



1H10 Conference Call

Bologna 30th July, 2010

✦ HIGHLIGHTS

✦ 1H10 FINANCIAL RESULTS

✦ OUTLOOK

Datalogic is a worldwide leader in the Automatic Data Capture (ADC) market and in the Factory Automation (FA) market

- ✦ Founded in 1972
- ✦ Corporate HQ in Bologna, Italy
- ✦ Listed on the STAR Segment (STAR: DAL.MI) of the Italian Stock Exchange since 2001
- ✦ About 2,000 employees in 30 countries
- ✦ A large and growing portfolio of more than 890 patents
- ✦ 9 Research & Development Centers
- ✦ Direct presence in 30 countries worldwide selling to +100 countries
- ✦ Over 1,000 partners worldwide

✦ New partnerships

✦ Datalogic Scanning

- Partnership with seven top French Retailers to supply 30,000 bar code readers to enable them to conform to new standards approved in France concerning cashier safety in supermarkets and hypermarkets. The work order is worth approximately 5 Mln Euro.
- Partnership with Costa Crociere, for the supply of bar code scanners for the first system in the world for mobile passenger check-in onboard cruisers.

✦ Datalogic Mobile

- Strengthening partnership with Coop Adriatica, under the agreement for the supply of 1,000 Datalogic Joya™ pods.
- Partnership with the Hospital Centre/University campus of Tours (CHRU), in France, for the supply of Datalogic Memor™ mobile computers to assure hospital staff members total mobility while linked constantly to the main computerised system. Datalogic mobile computers are part of an innovative data management solution to make cancer treatment more efficient.
- Strengthening partnership with Carrefour for the supply of mobile computers in its retail stores for the next 3 years (July 2010).

✦ Datalogic Automation

- Partnership with ADR to realize thirty omnidirectional reading tunnels to improve baggage handling for the “Leonardo da Vinci” Fiumicino airport in Rome, the biggest Italian airport (July 2010).

- ✦ **July 1st, 2010** – Datalogic acquired 100% of Evolution Robotics Retail, Inc.
- ✦ **Evolution Robotics Retail** is a company located in California with unique expertise in visual pattern recognition technology for use currently in retail loss prevention and productivity applications.
- ✦ **Strategy**

The acquisition provides for a broadening of Datalogic's solution-based offerings, adds an innovative and key technological capability and offers a high-growth business prospect, to strengthen its own research activities thanks to the skills of world renowned vision technology experts and also to pursue a primary role in the promising visual pattern recognition industrial sector.
- ✦ **Value of the transaction**

The value of the transaction is equal to U.S. D. 25.5 million.

In 2009 Evolution Robotics Retail realized revenues equal to U.S. D. 5.1 million and a negative EBITDA equal to U.S. D. 2.7 million. The value of the transaction is mainly constituted by intangible assets: Evolution Robotics Retail has five patents and eleven patent applications filed at the United States Patent and Trademark Office.

