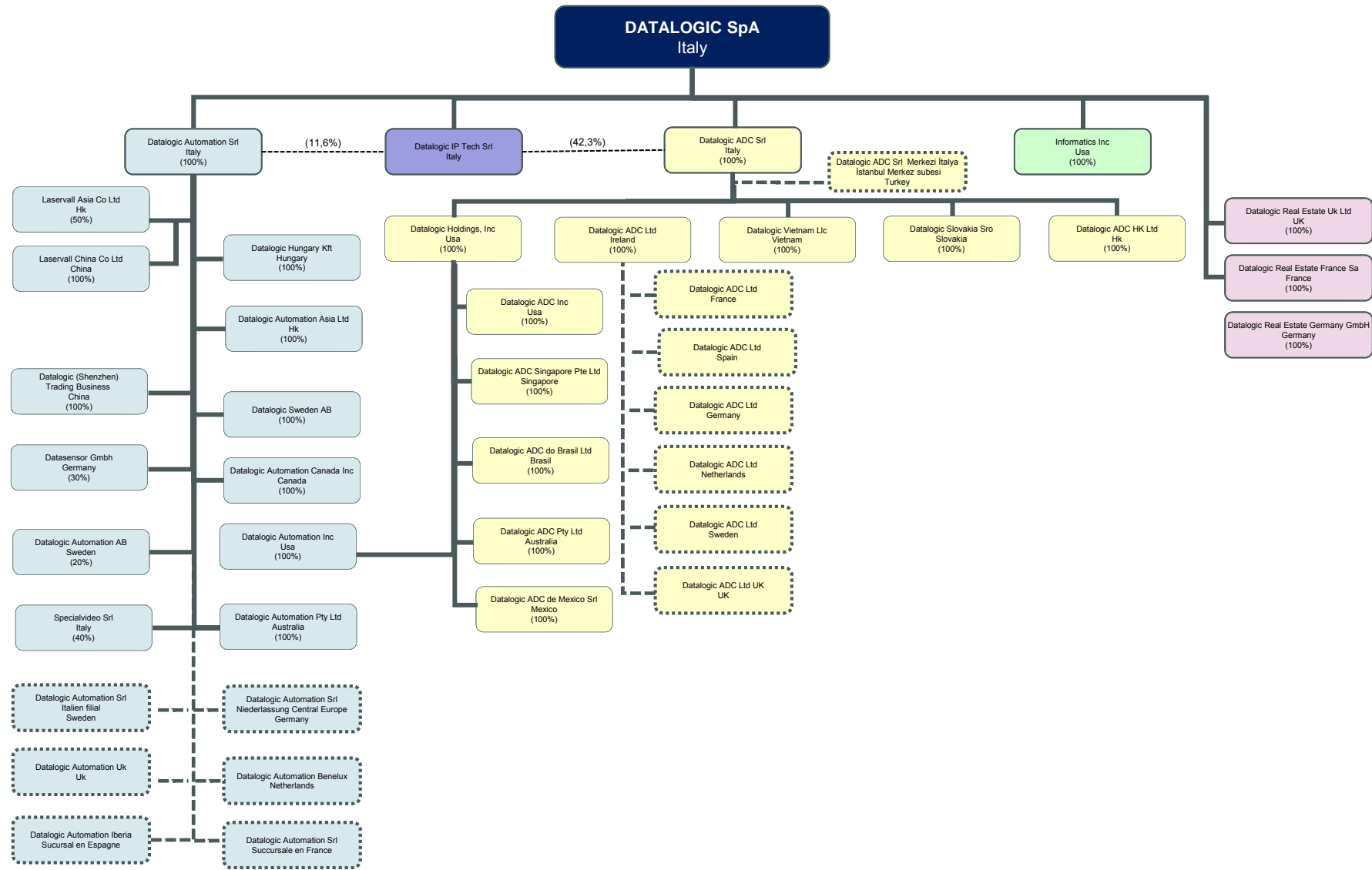
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1. *Declaration pursuant to Art. 154-bis, pars. 3 and 4, Legislative Decree 58/1998*



———— Legal entity

..... Branch

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### **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

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### **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

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### **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 June 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 June 2014 in comparison with the same period a year earlier (figures in Euro thousands):

	Half year ended		Change	% change
	30.06.2014	30.06.2013		
<b>Total revenues</b>	<b>224,028</b>	<b>218,769</b>	<b>5,259</b>	<b>2.4%</b>
<b>EBITDA (*)</b>	<b>34,153</b>	<b>26,232</b>	<b>7,921</b>	<b>30.2%</b>
<i>% of total revenues</i>	<i>15.2%</i>	<i>12.0%</i>		
<b>Group net profit/loss</b>	<b>15,244</b>	<b>10,237</b>	<b>5,007</b>	<b>48.9%</b>
<i>% of total revenues</i>	<i>6.8%</i>	<i>4.7%</i>		
<b>Net financial position (NFP) (**)</b>	<b>(86,047)</b>	<b>(113,439)</b>	<b>27,392</b>	<b>-24.1%</b>

(\*) **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 11.

As at 30 June 2014, **the Datalogic Group had revenues of €202,048 thousand (€218,769 thousand in the same period of the previous year)**, of which €213,067 thousand derived from product sales and €10,961 thousand from services.

Revenues grew by 2.4% compared with the same period of the previous year. At constant euro/dollar exchange rates, they would have increased by 4.5%.

**Group EBITDA was €34,153 thousand, corresponding to 15.2% of total revenues, an increase of €7,921 thousand compared with the same period of the previous year (€26,232 thousand as at 30 June 2013).**

Group net profit, which as at 30 June 2014 was € 15,244 thousand, is 48.9% higher than the profit obtained in the same period of the previous year, equal to € 10,237 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)	Half year ended				Change	% change
	30.06.2014		30.06.2013			
<b>Total revenues</b>	<b>224,028</b>	<b>100.0%</b>	<b>218,769</b>	<b>100.0%</b>	<b>5,259</b>	<b>2.4%</b>
Cost of sales	(114,950)	-51.3%	(115,337)	-52.7%	387	-0.3%
<b>Gross profit</b>	<b>109,078</b>	<b>48.7%</b>	<b>103,432</b>	<b>47.3%</b>	<b>5,646</b>	<b>5.5%</b>
Other revenues	760	0.3%	617	0.3%	143	23.2%
Research and development expenses	(19,848)	-8.9%	(17,397)	-8.0%	(2,451)	14.1%
Distribution expenses	(40,350)	-18.0%	(41,763)	-19.1%	1,413	-3.4%
General & administrative expenses	(19,961)	-8.9%	(22,801)	-10.4%	2,840	-12.5%
Other operating costs	(1,058)	-0.5%	(847)	-0.4%	(211)	24.9%
<b>Total operating cost and other costs</b>	<b>(81,217)</b>	<b>-36.3%</b>	<b>(82,808)</b>	<b>-37.9%</b>	<b>1,591</b>	<b>-1.9%</b>
<b>Ordinary operating result before non-recurring costs and revenues and administrative costs arising from acquisitions (EBITANR)</b>	<b>28,621</b>	<b>12.8%</b>	<b>21,241</b>	<b>9.7%</b>	<b>7,380</b>	<b>34.7%</b>
Non-recurring costs and revenues	(2,392)	-1.1%	1,059	0.5%	(3,451)	n.a.
Depreciation, amortisation due to acquisitions (*)	(2,775)	-1.2%	(2,913)	-1.3%	138	-4.7%
<b>Operating result (EBIT)</b>	<b>23,454</b>	<b>10.5%</b>	<b>19,387</b>	<b>8.9%</b>	<b>4,067</b>	<b>21.0%</b>
Net financial income (expenses)	(4,835)	-2.2%	(4,157)	-1.9%	(678)	16.3%
Profits/(losses) from associates	(58)	0.0%	102	0.0%	(160)	n.a.
Foreign exchange gains/(losses)	203	0.1%	(1,108)	-0.5%	1,311	n.a.
<b>Pre-tax profit/(loss)</b>	<b>18,764</b>	<b>8.4%</b>	<b>14,224</b>	<b>6.5%</b>	<b>4,540</b>	<b>31.9%</b>
Taxes	(3,520)	-1.6%	(3,987)	-1.8%	467	-11.7%
<b>GROUP NET PROFIT/(LOSS)</b>	<b>15,244</b>	<b>6.8%</b>	<b>10,237</b>	<b>4.7%</b>	<b>5,007</b>	<b>48.9%</b>
Depreciation and write-downs of tangible assets	(3,471)	-1.5%	(3,886)	-1.8%	415	-10.7%
Amortisation and write-downs of intangible assets	(2,061)	-0.9%	(1,105)	-0.5%	(956)	86.5%
<b>EBITDA</b>	<b>34,153</b>	<b>15.2%</b>	<b>26,232</b>	<b>12.0%</b>	<b>7,921</b>	<b>30.2%</b>

(\*) 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 decreased, in absolute terms, with respect to the same period of 2013, both in absolute terms (-2%) and in terms of impact on revenues (-1.6%).

It is worth noting that the Group increased investments in R&D expenses, both in absolute value (from € 17,397 thousand in the first half 2013 to € 19,848 thousand in the first half 2014), and in percentage on revenues (from 8% to 8.9% in the corresponding half years), by reason of the fact that these investments are deemed as a key lever for the business development.

In the half year ended 30 June 2014, the non-recurring costs item amounted to € 2,392 thousand.

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

<b>ITEM</b>	<b>AMOUNT</b>	<b>TYPE OF COST</b>
2) "Cost of goods sold"	611	early retirement incentives
<b>Total</b>	<b>611</b>	
4) "R&D expenses"	0	early retirement incentives
<b>Total</b>	<b>0</b>	
5) "Distribution expenses"	604	early retirement incentives
<b>Total</b>	<b>604</b>	
6) "General and administrative expenses"	1,144	early retirement incentives
6) "General and administrative expenses"	33	consulting
<b>Total</b>	<b>1,177</b>	
<b>TOTAL NON-RECURRING COSTS</b>	<b>2,392</b>	

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 June 2014, depreciation and amortisation due to acquisitions (totalling € 2,775 thousand) broke down as follows:

	<b>Half year ended</b>		<b>Change</b>
	<b>30.06.2014</b>	<b>30.06.2013</b>	
Acquisition of the PSC Group (on 30 November 2006)	1,016	1,062	(46)
Acquisition of Laservall SPA (on 27 August 2004)	221	221	0
Acquisition of Informatics Inc. (on 28 February 2005)	292	305	(13)
Acquisition of Evolution Robotics Retail Inc. (on 1 July 2010)	256	266	(10)
Acquisition of Accu-Sort Inc. (on 20 January 2012)	990	1,059	(69)
<b>TOTAL</b>	<b>2,775</b>	<b>2,913</b>	<b>(138)</b>

The "Ordinary operating result" (EBITANR) was € 28,621 thousand (12.8% of revenues) and up by 34.7% over the amount registered for the same period of the previous year (€21,241 thousand).

The next two tables compare the main operating results achieved in the second quarter 2014 with the same period of 2013.

	QII 2014		QII 2013		change	% change
<b>TOTAL REVENUES</b>	115,782	100.0%	116,728	100.0%	(946)	-0.8%
<b>EBITDA</b>	18,688	16.1%	15,208	13.0%	3,480	22.9%
<b>EBITANR (*)</b>	15,943	13.8%	12,540	10.7%	3,403	27.1%
<b>OPERATING RESULT (EBIT)</b>	12,165	10.5%	12,135	10.4%	30	0.2%

The following table compares the main operating results achieved in the second quarter 2014 with the first quarter 2014.

	QII 2014		QII 2014		change	% change
<b>TOTAL REVENUES</b>	115,782	100.0%	108,246	100.0%	7,536	7.0%
<b>EBITDA</b>	18,688	16.1%	15,465	14.3%	3,223	20.8%
<b>EBITANR (*)</b>	15,943	13.8%	12,678	11.7%	3,265	25.8%
<b>OPERATING RESULT (EBIT)</b>	12,165	10.5%	11,289	10.4%	876	7.8%

(\*) see definition on page 4

Total revenues in the second quarter 2014 stood at € 115.8 million, up by 7% compared to the first quarter 2014, and remained substantially unchanged compared with the second quarter of 2013 (at constant exchange rates revenues would stand at € 118.5 million, +1.5%).

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 million.



## **PERFORMANCE BY BUSINESS SEGMENT**

Operating segments are identified based on the internal statements used by senior management to allocate resources and evaluate results.

The Group operates in the following business segments:

**ADC** – The ADC division is the global leader in high performance fixed scanners for retail and the major EMEA supplier of manual bar code readers as well as the leading player in the mobile computer market for warehouse management, automation of sales and field forces and the collection of data at stores. The manual reader product lines, fixed readers, mobile computers, self-scanning solutions and cashier technologies are included.

**Industrial Automation** – The Industrial Automation division, among the major manufacturers in the world of products and solutions for automatic identification, recognition and marketing in the industrial automation market, covers the increasing demand for tracking, inspection and recognition solutions in the manufacturing and logistics processes areas. It comprises product ranges related to: fixed barcode readers using imager and laser technology, the photoelectric sensors and equipment for industrial automation and security, remote cameras and software for artificial vision, barcode reader systems and technologies for the automation of logistics and postal companies, industrial laser markers.

**Informatics** – this Company, which is based in the United States, sells and distributes products and solutions for automatic identification and caters to small and medium sized companies.

**Corporate** – it includes the operations of the holding company, the real estate operations of the Group and Datalogic IP Tech which manages the Group's industrial property and research activities.

Intersegment sales transactions are executed at arm's length conditions, based on the Group transfer pricing policies.

**Economic information on operating sectors** as at 30 June 2014 and 30 June 2013 and on the half year ended on the same dates is as follows (€/000):

	ADC		Industrial Automation		Informatics		Corporate		Adjustments		Total Group	
	half year ended 30 June 2014	half year ended 30 June 2013	half year ended 30 June 2014	half year ended 30 June 2013	half year ended 30 June 2014	half year ended 30 June 2013	half year ended 30 June 2014	half year ended 30 June 2013	half year ended 30 June 2014	half year ended 30 June 2013	half year ended 30 June 2014	half year ended 30 June 2013
External sales	148,348	134,081	62,639	69,038	13,063	15,655			(22)	(5)	224,028	218,769
Intersegment sales	801	70	15	3			12,498	11,162	(13,314)	(11,235)	0	0
<b>Total sales</b>	<b>149,149</b>	<b>134,151</b>	<b>62,654</b>	<b>69,041</b>	<b>13,063</b>	<b>15,655</b>	<b>12,498</b>	<b>11,162</b>	<b>(13,336)</b>	<b>(11,240)</b>	<b>224,028</b>	<b>218,769</b>
<b>Ordinary operating income (EBITANR)</b>	<b>27,400</b>	<b>17,053</b>	<b>750</b>	<b>1,104</b>	<b>718</b>	<b>1,401</b>	<b>(134)</b>	<b>1,525</b>	<b>(113)</b>	<b>158</b>	<b>28,621</b>	<b>21,241</b>
% of revenues	18.4%	12.7%	1.2%	1.6%	5.5%	8.9%	(1.1) %	13.7%	0.8%	(1.4) %	12.8%	9.7%
<b>EBIT</b>	<b>25,820</b>	<b>16,696</b>	<b>(2,522)</b>	<b>(88)</b>	<b>426</b>	<b>1,096</b>	<b>(157)</b>	<b>1,525</b>	<b>(113)</b>	<b>158</b>	<b>23,454</b>	<b>19,387</b>
% of revenues	17.3%	12.4%	(4.0) %	(0.1) %	3.3%	7.0%	(1.3) %	13.7%	0.8%	(1.4) %	10.5%	8.9%
<b>Financial income (expenses)</b>	<b>(2,211)</b>	<b>(2,525)</b>	<b>(1,265)</b>	<b>(1,186)</b>	<b>0</b>	<b>(44)</b>	<b>21,192</b>	<b>10,427</b>	<b>(22,406)</b>	<b>(11,835)</b>	<b>(4,690)</b>	<b>(5,163)</b>
<b>Fiscal income (expenses)</b>	<b>(4,127)</b>	<b>(3,283)</b>	<b>999</b>	<b>157</b>	<b>(168)</b>	<b>(394)</b>	<b>(256)</b>	<b>(855)</b>	<b>32</b>	<b>388</b>	<b>(3,520)</b>	<b>(3,987)</b>
<b>Amortisation, depreciation and write-downs</b>	<b>(4,595)</b>	<b>(3,953)</b>	<b>(2,351)</b>	<b>(2,768)</b>	<b>(378)</b>	<b>(435)</b>	<b>(1,056)</b>	<b>(808)</b>	<b>73</b>	<b>60</b>	<b>(8,307)</b>	<b>(7,904)</b>
<b>EBITDA</b>	<b>30,723</b>	<b>19,678</b>	<b>1,890</b>	<b>2,592</b>	<b>804</b>	<b>1,531</b>	<b>922</b>	<b>2,333</b>	<b>(186)</b>	<b>98</b>	<b>34,153</b>	<b>26,232</b>
% of revenues	20.6%	14.7%	3.0%	3.8%	6.2%	9.8%	7.4%	20.9%	1.4%	(0.9) %	15.2%	12.0%
<b>R&amp;D expenses</b>	<b>(14,050)</b>	<b>(11,630)</b>	<b>(7,227)</b>	<b>(6,957)</b>	<b>(376)</b>	<b>(422)</b>	<b>(4,532)</b>	<b>(839)</b>	<b>6,337</b>	<b>2,451</b>	<b>(19,848)</b>	<b>(17,397)</b>
% of revenues	(9.4) %	(8.7) %	(11.5) %	(10.1) %	(2.9) %	(2.7) %	(36.3) %	(7.5) %	(47.5) %	(21.8) %	(8.9) %	(8.0) %

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 € 149.15 million (€ 134.15 million in the first half 2013), with 11.2% increase compared to the first half of 2013. This Division reported a positive trend in all business lines thanks to the launching of highly innovative new products in the retail segment and in all geographical areas, as well as to a greater presence in the territory and the adoption of a new channel program.

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 € 62.6 million, slightly down compared with € 69 million in the first half 2013. Although the Industrial Automation Division reported a growth, compared to the first quarter of 2014, it was also affected by lower revenues in the postal segment due to the postponement of important projects in North America, while the other business lines grew or remained substantially unchanged.

Lastly, Informatics reported a turnover of € 13 million compared with € 15.6 million in the first half 2013.

The following table shows the reconciliation between **EBITDA, EBITANR and Profit/(loss) before taxes** for the half ended 30 June 2014, compared with the same period of the previous year:

	Half year ended	
	30.06.2014	30.06.2013
<b>EBITDA</b>	<b>34,153</b>	<b>26,232</b>
Depreciation and write-downs of tangible assets	(3,471)	(3,886)
Amortisation and write-downs of intangible assets	(2,061)	(1,105)
<b>EBITANR</b>	<b>28,621</b>	<b>21,241</b>
Non-recurring costs and revenues	(2,392)	1,059
Depreciation & amortisation due to acquisitions (*)	(2,775)	(2,913)
<b>EBIT (Operating result)</b>	<b>23,454</b>	<b>19,387</b>
Financial income	3,922	6,149
Financial expenses	(8,554)	(11,414)
Profits from associates	(58)	102
<b>Pre-tax profit/(loss)</b>	<b>18,764</b>	<b>14,224</b>

The **balance-sheet information relating to operating sectors** as at 30 June 2014, compared with the information as at 31 December 2013 is as follows (€/000):

	ADC		Industrial Automation		Informatics		Corporate		Adjustments		Total Group	
	30.06.2014	31.12.2013	30.06.2014	31.12.2013	30.06.2014	31.12.2013	30.06.2014	31.12.2013	30.06.2014	31.12.2013	30.06.2014	31.12.2013
<b>Total Assets</b>	509,830	430,524	193,132	171,624	20,423	19,548	608,211	538,806	(766,714)	(577,698)	564,882	582,804
<b>Non-current assets</b>	135,207	136,235	74,582	75,004	11,825	12,069	30,690	31,327	902	843	253,206	255,478
<b>Equity investments in associates</b>	62,580	62,063	6,131	6,188			155,190	155,190	(222,176)	(221,658)	1,725	1,783
<b>Total liabilities</b>	352,772	271,213	145,868	121,973	4,347	3,884	400,427	355,450	(543,606)	(354,963)	359,808	397,557

## ANALYSIS OF FINANCIAL AND CAPITAL DATA

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

<b>(in €000)</b>	<b>30.06.2014</b>	<b>31.12.2013</b>	<b>30.06.2013</b>
Net intangible assets	55,028	59,058	58,826
Goodwill	146,468	145,092	152,821
Net tangible assets	51,710	51,328	50,429
Unconsolidated equity investments	5,383	5,452	3,887
Other non-current assets	39,551	39,441	42,517
<b>Non-current capital</b>	<b>298,140</b>	<b>300,371</b>	<b>308,480</b>
Net trade receivables vs. Customers	72,814	69,953	72,059
Amounts due to Suppliers	(78,353)	(84,712)	(73,526)
Inventories	60,445	53,803	54,041
<b>Net working capital, trading</b>	<b>54,906</b>	<b>39,044</b>	<b>52,574</b>
Other current assets	34,982	26,483	27,766
Other current liabilities and provisions for short term risks	(60,073)	(48,838)	(62,415)
<b>Net working capital</b>	<b>29,815</b>	<b>16,689</b>	<b>17,925</b>
Other M/L term liabilities	(19,754)	(20,359)	(23,537)
Liabilities for employee benefits / Severance Indemnity	(7,374)	(7,049)	(7,348)
Provisions for risks and charges	(9,706)	(7,398)	(5,178)
<b>Net invested capital</b>	<b>291,121</b>	<b>282,254</b>	<b>290,342</b>
<b>Total Shareholders' Equity</b>	<b>(205,074)</b>	<b>(185,247)</b>	<b>(176,903)</b>
<b>Net financial position</b>	<b>(86,047)</b>	<b>(97,007)</b>	<b>(113,439)</b>

As at 30 June 2014, the net financial position was negative for € 86,047 thousand, broken down as follows:

	<b>30.06.2014</b>	<b>31.12.2013</b>	<b>30.06.2013</b>
A. Cash and bank deposits	86,558	128,497	144,262
B. Other cash and cash equivalents	161	42	1,998
<i>b1. restricted cash deposit</i>	161	42	1,998
C. Securities held for trading	358	358	359
<i>c1. Short-term</i>	0	0	0
<i>c2. Long-term</i>	358	358	359
<b>D. Cash and equivalents (A) + (B) + (C)</b>	<b>87,077</b>	<b>128,897</b>	<b>146,619</b>
E. Current financial receivables	1,392	3,297	1,135
F. Other current financial receivables	0	0	32
<i>f1. hedging transactions</i>	0	0	32
G. Bank overdrafts	185	49	130
H. Current portion of non-current debt	64,962	46,360	53,765
I. Other current financial payables	240	248	404
<i>I1. hedging transactions</i>	0	14	144
<i>I2. payables for lease</i>	240	234	260
<b>J. Current financial debt (G) + (H) + (I)</b>	<b>65,387</b>	<b>46,657</b>	<b>54,299</b>
<b>K. Current financial debt, net (J) - (D) - (E) - (F)</b>	<b>(23,082)</b>	<b>(85,537)</b>	<b>(93,487)</b>
L. Non-current bank borrowing	118,117	181,327	205,557
M. Other non-current financial assets	10,032	0	0
N. Other non-current liabilities	1,044	1,217	1,369
<i>n1. hedging transactions</i>	334	371	386
<i>n2. payables for lease</i>	710	846	983
<b>O. Non-current financial debt (L) - (M) + (N)</b>	<b>109,129</b>	<b>182,544</b>	<b>206,926</b>
<b>P. Net financial debt (K) + (O)</b>	<b>86,047</b>	<b>97,007</b>	<b>113,439</b>

Net financial debt as at 30 June 2014 was € 86,047 thousand, an improvement of € 10,960 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 € 12,115 thousand. In the first half of 2014, the group purchased 27,850 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 € 523 thousand,

Investments were also made amounting to € 3,925 thousand.