✦ HIGHLIGHTS

✦ 1H10 FINANCIAL RESULTS

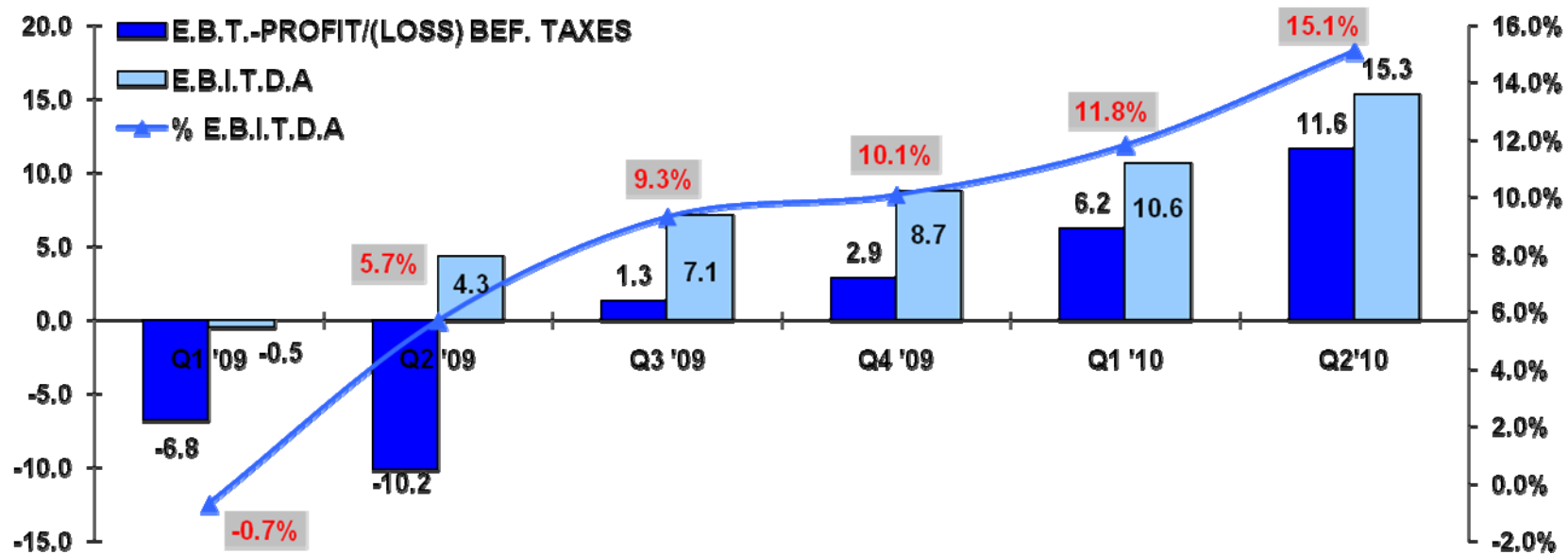
✦ OUTLOOK

- ✦ Strong growth of revenues and recovery in profitability in the 2Q10
- ✦ EBITDA margin returns to pre-crisis levels
- ✦ Jump of net profit to 11.3 Mln Euro from a loss of 14.5 Mln Euro
- ✦ Improvement of the Net Financial Position

KEY RESULTS

- **1H Revenues** **+28% YoY**, from 149.1 Mln Euro to 190.8 Mln Euro
- **2Q Revenues** **+33% YoY**, from 76.0 Mln Euro to 101.3 Mln Euro
- **1H EBITDA** from **3.8 Mln Euro** to **25.9 Mln Euro**
- **EBITDA Margin** from **2.6%** to **13.6%**
- **1H Net Income** from a loss of **14.5 Mln Euro** to a profit of **11.3 Mln Euro**
- **Net Financial Position** from **-100.5 Mln Euro** at the end of 2009 to **- 92.1 Mln Euro**
- **R&D Costs** **12.7 Mln Euro** (6.6% on revenues)

Datalogic Group Income Statement figures by quarter (Euro/000)



✦ *The trend of profitability recovery confirmed by the results of five consecutive quarters*

1H10 Profit & Loss vs Last Year

(Euro/1,000)

	1H09	%	1H10	%	Change %
Revenues	149,112	100.0%	190,832	100.0%	28.0%
COGS	(87,608)	-58.5%	(103,298)	-54.1%	
Gross Operating Margin	61,504	41.2%	87,534	45.9%	42.3%
Other revenues (I)	1,187	0.8%	606	0.3%	
R&D	(13,631)	-9.1%	(12,659)	-6.6%	
Distribution Costs	(35,037)	-23.5%	(36,821)	-19.3%	
Administrative expenses	(15,429)	-10.3%	(17,587)	-9.2%	
Other operating expenses	(2,051)	-1.4%	(928)	-0.5%	
Total operating expenses and others	(66,148)	-44.4%	(67,995)	-35.6%	
Ordinary Operating Profit (EBITANR) (*)	(3,457)	-2.3%	20,145	10.6%	n.a
Non recurring costs/rev (II)	(7,948)	-5.3%	338	0.2%	
Amort. intang. assets from acquis.	(2,085)	-1.4%	(1,999)	-1.0%	
Operating Profit (EBIT)	(13,490)	-9.0%	18,484	9.7%	n.a
Financial (costs)/rev.	(3,303)	-2.2%	(3,037)	-1.6%	
Results from equity investments	(151)	-0.1%	86	0.0%	
Foreing exchange (costs)/rev.	(51)	0.0%	2,290	1.2%	
EBT	(16,995)	-11.4%	17,823	9.3%	n.a
Taxes	2,457	1.6%	(6,568)	-3.4%	
Net Income	(14,538)	-9.7%	11,255	5.9%	n.a
Depreciation	(4,645)	-3.1%	(3,926)	-2.1%	
Amortization	(2,616)	-1.8%	(1,852)	-1.0%	
EBITDA	3,804	2.6%	25,923	13.6%	n.a.
<i>Exchange rate</i>					
	1.3316		1.3268		