Net working capital as at 30 June 2014 amounted to € 29,815 thousand, up by € 13,126 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 € 78,353 thousand as at 30 June and the increase in inventories, from € 53,803 thousand to € 60,445 thousand.

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

	30 June 2014		31 December 2013	
	Total equity	Period results	Total equity	Period results
<b>Parent Company shareholders' equity and profit</b>	<b>214,515</b>	<b>22,040</b>	<b>189,084</b>	<b>6,921</b>
Difference between consolidated companies' net equity and their carrying value in the Parent Company's financial statements; effect of equity-based valuation	49,009	16,102	54,340	60,534
Reversal of dividends		(22,624)	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	(10,055)	(610)	(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	(842)	110	(953)	(51)
Deferred taxes	3,953	226	3,727	222
<b>Group shareholders' equity</b>	<b>205,074</b>	<b>15,244</b>	<b>185,247</b>	<b>26,906</b>

## FINANCIAL INCOME (EXPENSES)

Financial income was negative by € 4,632 thousand, compared to a negative result of € 5,265 thousand related to the same period of the previous year, mainly due to a more favourable trend of Foreign exchange differences, from a negative situation, as at 30 June 2013, in the amount of € 1,108 thousand, and a positive situation, in the amount of € 203 thousand as at 30 June 2014. This result is broken down as follows:

	Half year ended		Change
	30.06.2014	30.06.2013	
Financial income/(expenses)	(3,408)	(3,096)	(312)
Foreign exchange differences	203	(1,108)	1,311
Bank expenses	(1,510)	(882)	(628)
Other	83	(179)	262
<b>Total net financial expenses</b>	<b>(4,632)</b>	<b>(5,265)</b>	<b>633</b>

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 € 720 thousand, of which € 402 thousand are connected with the early redemption of a mortgage loan (€ 287 thousand as at 30 June 2013), as well as factoring costs amounting to € 466 thousand (€ 140 thousand in 2013).

Losses generated by companies carried at equity were recognised in the amount of € 58 thousand (compared with profits € 102 thousand as at 30 June 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.

The results of the first half of the year confirm, and actually enhance, the positive trend reported in the second half of 2013, above all in the ADC Division.

Moreover, 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.

While taking also account of the positive trend in booking related to the quarter, a gradual improvement in reference markets is expected in 2014. The two main operating divisions, ADC and Industrial Automation, will seize this chance by relying on the huge investments made, and still underway, aimed at upgrading the product range and increasing the market share in the so-called fast-growing Countries.

## **SECONDARY LOCATIONS**

The Parent Company has no secondary locations.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS (Euro/000)	Note	30.06.2014	31.12.2013
<b>A) Non current assets (1+2+3+4+5+6+7)</b>		<b>308.530</b>	<b>300.729</b>
<b>1) Tangible assets</b>		<b>51.710</b>	<b>51.328</b>
land	1	5.264	5.223
buildings	1	24.308	24.528
other assets	1	20.366	19.822
assets in progress and payments on account	1	1.772	1.755
<b>2) Intangible assets</b>		<b>201.496</b>	<b>204.150</b>
goodwill	2	146.468	145.092
development costs	2	7.238	6.339
other	2	47.107	50.493
assets in progress and payments on account	2	683	2.226
<b>3) Equity investments in associates</b>	3	<b>1.725</b>	<b>1.783</b>
<b>4) Financial assets</b>		<b>14.048</b>	<b>4.027</b>
equity investments	5	3.658	3.669
securities	5	358	358
other	5	10.032	0
<b>5) Loans</b>			
<b>6) Trade and other receivables</b>	7	<b>1.650</b>	<b>1.744</b>
<b>7) Receivables for deferred tax assets</b>	13	<b>37.901</b>	<b>37.697</b>
<b>B) Current assets (8+9+10+11+12+13+14)</b>		<b>256.352</b>	<b>282.075</b>
<b>8) Inventories</b>		<b>60.445</b>	<b>53.803</b>
raw and ancillary materials and consumables	8	14.802	14.072
work in progress and semi-finished products	8	20.845	15.951
finished products and goods	8	24.798	23.780
<b>9) Trade and other receivables</b>	7	<b>91.564</b>	<b>85.475</b>
<b>trade receivables</b>	7	<b>72.814</b>	<b>69.953</b>
due within 12 months	7	71.579	68.406
<i>of which to associates</i>	7	1.235	1.536
<i>of which to related parties</i>	7		11
<b>other receivables – accrued income and prepaid expenses</b>	7	<b>18.750</b>	<b>15.522</b>
<i>of which to related parties</i>		75	75
<b>10) Tax receivables</b>	9	<b>16.232</b>	<b>10.961</b>
<i>of which to the parent company</i>		7.664	6.225
<b>11) Financial assets</b>	5	<b>1.392</b>	<b>1.297</b>
securities			0
other		1.392	1.297
<b>12) Loans</b>	5	<b>0</b>	<b>2.000</b>
<i>of which to the parent company</i>		0	2.000
<b>13) Financial assets - Derivatives</b>	6	<b>0</b>	<b>0</b>
<b>14) Cash and cash equivalents</b>	10	<b>86.719</b>	<b>128.539</b>
<b>Total assets (A+B)</b>		<b>564.882</b>	<b>582.804</b>



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

LIABILITIES (Euro/000)	Note	30.06.2014	31.12.2013
<b>A) Total shareholders' equity (1+2+3+4+5)</b>	11	<b>205.074</b>	<b>185.247</b>
1) Share capital	11	149.115	137.000
2) Reserves	11	(14.333)	(16.154)
3) Profits (losses) of previous years	11	55.048	37.495
4) Group profit (loss) for the period/year	11	15.244	26.906
5) Minority interests	11	0	0
<b>B) Non current liabilities (6+7+8+9+10+11+12)</b>		<b>155.995</b>	<b>217.350</b>
6) Financial payables	12	118.827	182.173
7) Financial liabilities - Derivatives	6	334	371
8) Tax payables		34	575
9) Deferred tax liabilities	13	16.945	17.136
10) Post-employment benefits	14	7.374	7.049
11) Provisions for risks and charges	15	9.706	7.398
12) Other liabilities	16	2.775	2.648
<b>C) Current liabilities (13+14+15+16+17)</b>		<b>203.813</b>	<b>180.207</b>
13) Trade and other payables	16	119.907	120.740
Trade payables	16	78.353	84.712
of which within 12 months	16	78.079	84.391
of which to associates	16	21	124
of which to related parties	16	253	197
other payables – accrued liabilities and deferred income	16	41.554	36.028
14) Tax payables		12.181	5.763
of which to the parent company		812	138
15) Provisions for risks and charges	15	6.338	7.047
16) Financial liabilities - Derivatives	6	0	14
17) Financial payables	12	65.387	46.643
<b>Total liabilities (A+B+C)</b>		<b>564.882</b>	<b>582.804</b>

## CONSOLIDATED STATEMENT OF INCOME STATEMENT

(Euro /000)	Note	30.06.2014	30.06.2013
<b>1) Total revenues</b>	17	<b>224.028</b>	<b>218.769</b>
Revenues from sale of products		213.067	207.259
Revenues for services		10.961	11.510
<i>of which to related parties</i>		3.332	4.165
<b>2) Cost of goods sold</b>	18	<b>115.561</b>	<b>115.274</b>
of which non-recurring	18	611	(63)
<i>of which to related parties</i>		168	29
<b>Gross profit (1-2)</b>		<b>108.467</b>	<b>103.495</b>
<b>3) Other operating revenues</b>	19	<b>760</b>	<b>617</b>
of which non-recurring	19		
<i>of which to related parties</i>		1	
<b>4) R&amp;D expenses</b>	18	<b>19.848</b>	<b>17.393</b>
of which non-recurring	18		(4)
<i>of which to related parties</i>	18	8	
<b>5) Distribution expenses</b>	18	<b>40.954</b>	<b>40.789</b>
of which non-recurring	18	604	(974)
<i>of which to related parties</i>		41	
<b>6) General and administrative expenses</b>	18	<b>23.913</b>	<b>25.696</b>
of which non-recurring	18	1.177	(18)
of which amortisation, depreciation and write-downs pertaining to acquisitions	18	2.775	2.913
<i>of which to related parties</i>		426	841
<b>7) Other operating expenses</b>	18	<b>1.058</b>	<b>847</b>
<b>Total operating costs</b>		<b>85.773</b>	<b>84.725</b>
<b>Operating result</b>		<b>23.454</b>	<b>19.387</b>
<b>8) Financial income</b>	20	<b>3.922</b>	<b>6.149</b>
<i>of which to related parties</i>		11	
<b>9) Financial expenses</b>	20	<b>8.554</b>	<b>11.414</b>
<b>Net financial income (expenses) (8-9)</b>		<b>(4.632)</b>	<b>(5.265)</b>
<b>10) Profits from associates</b>	3	<b>(58)</b>	<b>102</b>
<b>Profit (loss) before taxes from the operating assets</b>		<b>18.764</b>	<b>14.224</b>
Income tax	21	3.520	3.987
<b>Profit/(loss) for the period</b>		<b>15.244</b>	<b>10.237</b>
Basic earnings/(loss) per share (€)	22	0,2706	0,1801
Diluted earnings/(loss) per share (€)	22	0,2706	0,1801

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Euro /000)	Note	30.06.2014	30.06.2013
<b>Net profit/(loss) for the period</b>		<b>15.244</b>	<b>10.237</b>
<b>Other components of the statement of comprehensive income:</b>			
<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	37	469
Profit/(loss) due to translation of the accounts of foreign companies	11	1.189	863
Reserve for exchange rate adjustment	11	595	654
<b>Total profit/(loss) of Comprehensive Income Statement</b>		<b>1.821</b>	<b>1.986</b>
<b>Total net profit/(loss) for the period</b>		<b>17.065</b>	<b>12.223</b>
Attributable to:			
Parent company shareholders		17.065	12.223
Minority interests		0	0

## CONSOLIDATED STATEMENT OF CASH FLOW

(Euro /000)	30.06.2014	30.06.2013
<b>Pre-tax profit</b>	<b>18.764</b>	<b>14.224</b>
Depreciation and amortisation of tangible and intangible assets and write-downs	8.307	7.904
Change in employee benefits reserve	325	(19)
Provision to the write-down reserve	482	182
Net financial expenses/(income) including exchange rate differences	4.632	5.265
Adjustments to value of financial assets	58	(102)
<b>Cash flow from operations before changes in working capital</b>	<b>32.568</b>	<b>27.454</b>
Change in trade receivables (net of provision)	(3.343)	10.311
Change in final inventories	(6.642)	(4.888)
Change in current assets	(3.228)	(3.868)
Other medium-/long-term assets	94	58
Change in trade payables	(6.359)	2.424
Change in other current liabilities	5.526	(7.293)
Other medium/long-term assets	127	(170)
Change in provisions for risks and charges	1.599	361
Commercial foreign exchange gains/(losses)	(206)	(968)
Foreign exchange effect of working capital	109	(379)
<b>Cash flow from operations after changes in working capital</b>	<b>20.245</b>	<b>23.042</b>
Change in tax	(3.309)	2.105
Foreign exchange effect of tax	122	190
Interest paid and banking expenses	(4.835)	(4.157)
<b>Cash flow generated from operations (A)</b>	<b>12.223</b>	<b>21.180</b>
(Increase)/decrease in intangible assets excluding exchange rate effect	(320)	(2.151)
(Increase)/decrease in tangible assets excluding exchange rate effect	(3.605)	(2.691)
Change in unconsolidated equity interests	11	151
<b>Changes generated by investment activity (B)</b>	<b>(3.914)</b>	<b>(4.691)</b>
Change in LT/ST financial receivables	(8.246)	6.148
Change in short-term and medium-/long-term financial debt	(44.789)	35.794
Financial foreign exchange gains/(losses)	409	(140)
Purchase/sale of treasury shares	12.115	
Change in reserves and exchange rate effect of financial assets/liabilities, equity and tangible and intangible assets	(522)	(145)
Dividend payment	(9.351)	(8.525)
<b>Cash flow generated (absorbed) by financial assets (C)</b>	<b>(50.384)</b>	<b>33.132</b>
<b>Net increase (decrease) in available cash (A+B+C)</b>	<b>(42.075)</b>	<b>49.621</b>
<b>Net cash and cash equivalents at beginning of period (Note 10)</b>	<b>128.448</b>	<b>94.511</b>
<b>Net cash and cash equivalents at beginning of period (Note 10)</b>	<b>86.373</b>	<b>144.132</b>

## CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

Description	Share capital and capital reserves	Reserves of Statement of Comprehensive Income					Profits of 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 shareholders' equity
<b>01.01.2013 Restated (*)</b>	<b>135.272</b>	<b>(835)</b>	<b>(6.901)</b>			<b>1</b>	<b>(7.735)</b>	<b>21.908</b>	<b>958</b>	<b>4.082</b>	<b>8.671</b>	<b>35.619</b>	<b>10.247</b>	<b>173.403</b>
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	0						0					0		0
Other changes							0	(210)			12	(198)		(198)
Profit/(loss) as at 30.06.2013	0						0					0	10.237	10.237
Total other components of the statement of comprehensive income		469	863	654			1.986							1.986
<b>30.06.2013</b>	<b>135.272</b>	<b>(366)</b>	<b>(6.038)</b>	<b>654</b>	<b>0</b>	<b>1</b>	<b>(5.749)</b>	<b>23.114</b>	<b>958</b>	<b>4.388</b>	<b>8.683</b>	<b>37.143</b>	<b>10.237</b>	<b>176.903</b>

Description	Share capital and capital reserves	Reserves of Statement of Comprehensive Income					Profits of 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 shareholders' equity
<b>01.01.2014</b>	<b>137.000</b>	<b>(280)</b>	<b>(12.729)</b>	<b>(2.767)</b>	<b>(378)</b>	<b>0</b>	<b>(16.154)</b>	<b>23.466</b>	<b>958</b>	<b>4.388</b>	<b>8.683</b>	<b>37.495</b>	<b>26.906</b>	<b>185.247</b>
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	12.115						0					0		12.115
Other changes							0				(2)	(2)		(2)
Profit/(loss) as at 30.06.2014	0						0					0	15.244	15.244
Total other components of the statement of comprehensive income		37	1.189	595			1.821							1.821
<b>30.06.2014</b>	<b>149.115</b>	<b>(243)</b>	<b>(11.540)</b>	<b>(2.172)</b>	<b>(378)</b>	<b>0</b>	<b>(14.333)</b>	<b>40.674</b>	<b>958</b>	<b>4.735</b>	<b>8.681</b>	<b>55.048</b>	<b>15.244</b>	<b>205.074</b>

(\*) 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 consolidated half-year report as at 30 June 2014 include the figures of the Parent Company and its subsidiaries (defined hereinafter as the "Group") and its minority interests in associated companies.

This consolidated half-year report for the period ended 30 June 2014 were prepared by the Board of Directors on 30 July 2014.

### **PRESENTATION AND CONTENT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial statements as at 30 June 2014 are presented in an abbreviated form (the "Half-Year Report") and have been prepared in compliance with IAS 34 "Interim Financial Statements" providing the abbreviated notes required by this international accounting standard supplemented to provide additional information as necessary. This half-year report must therefore be read together with the consolidated financial statements and the notes as at 31 December 2013 which have been prepared in accordance with the IFRS endorsed by the European Union.

#### ***Financial statements***

The financial statements adopted are compliant with those required by IAS 1 and which were used in the consolidated financial statements for the year ended 31 December 2013, 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 has been 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 ongoing 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).

### ***Accounting standards applied***

The preparation of the interim financial statements requires the use of estimates and assumptions by the management which affect revenues, costs, assets and liabilities and reporting on potential assets and liabilities at interim balance-sheet date. The estimates are applied to provisions for credit risks, inventory obsolescence, amortisation/depreciation and risks inherent in corporate reorganisations.

If in the future such estimates and assumptions, which are based on the best assessments made by the management, should differ from actual circumstances, they shall be amended as appropriate in the period in which these circumstances differ. For a more detailed description of the major assessment processes used by the Group, please refer to the section Use of Estimates in the consolidated financial statements as at 31 December 2013.

It is also worth noting that certain valuation processes, in particular the more complex ones involving the determination of impairment of non-current assets, are generally fully carried out upon preparation of the annual financial statements, when all the necessary information is available, except when there are indications of impairment that require immediate measurement.

The actuarial valuations required for the determination of employee benefit provisions are also usually calculated at the time the annual financial statements are compiled.

Income taxes are recognised on the basis of the best estimate of the average weighted tax rate expected for the entire year.

### ***New accounting criteria, interpretations and modifications adopted by the Group***

The accounting standards adopted for preparation of the abbreviated Consolidated Half-Year Report are consistent with those used for the preparation of the consolidated financial statements for the year ended 31 December 2013, except for the adoption, on 1 January 2014, of the new standards, amendments to already applicable standards and interpretations listed in the table below, which shows the list of international accounting standards and interpretations approved by IASB and endorsed for adoption in Europe and applied for the first time in the current year.

<b>Description</b>	<b>Endorsement date</b>	<b>Publication in the OJEC</b>	<b>Effective date set out by the standard</b>	<b>Effective date for Datalogic</b>
Guideline to interim provisions (amendments to IFRS 10, 11 and 12)	4 April 2013	5 April 2013	Accounting periods beginning on or after 1 January 2014	1 January 2014
IFRS 10 – Consolidated Financial Statements	11 December 2012	29 December 2012	Accounting periods beginning on or after 1 January 2014	1 January 2014
IFRS 11 - Joint Arrangements	11 December 2012	29 December 2012	Accounting periods beginning on or after 1 January 2014	1 January 2014
IFRS 12 Disclosure of Interests in Other Entities	11 December 2012	29 December 2012	Accounting periods beginning on or after 1 January 2014	1 January 2014
Amendments to IAS 27 - Separate Financial Statements	11 December 2012	29 December 2012	Accounting periods beginning on or after 1 January 2014	1 January 2014
Amendments to IAS 28 - Investments in Associates and Joint Ventures	11 December 2012	29 December 2012	Accounting periods beginning on or after 1 January 2014	1 January 2014
Amendments to IAS 32 - Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities	13 December 2012	29 December 2012	Accounting periods beginning on or after 1 January 2014	1 January 2014
Investments Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)	20 November 2013	21 November 2013	Accounting periods beginning on or after 1 January 2014	1 January 2014
Recoverable Amount Supplementary Disclosures on Non-Financial Assets (Amendments to IAS 36)	19 December 2013	20 December 2013	Accounting periods beginning on or after 1 January 2014	1 January 2014
Novation of Derivatives and Continuation of Hedge Accounting (Amendment to IAS 39)	19 December 2013	20 December 2013	Accounting periods beginning on or after 1 January 2014	1 January 2014

The adoption of the aforementioned standards and interpretations had no impact on the Consolidated Half-Year Report of the Datalogic Group.

The new standards or amendments to already existing standards that are listed hereunder have not been adopted in advance for these Consolidated Half-Year Report:

- IFRS 7 – *Financial Instruments – Disclosure – Additional disclosures on transition from IAS 39 to IFRS 9;*
- IFRS 9 – *Financial Instruments – Classification and measurement*
- IAS 19 (effective on 1 July 2014) – *Employee benefits – Defined benefit plans and employee contributions.*

The Group evaluated the impact of these standards and believes that no significant effects or changes will occur in the Consolidated Financial Statements.



## 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 June 2014 are as follows:

Company	Registered office	Share capital	Total shareholders' equity (€000)	Profit/loss for the period (€000)	% Ownership	
Datalogic SPA	Bologna – Italy	Euro	30,392,175	214,515	22,040	
Datalogic Real Estate France Sa	Paris – France	Euro	2,227,500	3,553	(13)	100%
Datalogic Real Estate Germany gmbh	Erkenbrechtsweiler-Germany	Euro	1,025,000	1,683	(60)	100%
Datalogic Real Estate UK Ltd	Redbourn- England	GBP	3,500,000	4,718	(9)	100%
Datalogic IP Tech srl	Bologna – Italy	Euro	65,677	1,848	(1,193)	100%
Informatics Inc.	Plano Texas - Usa	\$USA	9,996,000	16,076	259	100%
Datalogic Automation srl	Monte San Pietro (BO) - Italy	Euro	10,000,000	7,606	(838)	100%
Datalogic Sweden AB	Malmö – Sweden	KRS	200,000	26	0	100%
Datalogic Automation INC	Telford, USA	\$USA	6,009,352	37,622	(1,678)	100%
Datalogic Automation PTY LTD	Mount Waverley (Melbourne)-Australia	\$AUD	3,188,118	(316)	(9)	100%
Datalogic Automation Asia Limited	Hong-Kong -China	HKD	7,000,000	(333)	34	100%
Datalogic (Shenzhen) Trading Business China	Shenzhen - China	USD	2,136,696	661	118	100%
Datalogic Hungary kft	Fonyod-Hungary	HUF	3,000,000	782	187	100%
Accu-Sort Gmbh	Berlin - Germany	USD	100	275	(35)	100%
Datalogic ADC Srl	Bologna – Italy	Euro	10,000	133,266	(158)	100%
Datalogic Mobile Asia	Hong-Kong -China	HKD	100,000	30	(28)	100%
Datalogic ADC Ltd Ireland	Dublin - Ireland	Euro	100	16,850	3,441	100%
Datalogic Slovakia sro	Tvrn-Slovakia	Euro	66,388	10,787	6,991	100%
Datalogic Holdings Inc.	Eugene OR-Usa	\$USA	100	69,707	(1,198)	100%
Datalogic ADC Inc.	Eugene OR-Usa	\$USA	11	79,813	1,563	100%
Datalogic ADC do Brasil	Sao Paulo - Brazil	R\$	159,525	276	263	100%
Datalogic ADC Mexico	Colonia Cuauhtemoc-Mexico	\$USA	-	(1,855)	(154)	100%
Datalogic Scanning GMBH	Darmstadt-Germany	Euro	306,775	3,660	0	100%
Datalogic Scanning Eastern Europe Gmbh	Darmstadt-Germany	Euro	30,000	2,227	19	100%
Datalogic ADC PTY	Sidney-Australia	\$ AUD	2	1,243	57	100%
Datalogic Vietnam LLC	Vietnam	USD	3,000,000	29,687	9,118	100%
Datalogic ADC Singapore	Singapore	SGD	100,000	424	218	100%

The following companies were consolidated at equity as at 30 June 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	3,298	(116)	50%

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***Change in scope of consolidation***

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

***PERFORMANCE BY BUSINESS SEGMENT***

Operating segments are identified based on the internal statements used by senior management to allocate resources and evaluate results.

The Group operates in the following business segments:

**ADC** – The ADC division is the global leader in high performance fixed scanners for retail and the major EMEA supplier of manual bar code readers as well as the leading player in the mobile computer market for warehouse management, automation of sales and field forces and the collection of data at stores. The manual reader product lines, fixed readers, mobile computers, self-scanning solutions and cashier technologies are included.

**Industrial Automation** – The Industrial Automation division, among the major manufacturers in the world of products and solutions for automatic identification, recognition and marketing in the industrial automation market, covers the increasing demand for tracking, inspection and recognition solutions in the manufacturing and logistics processes areas. It comprises product ranges related to: fixed barcode readers using imager and laser technology, the photoelectric sensors and equipment for industrial automation and security, remote cameras and software for artificial vision, barcode reader systems and technologies for the automation of logistics and postal companies, industrial laser markers.