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

(Euro/1,000)

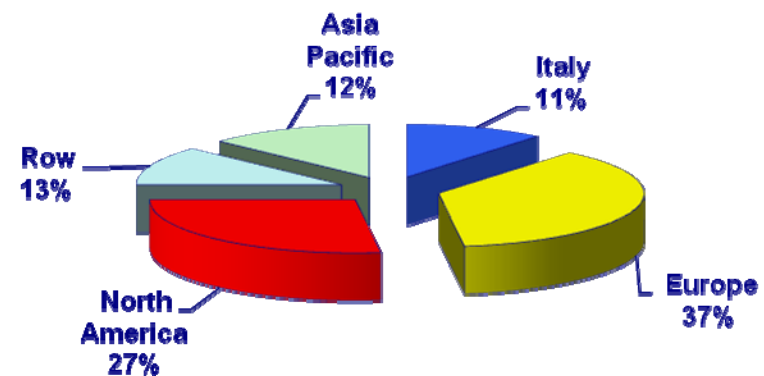
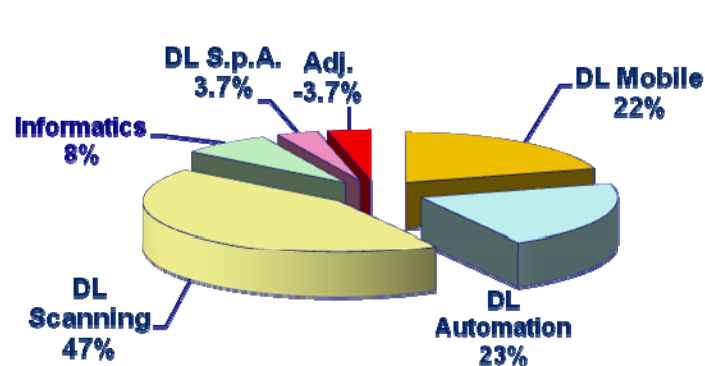
1H10 Revenues by Division

	1H09	1H10	Var %
Datalogic Mobile (*)	30,890	41,926	35.7%
Datalogic Automation	32,468	43,351	33.5%
Datalogic Scanning	71,511	89,316	24.9%
Informatics	14,551	16,561	13.8%
Datalogic S.p.A.	6,574	6,906	5.1%
Adjustments	-6,882	-7,228	5.0%
Revenues	149,112	190,832	28.0%

1H10 Revenues by Area

	1H09	1H10	Var. %
Italy	20,137	21,646	7.5%
Europe	57,363	69,703	21.5%
North America	44,273	52,303	18.1%
Asia Pacific	13,984	22,859	63.5%
ROW	13,355	24,321	82.1%
Revenues	149,112	190,832	28.0%

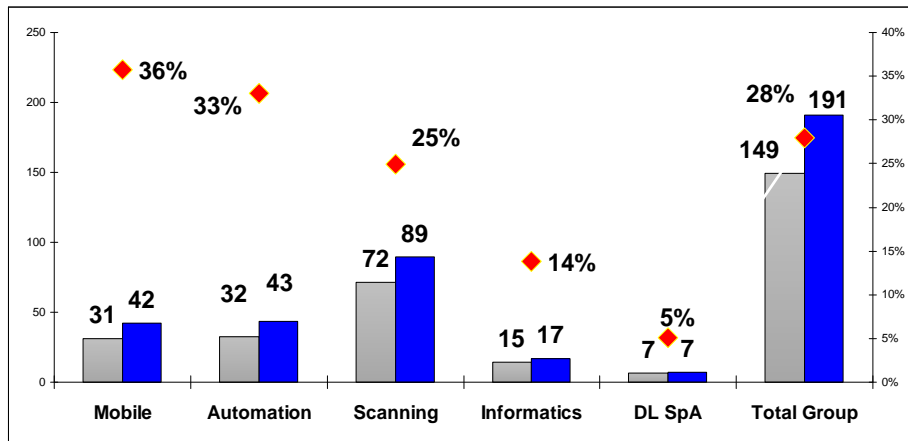
(*) Datalogic Mobile includes Enterprise Business Solutions BU