**Informatics** – this Company, which is based in the United States, sells and distributes products and solutions for automatic identification and caters to small and medium sized companies.

**Corporate** – it includes the operations of the holding company, the real estate operations of the Group and Datalogic IP Tech which manages the Group's industrial property and research activities.

Intersegment sales transactions are executed at arm's length conditions, based on the Group transfer pricing policies.

The financial information relating to operating segments at 30 June 2014 and 30 June 2013 are as follows (€/000):

	<b>ADC</b>		<b>Industrial Automation</b>		<b>Informatics</b>		<b>Corporate</b>		<b>Adjustments</b>		<b>Total Group</b>	
	<i>half year ended 30 June 2014</i>	<i>half year ended 30 June 2013</i>	<i>half year ended 30 June 2014</i>	<i>half year ended 30 June 2013</i>	<i>half year ended 30 June 2014</i>	<i>half year ended 30 June 2013</i>	<i>half year ended 30 June 2014</i>	<i>half year ended 30 June 2013</i>	<i>half year ended 30 June 2014</i>	<i>half year ended 30 June 2013</i>	<i>half year ended 30 June 2014</i>	<i>half year ended 30 June 2013</i>
External sales	148,348	134,081	62,639	69,038	13,063	15,655			(22)	(5)	224,028	218,769
Intersegment sales	801	70	15	3			12,498	11,162	(13,314)	(11,235)	0	0
<b>Total sales</b>	<b>149,149</b>	<b>134,151</b>	<b>62,654</b>	<b>69,041</b>	<b>13,063</b>	<b>15,655</b>	<b>12,498</b>	<b>11,162</b>	<b>(13,336)</b>	<b>(11,240)</b>	<b>224,028</b>	<b>218,769</b>
<b>Ordinary operating income (EBITANR)</b>	<b>27,400</b>	<b>17,053</b>	<b>750</b>	<b>1,104</b>	<b>718</b>	<b>1,401</b>	<b>(134)</b>	<b>1,525</b>	<b>(113)</b>	<b>158</b>	<b>28,621</b>	<b>21,241</b>
% of revenues	18.4%	12.7%	1.2%	1.6%	5.5%	8.9%	(1.1) %	13.7%	0.8%	(1.4) %	12.8%	9.7%
<b>Operating result (EBIT)</b>	<b>25,820</b>	<b>16,696</b>	<b>(2,522)</b>	<b>(88)</b>	<b>426</b>	<b>1,096</b>	<b>(157)</b>	<b>1,525</b>	<b>(113)</b>	<b>158</b>	<b>23,454</b>	<b>19,387</b>
% of revenues	17.3%	12.4%	(4.0) %	(0.1) %	3.3%	7.0%	(1.3) %	13.7%	0.8%	(1.4) %	10.5%	8.9%
<b>Financial income (expenses)</b>	<b>(2,211)</b>	<b>(2,525)</b>	<b>(1,265)</b>	<b>(1,186)</b>	<b>0</b>	<b>(44)</b>	<b>21,192</b>	<b>10,427</b>	<b>(22,406)</b>	<b>(11,835)</b>	<b>(4,690)</b>	<b>(5,163)</b>
<b>Fiscal income (expenses)</b>	<b>(4,127)</b>	<b>(3,283)</b>	<b>999</b>	<b>157</b>	<b>(168)</b>	<b>(394)</b>	<b>(256)</b>	<b>(855)</b>	<b>32</b>	<b>388</b>	<b>(3,520)</b>	<b>(3,987)</b>
<b>Amortisation, depreciation and write-downs</b>	<b>(4,595)</b>	<b>(3,953)</b>	<b>(2,351)</b>	<b>(2,768)</b>	<b>(378)</b>	<b>(435)</b>	<b>(1,056)</b>	<b>(808)</b>	<b>73</b>	<b>60</b>	<b>(8,307)</b>	<b>(7,904)</b>
<b>EBITDA</b>	<b>30,723</b>	<b>19,678</b>	<b>1,890</b>	<b>2,592</b>	<b>804</b>	<b>1,531</b>	<b>922</b>	<b>2,333</b>	<b>(186)</b>	<b>98</b>	<b>34,153</b>	<b>26,232</b>
% of revenues	20.6%	14.7%	3.0%	3.8%	6.2%	9.8%	7.4%	20.9%	1.4%	(0.9) %	15.2%	12.0%
<b>R&amp;D expenses</b>	<b>(14,050)</b>	<b>(11,630)</b>	<b>(7,227)</b>	<b>(6,957)</b>	<b>(376)</b>	<b>(422)</b>	<b>(4,532)</b>	<b>(839)</b>	<b>6,337</b>	<b>2,451</b>	<b>(19,848)</b>	<b>(17,397)</b>
% of revenues	(9.4) %	(8.7) %	(11.5) %	(10.1) %	(2.9) %	(2.7) %	(36.3) %	(7.5) %	(47.5) %	(21.8) %	(8.9) %	(8.0) %

The following table shows the reconciliation between **EBITDA, EBITANR and Profit/(Loss) before taxes** for the half ended 30 June 2014, compared with the same period of the previous year:

	Half year ended	
	30.06.2014	30.06.2013
<b>EBITDA</b>	<b>34,153</b>	<b>26,232</b>
Depreciation and write-downs of tangible assets	(3,471)	(3,886)
Amortisation and write-downs of intangible assets	(2,061)	(1,105)
<b>EBITANR</b>	<b>28,621</b>	<b>21,241</b>
Non-recurring costs and revenues	(2,392)	1,059
Depreciation & amortisation due to acquisitions (*)	(2,775)	(2,913)
<b>EBIT (Operating result)</b>	<b>23,454</b>	<b>19,387</b>
Financial income	3,922	6,149
Financial expenses	(8,554)	(11,414)
Profits from associates	(58)	102
<b>Pre-tax profit/(loss)</b>	<b>18,764</b>	<b>14,224</b>

The **balance-sheet information relating to operating sectors** as at 30 June 2014, compared with the information as at 31 December 2013 is as follows (€/000):

	ADC		Industrial Automation		Informatics		Corporate		Adjustments		Total Group	
	30.06.2014	31.12.2013	30.06.2014	31.12.2013	30.06.2014	31.12.2013	30.06.2014	31.12.2013	30.06.2014	31.12.2013	30.06.2014	31.12.2013
<b>Total Assets</b>	509,830	430,524	193,132	171,624	20,423	19,548	608,211	538,806	(766,714)	(577,698)	564,882	582,804
<b>Non-current assets</b>	135,207	136,235	74,582	75,004	11,825	12,069	30,690	31,327	902	843	253,206	255,478
<b>Equity investments in associates</b>	62,580	62,063	6,131	6,188			155,190	155,190	(222,176)	(221,658)	1,725	1,783
<b>Total liabilities</b>	352,772	271,213	145,868	121,973	4,347	3,884	400,427	355,450	(543,606)	(354,963)	359,808	397,557

## INFORMATION ON THE STATEMENT OF FINANCIAL POSITION

### ASSETS

#### Note 1. Tangible assets

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

	30.06.2014	31.12.2013	Change
Land	5,264	5,223	41
Buildings	24,308	24,528	(220)
Other assets	20,366	19,822	544
Assets in progress and payments on account	1,772	1,755	17
<b>Total</b>	<b>51,710</b>	<b>51,328</b>	<b>382</b>

Details of movements as at 30 June 2014 are as follows:

	Land	Buildings	Other assets	Assets in progress and payments on account	Total
Historical cost	5,223	28,329	104,676	1,755	139,983
Accumulated depreciation	0	(3,801)	(84,854)	0	(88,655)
<b>Net initial value as at 01.01.2014</b>	<b>5,223</b>	<b>24,528</b>	<b>19,822</b>	<b>1,755</b>	<b>51,328</b>
<i>Increases 30.06.2014</i>					
Investments		11	3,121	534	3,666
<b>Total</b>	<b>0</b>	<b>11</b>	<b>3,121</b>	<b>534</b>	<b>3,666</b>
<i>Decreases 30.06.2014</i>					
Disposals, historical cost			(734)	0	(734)
Disposals, accum. depreciation			690		690
Depreciation		(205)	(3,266)		(3,471)
<b>Total</b>	<b>0</b>	<b>(205)</b>	<b>(3,310)</b>	<b>0</b>	<b>(3,515)</b>
<i>Reclass. &amp; other changes 30.06.2014</i>					
Incoming transfers at historical cost		(216)	709	(524)	(31)
(outgoing transfers, accum. depreciation)		112	(98)		14
Diff. Exchange in historical cost	41	96	318	7	462
Diff. Exchange in accum. depreciation		(18)	(196)		(214)
<b>Total</b>	<b>41</b>	<b>(26)</b>	<b>733</b>	<b>(517)</b>	<b>231</b>
Historical cost	5,264	28,220	108,090	1,772	143,346
Accumulated depreciation	0	(3,912)	(87,724)	0	(91,636)
<b>Net value as at 30.06.2014</b>	<b>5,264</b>	<b>24,308</b>	<b>20,366</b>	<b>1,772</b>	<b>51,710</b>

The "Other assets" item as at 30 June 2014 mainly includes the following categories: Plant and machinery (€ 3,873 thousand), Trade and industrial equipment (€ 7,282 thousand), Office furniture and machines (€ 6,150 thousand), General plant (€ 1,661 thousand), Motor vehicles (€ 223 thousand), and Maintenance on third-party assets (€ 969 thousand).

The main increases for the period related to the purchase of moulds (€ 813 thousand), of office and electronic machines (€ 890 thousand) and improvements to third-party assets (€ 377 thousand).

The balance of “Assets in progress and payments on account” consists of € 619 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 June 2014 and 31 December 2013 are as follows:

	<b>30.06.2014</b>	<b>31.12.2013</b>	<b>Change</b>
Goodwill	146,468	145,092	1,376
Development costs	7,238	6,339	899
Other	47,107	50,493	(3,386)
Assets in progress and payments on account	683	2,226	(1,543)
<b>Total</b>	<b>201,496</b>	<b>204,150</b>	<b>(2,654)</b>

Details of movements as at 30 June 2014 are as follows:

	<b>Goodwill</b>	<b>Development costs</b>	<b>Other</b>	<b>Assets in progress and payments on account</b>	<b>Total</b>
Historical cost	145,092	13,782	116,666	2,226	277,766
Accumulated amortisation	0	(7,443)	(66,173)	0	(73,616)
<b>Net initial value as at 01.01.2014</b>	<b>145,092</b>	<b>6,339</b>	<b>50,493</b>	<b>2,226</b>	<b>204,150</b>
<i>Increases 30.06.2014</i>					
Investments			116	212	328
<b>Total</b>	<b>0</b>	<b>0</b>	<b>116</b>	<b>212</b>	<b>328</b>
<i>Decreases 30.06.2014</i>					
Disposals, historical cost		(223)	(88)		(311)
Disposals, accum. amortisation		223	80		303
Amortisation		(903)	(3,933)		(4,836)
<b>Total</b>	<b>0</b>	<b>(903)</b>	<b>(3,941)</b>	<b>0</b>	<b>(4,844)</b>
<i>Reclass. &amp; other changes 30.06.2014</i>					
Incoming transfers at historical cost (outgoing transfers, accum. amortisation)		1,755		(1,755)	0
Diff. Exchange in historical cost	1,376	52	773		2,201
Diff. Exchange in accum. amortisation		(5)	(334)		(339)
<b>Total</b>	<b>1,376</b>	<b>1,802</b>	<b>439</b>	<b>(1,755)</b>	<b>1,862</b>
Historical cost	146,468	15,589	117,244	683	279,984
Accumulated amortisation	0	(8,351)	(70,137)	0	(78,488)
<b>Net value as at 30.06.2014</b>	<b>146,468</b>	<b>7,238</b>	<b>47,107</b>	<b>683</b>	<b>201,496</b>

Goodwill, totalling € 146,468 thousand, consisted of the following items:

	<b>30.06.2014</b>	<b>31.12.2013</b>	<b>Change</b>
CGU ADC	85,437	84,667	770
CGU IA	49,450	48,929	521
CGU Informatics	11,581	11,496	85
<b>Total</b>	<b>146,468</b>	<b>145,092</b>	<b>1,376</b>

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 June 2014.

"**Development costs**", which amount to € 7,238 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 € 47,107 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:

	30.06.2014	31.12.2013	Useful life
<b>Acquisition of the PSC Group (on 30 November 2006)</b>	<b>17,874</b>	<b>18,712</b>	
PATENTS	17,034	17,603	20
TRADE MARK	427	563	10
CLIENT PORTFOLIO	413	546	10
<b>Acquisition of Laservall SPA (on 27 August 2004)</b>	<b>0</b>	<b>221</b>	
UNPATENTED TECHNOLOGY	0	0	7
COMMERCIAL STRUCTURE	0	221	10
<b>Acquisition of Informatics Inc. (on 28 February 2005)</b>	<b>390</b>	<b>676</b>	
COMMERCIAL STRUCTURE	390	676	10
<b>Acquisition of Evolution Robotics Retail Inc. (on 01 July 2010)</b>	<b>3,077</b>	<b>3,301</b>	
PATENTS	513	550	10
TRADE SECRETS	2,564	2,751	10
<b>Acquisition of Accu-Sort Inc. (on 20 January 2012)</b>	<b>15,673</b>	<b>16,308</b>	
PATENTS	9,361	9,645	10
TRADE SECRETS	6,312	6,663	10
<b>Licence agreement</b>	<b>6,424</b>	<b>6,948</b>	5-15
<b>Other</b>	<b>3,669</b>	<b>4,327</b>	
<b>TOTAL OTHER INTANGIBLE ASSETS</b>	<b>47,107</b>	<b>50,493</b>	

The "Other" item mainly consists of software licences.

The "Assets in progress and payment on account" item, equal to € 683 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 June 2014 were as follows:

	31.12.2013	Increases	Decreases	Diff. exchange rate	Share of profit	30.06.2014
<b>Associates</b>						
Laservall Asia CO. Ltd	1,707				(58)	1,649
Datalogic Automation AB	2					2
Specialvideo Srl	29					29
Datasensor GMBH	45					45
<b>Total associates</b>	<b>1,783</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(58)</b>	<b>1,725</b>
<b>TOTAL</b>	<b>1,783</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(58)</b>	<b>1,725</b>

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:

30.06.2014	Loans and receivables	Financial assets at fair value charged to the income statement	Available for sale	Total
<b>Non-current financial assets</b>	<b>1,650</b>	<b>10,032</b>	<b>4,016</b>	<b>15,698</b>
Financial assets – equity investments (5)			3,658	3,658
Financial assets - Securities			358	358
Financial assets - Other		10,032		10,032
Other receivables (7)	1,650			1,650
<b>Current financial assets</b>	<b>178,365</b>	<b>0</b>	<b>0</b>	<b>178,365</b>
Trade receivables from third parties (7)	71,579			71,579
Other receivables from third parties (7)	18,675			18,675
Financial assets - Other (5)	1,392	0		1,392
Financial assets - Securities (5)	0			0
Cash and cash equivalents (10)	86,719			86,719
<b>TOTAL</b>	<b>180,015</b>	<b>10,032</b>	<b>4,016</b>	<b>194,063</b>

30.06.2014	Derivatives	Other financial liabilities	Total
<b>Non-current financial liabilities</b>	<b>334</b>	<b>121,602</b>	<b>121,936</b>
Financial payables (12)		118,827	118,827
Financial liabilities - Derivative instruments (6)	334		334
Other payables (16)		2,775	2,775
<b>Current financial liabilities</b>	<b>0</b>	<b>185,020</b>	<b>185,020</b>
Trade payables to third parties (16)		78,079	78,079
Other payables (16)		41,554	41,554
Short-term financial payables (12)		65,387	65,387
<b>TOTAL</b>	<b>334</b>	<b>306,622</b>	<b>306,956</b>

**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).

30.06.2014	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Financial assets - Equity Investments (5)	3,106		552	3,658
Financial assets - LT securities (5)	358			358
Financial assets - Other LTs (5)			10,032	10,032
Financial assets - Other (5)			1,392	1,392
Financial assets - Securities (5)	0			0
Financial assets - ST Derivative instruments (6)				0
<b>Assets measured at fair value</b>	<b>3,464</b>	<b>0</b>	<b>11,976</b>	<b>15,440</b>
<b>Liabilities measured at fair value</b>				
Financial liabilities - LT Derivative instruments (6)		334		334
Financial liabilities - ST derivative instruments (6)				0
<b>Total Liabilities measured at fair value</b>	<b>0</b>	<b>334</b>	<b>0</b>	<b>334</b>

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

AFS financial assets include the following items:

	30.06.2014	31.12.2013	Change
<b>Securities</b>	<b>11,782</b>	<b>1,655</b>	<b>10,127</b>
Long-term government bonds	358	358	0
Other LT financial assets	10,032	0	10,032
Other ST financial assets	1,392	1,297	95
<b>Other equity investments</b>	<b>3,658</b>	<b>3,669</b>	<b>(11)</b>
<b>Total</b>	<b>15,440</b>	<b>5,324</b>	<b>10,116</b>

The "Other LT financial assets" item consists of an investment of corporate liquidity in an insurance policy, subscribed in May 2014.

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

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

	31.12.2013	Increases	Decreases	Adj. to fair value	Write-downs	30.06.2014
Listed equity investments	3,106					3,106
Unlisted equity investments	563	12	(23)	0	0	552
<b>Total equity investments</b>	<b>3,669</b>	<b>12</b>	<b>(23)</b>	<b>0</b>	<b>0</b>	<b>3,658</b>

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 86 quotas and the repayment of 164 (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.

	30.06.2014	31.12.2013
Financial receivables	0	2,000
<b>Total financial receivables</b>	<b>0</b>	<b>2,000</b>

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

### **Note 6. Financial derivatives**

	30.06.2014		31.12.2013	
	Assets	Liabilities	Assets	Liabilities
<b>Financial instruments measured at fair value and recognised in the statement of comprehensive income</b>				
Interest rate derivatives - LT cash flow hedges		334		371
Interest rate derivatives - ST cash flow hedges				14
<b>Total</b>	<b>0</b>	<b>334</b>	<b>0</b>	<b>385</b>

#### **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 € 334 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 June 2014, the notional principal of interest swaps totalled € 18,000 thousand (€ 27,350 thousand as at 31 December 2013).

#### **Currency derivatives**

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

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

	30.06.2014	31.12.2013	Change
Third-party trade receivables	73,781	70,665	3,116
Deducted: provision for doubtful receivables	2,202	2,259	(57)
<b>Net third-party trade receivables</b>	<b>71,579</b>	<b>68,406</b>	<b>3,173</b>
<b>Receivables from associates</b>	<b>1,235</b>	<b>1,536</b>	<b>(301)</b>
Laservall Asia	381	541	(160)
Datasensor GMBH	132	202	(70)
Specialvideo	2	41	(39)
Datalogic Automation AB	720	752	(32)
<b>Related-party receivables</b>	<b>0</b>	<b>11</b>	<b>(11)</b>
<b>Total Trade receivables</b>	<b>72,814</b>	<b>69,953</b>	<b>2,861</b>
Other receivables – current accrued income and prepaid expenses	18,750	15,522	3,228
Other receivables – non-current accrued income and prepaid expenses	1,650	1,744	(94)
<b>Total other receivables - accrued income and prepaid expenses</b>	<b>20,400</b>	<b>17,266</b>	<b>3,134</b>
Deducted: non-current portion	1,650	1,744	(94)
<b>Trade and other receivables - current portion</b>	<b>91,564</b>	<b>85,475</b>	<b>6,089</b>

**Trade receivables**

“Trade receivables falling due within 12 months” as at 30 June 2014 are equal to € 72,814 thousand, up by 4% by comparison with 31 December 2013.

As at 30 June 2014, trade receivables assigned to the factoring amounted to € 21,278 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 € 2,202 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:

	30.06.2014	31.12.2013	Change
Other short-term receivables	2,629	2,291	338
Other long-term receivables	1,650	1,744	(94)
VAT receivables	13,727	10,842	2,885
Accrued income and prepaid expenses	2,394	2,389	5
<b>Total</b>	<b>20,400</b>	<b>17,266</b>	<b>3,134</b>

**Note 8. Inventories**

	30.06.2014	31.12.2013	Change
Raw and ancillary materials and consumables	14,802	14,072	730
Work in progress and semi-finished products	20,845	15,951	4,894
Finished products and goods	24,798	23,780	1,018
<b>Total</b>	<b>60,445</b>	<b>53,803</b>	<b>6,642</b>

Inventories are shown net of an obsolescence provision that, as at 30 June 2014, amounted to € 8,980 thousand (€ 9,118 thousand as at 31 December 2013). The movements of this provision as at 30 June of each year is shown hereunder:

	2014	2013
<b>1 January</b>	<b>9,118</b>	<b>9,448</b>
Exchange-rate change	66	(152)
Allocations	1,313	2,138
Release for scrap and other utilisations	(1,517)	(2,293)
<b>30 June</b>	<b>8,980</b>	<b>9,141</b>

**Note 9. Tax receivables and tax payables**

As at 30 June 2014, the "Tax receivables" item amounted to € 16,232 thousand, up by € 5,271 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 € 7,664 thousand, up by € 1,439 (€ 6,225 thousand as at 31 December 2013).

As at 30 June 2014, the "Tax payables" item amounted to € 12,181 thousand, up by € 6,418 thousand (€ 5,763 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 € 812 thousand as at 30 June 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:

	30.06.2014	31.12.2013	Change
Cash and cash equivalents shown on financial statements	86,719	128,539	(41,820)
Restricted cash	(161)	(42)	(119)
Current account overdrafts	(185)	(49)	(136)
<b>Cash and cash equivalents for statement</b>	<b>86,373</b>	<b>128,448</b>	<b>(42,075)</b>

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

	<b>30.06.2014</b>	<b>31.12.2013</b>
A. Cash and bank deposits	86,558	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
<b>D. Cash and equivalents (A) + (B) + (C)</b>	<b>87,077</b>	<b>128,897</b>
E. Current financial receivables	1,392	3,297
F. Other current financial receivables	0	0
<i>f1. hedging transactions</i>	0	0
G. Bank overdrafts	185	49
H. Current portion of non-current debt	64,962	46,360
I. Other current financial payables	240	248
<i>I1. hedging transactions</i>	0	14
<i>I2. payables for lease</i>	240	234
<b>J. Current financial debt (G) + (H) + (I)</b>	<b>65,387</b>	<b>46,657</b>
<b>K. Current financial debt, net (J) - (D) - (E) - (F)</b>	<b>(23,082)</b>	<b>(85,537)</b>
L. Non-current bank borrowing	118,117	181,327
M. Other non-current financial receivables	10,032	0
N. Other non-current liabilities	1,044	1,217
<i>n1. hedging transactions</i>	334	371
<i>n2. payables for lease</i>	710	846
<b>O. Non-current financial debt (L) - (M) + (N)</b>	<b>109,129</b>	<b>182,544</b>
<b>P. Net financial debt (K) + (O)</b>	<b>86,047</b>	<b>97,007</b>

Net financial debt as at 30 June 2014 was € 86,047 thousand, an improvement of € 10,960 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 € 12,115 thousand. In the first half of 2014, the group purchased 27,850 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 €523 thousand,

Investments were also made amounting to €3,925 thousand.