Segment Reporting

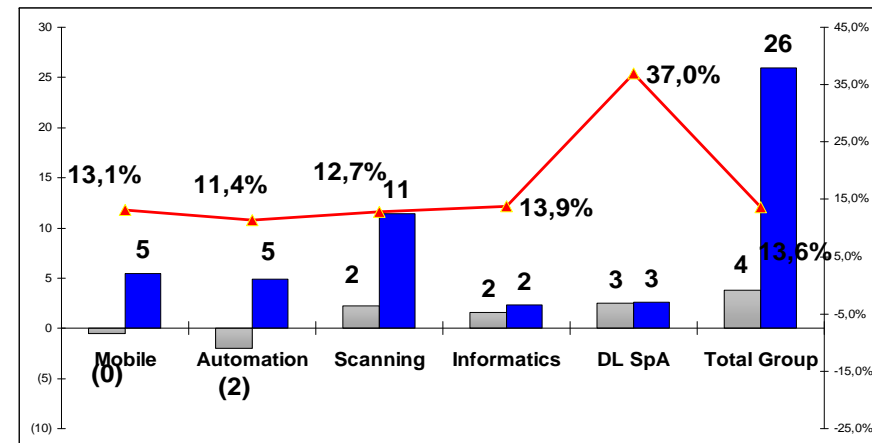
(Euro/Mln)

Revenues

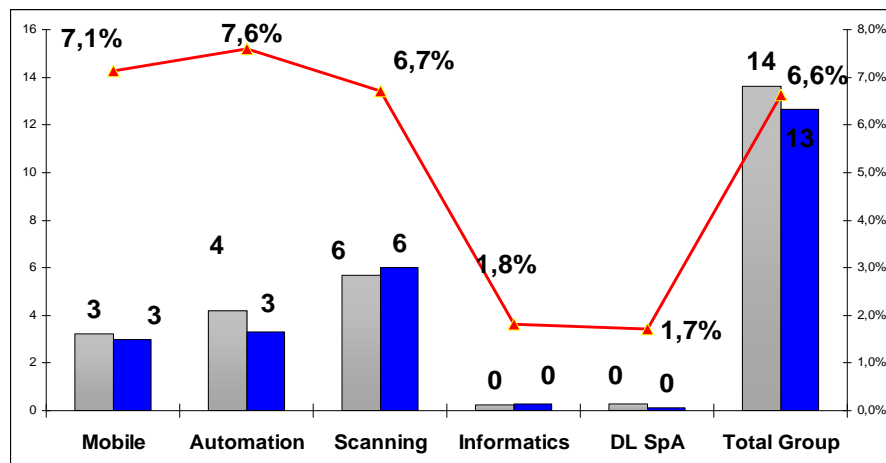


Ebitda

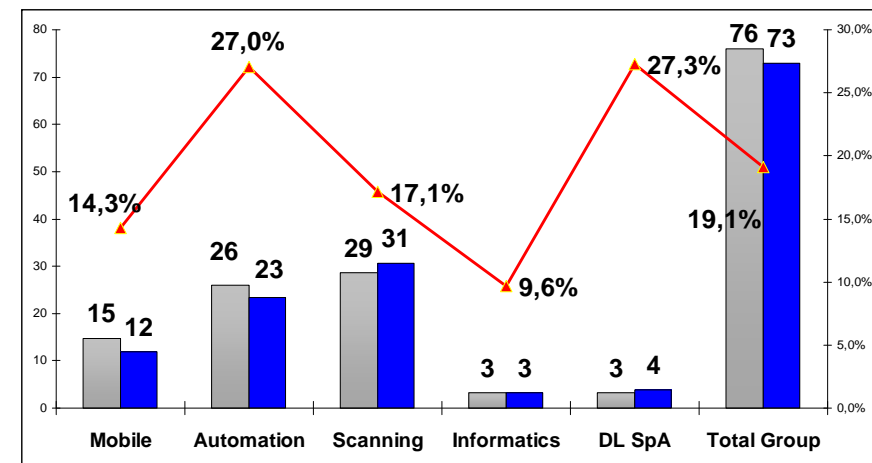
■ 2009
■ 2010
▲ % on 2010 rev
◆ YoY rev increase