Net working capital as at 30 June 2014 amounted to €29,815 thousand, up by €13,126 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 €78,353 thousand as at 30 June and the increase in inventories, from €53,803 thousand to €60,445 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:

	30.06.2014	31.12.2013
Share capital	30,392	30,392
Share premium reserve	108,966	100,863
Extraordinary share-cancellation reserve	2,813	2,813
Treasury shares held in portfolio	6,944	(5,171)
Treasury share reserve	0	8,103
<b>Share capital and capital reserves</b>	<b>149,115</b>	<b>137,000</b>
Cash-flow hedge reserve	(243)	(280)
Translation reserve	(11,540)	(12,729)
Reserve for exchange rate adjustment	(2,172)	(2,767)
Actuarial gains/(losses) reserve	(378)	(378)
Held-for-sale financial assets reserve	0	0
<b>Other reserves</b>	<b>(14,333)</b>	<b>(16,154)</b>
<b>Retained earnings</b>	<b>55,048</b>	<b>37,495</b>
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	15,244	26,906
<b>Total Group shareholders' equity</b>	<b>205,074</b>	<b>185,247</b>

#### Share capital

Movements in share capital as at 30 June 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
<b>01.01.2014</b>	<b>57,053,258</b>	<b>30,392</b>	<b>2,813</b>	<b>100,863</b>	<b>(5,171)</b>	<b>8,103</b>	<b>137,000</b>
Purchase of treasury shares	(27,850)			(218)	(218)	218	(218)
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)
<b>30.06.2014</b>	<b>58,446,491</b>	<b>30,392</b>	<b>2,813</b>	<b>108,966</b>	<b>6,944</b>	<b>0</b>	<b>149,115</b>

### *Ordinary shares*

As at 30 June 2014, the total number of ordinary shares was 58,446,491, treasury shares are nil by reason of the fact that they were sold on 11 March 2014 through an Accelerated Bookbuilding, with a capital gain of € 4,469 thousand. The shares have a nominal unit value of € 0.52 and are fully paid up.

### *Treasury shares*

The "Treasury shares" item, amounting to € 6,944, as at 30 June 2014 included only gains and charges made from the sale of treasury shares. This was due to the fact that, as aforesaid, such shares had been entirely sold. In the first half of 2014, the Group purchased 27,850 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 € 334 thousand) and amounts are shown net of the tax effect (€ 91 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 and 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 June.

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

	30 June 2014		31 December 2013	
	Total equity	Period results	Total equity	Period results
<b><i>Parent Company shareholders' equity and profit</i></b>	<b>214,515</b>	<b>22,040</b>	<b>189,084</b>	<b>6,921</b>
Difference between consolidated companies' net equity and their carrying value in the Parent Company's financial statements; effect of equity-based valuation	49,009	16,102	54,340	60,534
Reversal of dividends		(22,624)	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	(10,055)	(610)	(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	(842)	110	(953)	(51)
Deferred taxes	3,953	226	3,727	222
<b>Group shareholders' equity</b>	<b>205,074</b>	<b>15,244</b>	<b>185,247</b>	<b>26,906</b>

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

The breakdown of this item is as detailed below:

	30.06.2014	31.12.2013	Change
Bank loans	183,017	227,674	(44,657)
EU financing	62	13	49
Payables for leasing	950	1,080	(130)
Bank overdrafts (ordinary current accounts)	185	49	136
<b>Total financial payables</b>	<b>184,214</b>	<b>228,816</b>	<b>(44,602)</b>

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

	2014	2013
<b>1 January</b>	<b>227,674</b>	<b>222,806</b>
Foreign exchange differences	168	284
Increases	17,500	123,790
Repayments	(39,465)	(36,000)
Decreases for loan repayments	(22,860)	(51,649)
<b>30 June</b>	<b>183,017</b>	<b>259,231</b>

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.

**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	7,500,000	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:

	<b>30.06.2014</b>	<b>31.12.2013</b>	<b>Change</b>
Datalogic Automation INC	7,105	6,162	943
Datalogic Automation Srl (*)	869	1,016	(147)
Datalogic ADC HK Ltd	(2)	(2)	0
Datalogic ADC srl	(1,299)	(1,200)	(99)
Datalogic RE France Sa	52	52	0
Datalogic RE Germany gmbh	(75)	(75)	0
Datalogic RE Uk ltd	111	107	4
Datalogic Scanning GMBH	(504)	(504)	0
Datalogic Holdings Inc.	4,610	3,923	687
Datalogic ADC Ltd Ireland	(72)	37	(109)
Datalogic ADC Inc	(237)	(132)	(105)
Datalogic ADC PTY	102	91	11
Datalogic Slovakia sro	843	841	2
Datalogic ADC VN	297	308	(11)
Datalogic Spa	(603)	(91)	(512)
Informatics Inc.	105	(70)	175
Datalogic IP Tech Srl	7,877	8,817	(940)
<b>Total net long-term deferred taxes</b>	<b>19,179</b>	<b>19,280</b>	<b>(101)</b>
<b>Deferred taxes recognized due to the consolidation entries</b>	<b>1,777</b>	<b>1,281</b>	<b>496</b>
<b>Total net long-term deferred taxes</b>	<b>20,956</b>	<b>20,561</b>	<b>395</b>

**Note 14. Post-employment benefits**

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

	<b>2014</b>	<b>2013</b>
<b>1 January</b>	<b>7,049</b>	<b>7,367</b>
Amount allocated in the period	1,105	738
Uses	(332)	(261)
Social security receivables for the employee severance indemnity reserve	(448)	(496)
<b>30 June</b>	<b>7,374</b>	<b>7,348</b>

**Note 15. Provisions for risks and charges**

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

	<b>30.06.2014</b>	<b>31.12.2013</b>	<b>Change</b>
Short-term provisions for risks and charges	6,338	7,047	(709)
Long-term provisions for risks and charges	9,706	7,398	2,308
<b>Total</b>	<b>16,044</b>	<b>14,445</b>	<b>1,599</b>

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

	<b>31.12.2013</b>	<b>Increases</b>	<b>(Uses) and (Releases)</b>	<b>Diff. exchange rate</b>	<b>30.06.2014</b>
Product warranty provision	8,008	1,185	(350)	52	8,895
Corporate restructuring fund	23		(18)		5
Provision for management incentive scheme	2,740	1,591		25	4,356
Other	3,674	97	(997)	14	2,788
<b>Total Provisions for risks and charges</b>	<b>14,445</b>	<b>2,873</b>	<b>(1,365)</b>	<b>91</b>	<b>16,044</b>

The "**product warranty provision**" covers the estimated cost of repairing products sold as up to 30 June 2014 and covered by periodical warranty; it amounts to € 8,895 thousand (of which € 5,029 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:

- € 2,206 thousand for a "stock rotation" provision for the ADC Group and Informatics;
- € 278 thousand for agent termination indemnities,
- € 249 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:

	30.06.2014	31.12.2013	Change
Trade payables due within 12 months	78,079	84,391	(6,312)
<b>Third-party trade payables</b>	<b>78,079</b>	<b>84,391</b>	<b>(6,312)</b>
<b>Payables to associates</b>	<b>21</b>	<b>124</b>	<b>(103)</b>
<i>Laservall Asia</i>	20	101	(81)
<i>Datasensor GMBH</i>	0	2	(2)
<i>Datalogic Automation AB</i>	1	21	(20)
<b>Payables to related parties</b>	<b>253</b>	<b>197</b>	<b>56</b>
<b>Total Trade payables</b>	<b>78,353</b>	<b>84,712</b>	<b>(6,359)</b>
Other payables – current accrued liabilities and deferred income	41,554	36,028	5,526
Other payables – non-current accrued liabilities and deferred income	2,775	2,648	127
<b>Total other payables – accrued liabilities and deferred income</b>	<b>44,329</b>	<b>38,676</b>	<b>5,653</b>
Deducted: non-current portion	2,775	2,648	127
<b>Current portion</b>	<b>119,907</b>	<b>120,740</b>	<b>(833)</b>

**Other payables – accrued liabilities and deferred income**

The detailed breakdown of this item is as follows:

	30.06.2014	31.12.2013	Change
Other current payables:	19,721	17,591	2,130
<i>Payables to employees</i>	12,820	10,708	2,112
<i>Payables to pension and social security agencies</i>	3,480	3,287	193
<i>Directors' remuneration payable</i>	171	431	(260)
<i>Other payables</i>	3,250	3,165	85
Other long-term payables	2,775	2,648	127
VAT liabilities	5,155	3,536	1,619
Accrued liabilities and deferred income	16,678	14,901	1,777
<b>Total</b>	<b>44,329</b>	<b>38,676</b>	<b>5,653</b>

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 € 1,836 thousand related to the debt for the management incentive scheme related to re-organization occurred in the second quarter of 2014.

The "Other payables" item includes the residual debt (€ 2,197 thousand) pour le purchase, occurred in 2013, of a licence agreement capitalised under item Intangible assets.

## INFORMATION ON THE STATEMENT OF INCOME

### Note 17. Revenues

	Half year ended		Change
	30.06.2014	30.06.2013	
Revenues from sale of products	213,067	207,259	5,808
Revenues from services	10,961	11,510	(549)
<b>Total</b>	<b>224,028</b>	<b>218,769</b>	<b>5,259</b>

Revenues earned from sales of goods and services decreased by 2.4% year on year (4.5% at constant exchange rates).

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

	Half year ended		Change
	30.06.2014	30.06.2013	
Revenues in Italy	11%	9%	2%
Revenues in Europe	42%	36%	6%
Revenues in North America	29%	34%	-5%
Revenues in Rest of the world	18%	21%	-3%

### 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.

	Half year ended		Change
	30.06.2014	30.06.2013	
<b>TOTAL COST OF GOODS SOLD (1)</b>	<b>115,561</b>	<b>115,274</b>	<b>287</b>
<i>of which non-recurring</i>	611	(63)	674
<b>TOTAL OPERATING COSTS (2)</b>	<b>85,773</b>	<b>84,725</b>	<b>1,048</b>
Research and Development expenses	19,848	17,393	2,455
<i>of which non-recurring</i>	0	(4)	4
Distribution expenses	40,954	40,789	165
<i>of which non-recurring</i>	604	(974)	1,578
General and administrative expenses	23,913	25,696	(1,783)
<i>of which non-recurring</i>	1,177	(18)	1,195
<i>of which amortisation, depreciation pertaining to acquisitions</i>	2,775	2,913	(138)
Other operating costs	1,058	847	211
<b>TOTAL (1+2)</b>	<b>201,334</b>	<b>199,999</b>	<b>1,335</b>
<b>of which non-recurring costs</b>	<b>2,392</b>	<b>(1,059)</b>	<b>3,451</b>
<b>of which amortisation, depreciation pertaining to acquisitions</b>	<b>2,775</b>	<b>2,913</b>	<b>(138)</b>

In the half year ended 30 June 2014, the non-recurring costs item amounted to € 2,392 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"	611	early retirement incentives
<b>Total</b>	<b>611</b>	
5) "Distribution expenses"	604	early retirement incentives
<b>Total</b>	<b>604</b>	
6) "General and administrative expenses"	1,144	early retirement incentives
6) "General and administrative expenses"	33	consulting
<b>Total</b>	<b>1,177</b>	
<b>TOTAL NON-RECURRING COSTS</b>	<b>2,392</b>	

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.

The amortisation from acquisitions (equal to € 2,775 thousand) included under "General and administrative expenses" are comprised of:

	Half year ended		Change
	30.06.2014	30.06.2013	
Acquisition of the PSC Group (on 30 November 2006)	1,016	1,062	(46)
Acquisition of Laservall SPA (on 27 August 2004)	221	221	0
Acquisition of Informatics Inc. (on 28 February 2005)	292	305	(13)
Acquisition of Evolution Robotics Retail Inc. (on 1 July 2010)	256	266	(10)
Acquisition of Accu-Sort Inc. (on 20 January 2012)	990	1,059	(69)
<b>TOTAL</b>	<b>2,775</b>	<b>2,913</b>	<b>(138)</b>

### **Total cost of goods sold (1)**

In absolute terms, this item remained unchanged compared to the same period of 2013. The impact on revenues from sale of products decreased by around 1.4 percentage points. At constant exchange rates and net of extraordinary costs, the increase was 2.30% 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 inherent in the acquisitions, decreased from € 82,808 thousand to € 81,217 thousand. At constant exchange rates and net of extraordinary costs, the increase was of € 238 thousand (+0.29%).

In particular:

- **"R&D expenses"** increased by € 2,451 thousand, net of extraordinary costs, compared to the same period of the previous year (€ 2,870 thousand, at constant exchange rates, equal to 16.50%). This increase, at constant exchange rates, is primarily attributable to the increase in payroll & employee benefits, amounting to € 1,747 (€ 2,064 at constant exchange rates), and

higher amortisation (€ 759 thousand) related, in the amount of € 730 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 € 40,954 thousand and, net of extraordinary costs, decreased by € 1,413 thousand with respect to the comparison period. Based on the analysis at constant exchange rates, and net of extraordinary items, a net decrease of € 343 thousand (-0.82%) is reported, determined by a decrease in operating expenses and amortisation of € 812 thousand, as well as an increase in payroll & employee benefits of € 469 thousand.
- **"General and administrative expenses"** were € 23,913 thousand. Net of extraordinary items and at constant exchange rates, this item decreased by € 2,523 thousand compared with the same period of the previous year (equal to -11.07%). At constant exchange rates, and net of extraordinary items, a decrease is reported, primarily attributable to payroll & employee benefits (decrease of € 595 thousand) and consultancy expenses (decrease of € 1,140 thousand).

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

	Half year ended		Change
	30.06.2014	30.06.2013	
Capital losses on assets	61	3	58
Contingent liabilities	22	20	2
Provisions for doubtful accounts	482	182	300
Non-income taxes	487	458	29
Cost charge backs	44	97	(53)
Other	(38)	87	(125)
<b>Total</b>	<b>1,058</b>	<b>847</b>	<b>211</b>

The Other item, amounting to € 38 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:



	Half year ended		Change
	30.06.2014	30.06.2013	
Purchases	88,132	87,577	555
Inventory change	(10,143)	(6,136)	(4,007)
Payroll & employee benefits	68,534	64,123	4,411
Amortisation, depreciation and write-downs	8,307	7,904	403
Goods receipt & shipment	7,458	8,097	(639)
Technical, legal and tax advisory services	4,833	6,746	(1,913)
Marketing expenses	4,111	3,759	352
Travel & accommodation	3,337	4,027	(690)
Building expenses	2,982	2,975	7
Repairs	2,706	2,544	162
Material collected from the warehouse	2,428	1,991	437
Vehicle expenses	1,927	1,883	44
EDP expenses	1,648	1,004	644
Subcontracted work	1,147	491	656
Consumables	1,143	848	295
Royalties	1,059	602	457
Telephone expenses	1,049	978	71
Utilities	902	954	(52)
Allocation to product warranty provision	857	657	200
Commissions	840	684	156
Directors' remuneration	811	1,061	(250)
Accounts certification expenses	598	669	(71)
Meeting expenses	562	646	(84)
Insurance	537	502	35
Quality certification expenses	522	504	18
R&D materials	377	225	152
Entertainment expenses	373	457	(84)
Stationery and printings	220	239	(19)
Training courses for employees	197	168	29
Leasing and maintenance of plant and machinery	188	275	(87)
Other	3,692	3,545	147
<b>Total (1+2)</b>	<b>201,334</b>	<b>199,999</b>	<b>1,335</b>

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

The increase in item "Marketing expenses" is primarily attributable to the increase in marketing co-participation expenses.

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:

	Half year ended		Change
	30.06.2014	30.06.2013	
Wages and salaries	49,476	49,651	(175)
Social security charges	10,615	10,240	375
Employee severance indemnities	1,105	743	362
Retirement and similar benefits	379	497	(118)
Medium- to long-term managerial incentive plan	1,590	1,268	322
Other costs	2,659	2,317	342
Leaving incentives	2,710	(593)	3,303
<b>Total</b>	<b>68,534</b>	<b>64,123</b>	<b>1,108</b>

The "Wages and salaries" item, equal to € 49,476 thousand, includes *Sales commissions and incentives* of € 5,150 thousand (€ 6,461 thousand as at 30 June 2013).

The "Leaving incentives" item includes

- € 2,359 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
- € 351 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:

	Half year ended		Change
	30.06.2014	30.06.2013	
Miscellaneous income and revenues	280	488	(208)
Rents	31	35	(4)
Capital gains on asset disposals	52	19	33
Incidental income and cost cancellation	22	26	(4)
Grants to Research and Development expenses	336	8	328
Other	39	41	(2)
<b>Total</b>	<b>760</b>	<b>617</b>	<b>143</b>

**Note 20. Net financial income (expenses)**

	Half year ended		Change
	30.06.2014	30.06.2013	
Interest expenses on bank current accounts/loans	3,570	3,202	368
Foreign exchange losses	3,415	6,961	(3,546)
Bank expenses	1,510	882	628
Other	59	369	(310)
<b>Total financial expenses</b>	<b>8,554</b>	<b>11,414</b>	<b>(2,860)</b>
Interest income on bank current accounts/loans	162	106	56
Foreign exchange gains	3,618	5,853	(2,235)
Other	142	190	(48)
<b>Total financial income</b>	<b>3,922</b>	<b>6,149</b>	<b>(2,227)</b>
<b>Net financial income (expenses)</b>	<b>(4,632)</b>	<b>(5,265)</b>	<b>633</b>

**Total financial expenses**

The "Foreign exchange losses" item, equal to € 3,415 thousand, is mainly attributable to the Automatic Data Capture Group (€ 2,011 thousand), the Parent Company (€ 763 thousand) and the Industrial Automation Group (€ 711 thousand).

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

- recognition of the portion pertaining to the up front fees period, paid upon opening of long-term loans, in the amount of € 720 thousand, of which € 402 thousand are connected with the early redemption of a mortgage loan (€ 287 thousand as at 30 June 2013);
- factoring costs, amounting to € 466 thousand (€ 140 thousand in 2013).

**Total financial income**

The "Foreign exchange gains" item, equal to € 3,618 thousand, is mainly attributable to the Automatic Data Capture Group (€ 1,876 thousand), the Parent Company (€ 994 thousand), and the Industrial Automation Group (€ 617 thousand).

**Note 21. Taxes**

	Half year ended		Change
	30.06.2014	30.06.2013	
Income tax	3,451	(766)	4,217
Deferred taxes	69	4,753	(4,684)
<b>Total</b>	<b>3,520</b>	<b>3,987</b>	<b>(467)</b>

The average tax rate comes to 18.76% (28.03% as at 30 June 2013)

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

	Half year ended	
	30.06.2014	30.06.2013
Group profit/(loss) for the period	15,244,000	10,237,000
Average number of shares	56,332,083	56,838,134
<b>Basic Earnings/loss per share</b>	<b>0.2706</b>	<b>0.1801</b>

Basic EPS as at 30 June 2014 was calculated by dividing Group net profit of € 15,244 thousand (Group net profit of € 10,237 thousand as at 30 June 2013) by the weighted average number of ordinary shares outstanding as at 30 June 2014, equal to 56,332,083 shares (56,838,134 as at 30 June 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 (holding company)	Hydra Immobiliar e	Non- consolidate Automation Group companies	Studio Associat o Caruso	Laservall Asia	TOTAL 30.06.201 4
	holding company	company controlled by Chairman of BoD	associates	company controlled by a company Body member	associate d company	
<b>Equity investments</b>	<b>0</b>	<b>0</b>	<b>76</b>	<b>0</b>	<b>1,649</b>	<b>1,725</b>
Automation Group			76		1,649	1,725
<b>Trade receivables - accrued income and prepaid expenses</b>	<b>0</b>	<b>75</b>	<b>854</b>	<b>0</b>	<b>381</b>	<b>1,310</b>
Automation Group		75	788		381	1,244
ADC Group			66			66
<b>Receivables pursuant to tax consolidation</b>	<b>7,664</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,664</b>
DI IP Tech Srl	3,417					3,417
DI Automation Srl	1,234					1,309
DI Spa	3,013					3,013
<b>Liabilities pursuant to tax consolidation</b>	<b>812</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>812</b>
DI ADC	812					812
<b>Trade payables - accrued liabilities and deferred income</b>	<b>0</b>	<b>109</b>	<b>1</b>	<b>144</b>	<b>20</b>	<b>274</b>
DI Spa				93		93
DI IP Tech Srl				9		9
ADC Group			1	21		22
Automation Group		109		21	20	150
<b>Sales / service expenses</b>	<b>0</b>	<b>282</b>	<b>46</b>	<b>144</b>	<b>171</b>	<b>643</b>
DI Spa		35		93		128
ADC Group			17	21		38
DI IP Tech Srl				9		9
Automation Group		247	29	21	171	468
<b>Commercial revenues</b>	<b>0</b>	<b>0</b>	<b>1,692</b>	<b>0</b>	<b>1,641</b>	<b>3,333</b>
ADC Group			126			126
Automation Group			1,566		1641	3207
<b>Financial revenues</b>	<b>11</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11</b>
DI Spa	11					11
<b>Profits (losses) from associates</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(58)</b>	<b>(58)</b>
Automation Group					(58)	(58)

**NUMBER OF EMPLOYEES**

	Half year ended		Change
	30.06.2014	30.06.2013	
Industrial Automation Group	785	778	7
Automatic Data Capture Group	1,415	1,416	(1)
Corporate Group	110	99	11
Informatics	96	116	(20)
<b>Total</b>	<b>2,406</b>	<b>2,409</b>	<b>(3)</b>

The Chairman of the Board of Directors  
*Mr. Romano Volta*

**Attestazione del bilancio semestrale abbreviato ai sensi dell'art. 81-ter del Regolamento Consob n. 11971 del 14 maggio 1999 e successive modifiche e integrazioni**

1. I sottoscritti, Romano Volta, in qualità di Presidente e Amministratore Delegato e Marco Rondelli, in qualità di Dirigente Preposto alla redazione dei documenti contabili societari della Datalogic S.p.A. attestano, tenuto anche conto di quanto previsto dall'art. 154-bis, commi 3 e 4, del decreto legislativo 24 febbraio 1998, n. 58:

- l'adeguatezza in relazione alle caratteristiche dell'impresa e
- l'effettiva applicazione

delle procedure amministrative e contabili per la formazione del bilancio semestrale abbreviato, nel corso del primo semestre 2014.

2. La valutazione dell'adeguatezza delle procedure amministrative e contabili per la formazione del bilancio semestrale abbreviato al 30 giugno 2014 è basata su di un procedimento definito da Datalogic S.p.A. in coerenza con il modello *Internal Control – Integrated Framework* emesso dal *Committee of Sponsoring Organizations of the Treadway Commission* che rappresenta un framework di riferimento generalmente accettato a livello internazionale.

3. Si attesta, inoltre, che:

3.1 il bilancio semestrale abbreviato:

- a) è redatto in conformità ai principi contabili internazionali applicabili riconosciuti nella Comunità europea ai sensi del regolamento (CE) n. 1606/2002 del Parlamento europeo e del Consiglio, del 19 luglio 2002;
- b) corrisponde alle risultanze dei libri e delle scritture contabili;
- c) è idoneo a fornire una rappresentazione veritiera e corretta della situazione patrimoniale, economica e finanziaria dell'emittente e dell'insieme delle imprese incluse nel consolidamento.

3.2 La relazione intermedia sulla gestione comprende un'analisi attendibile dei riferimenti agli eventi importanti che si sono verificati nei primi sei mesi dell'esercizio e alla loro incidenza sul bilancio semestrale abbreviato, unitamente a una descrizione dei principali rischi e incertezze per i sei mesi restanti dell'esercizio. La relazione intermedia sulla gestione comprende, altresì, un'analisi attendibile delle informazioni sulle operazioni rilevanti con parti correlate.

Lippo di Calderara di Reno, 30 Luglio 2014

Il Presidente e Amministratore Delegato

Romano Volta

Il Dirigente Preposto alla redazione  
dei documenti contabili societari

Marco Rondelli