R&D costs

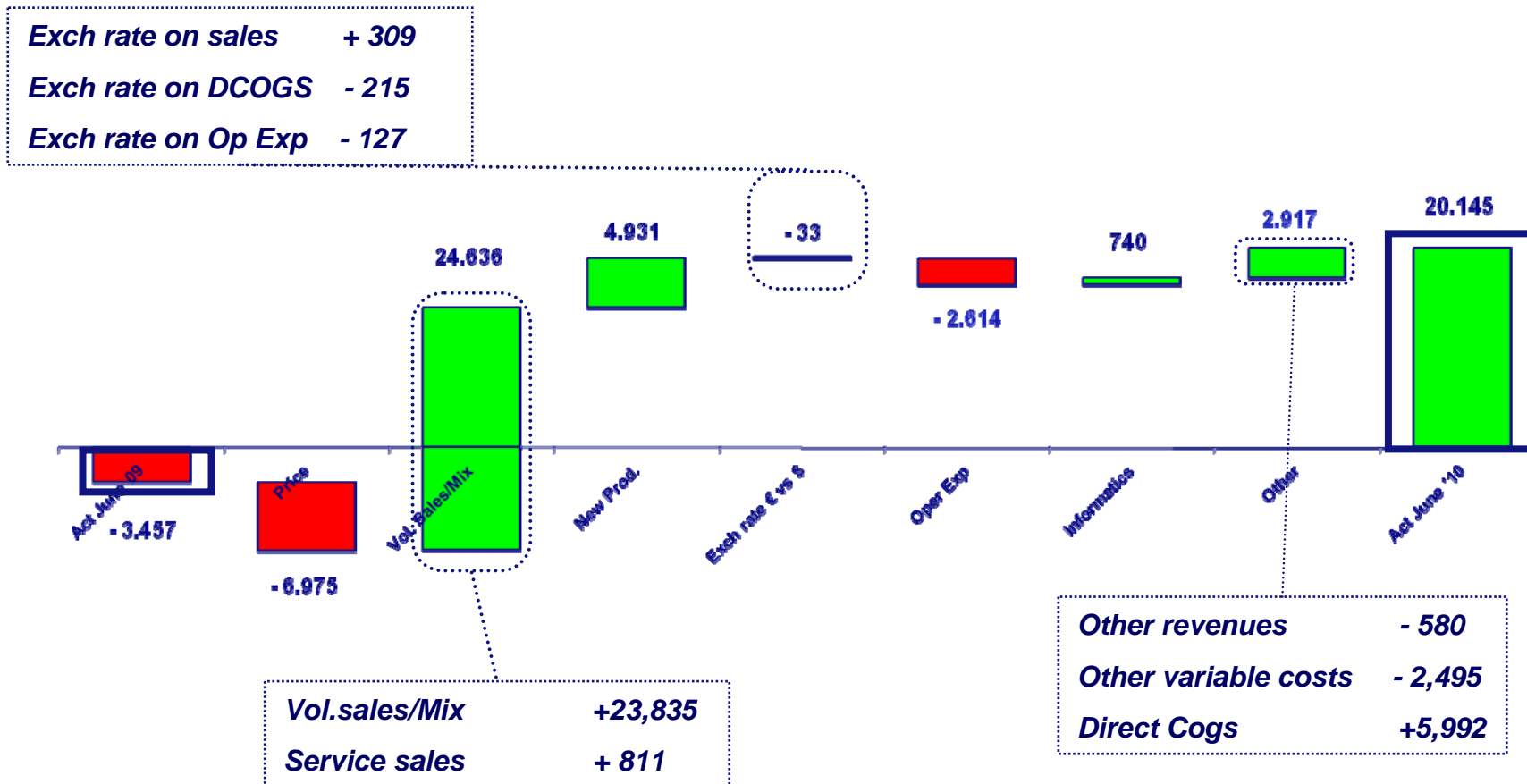


TWC



EBITANR * - 1H10 vs. Last Year

(Euro/1.000)



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

Notes:

The Exchange rate variance has been calculated on Sales/COGS/Operating expenses originally denominated in USD (\$). The variance was the result of the difference between H1 '10 Actual (1,327) and H1 '09 Actual (1,33) €/USD exchange rate.

Therefore, this variance does not include the exchange rate effect on competitive scenario.

For Informatics has been considered its overall impact on the EBITANR.

Consolidated Balance Sheet

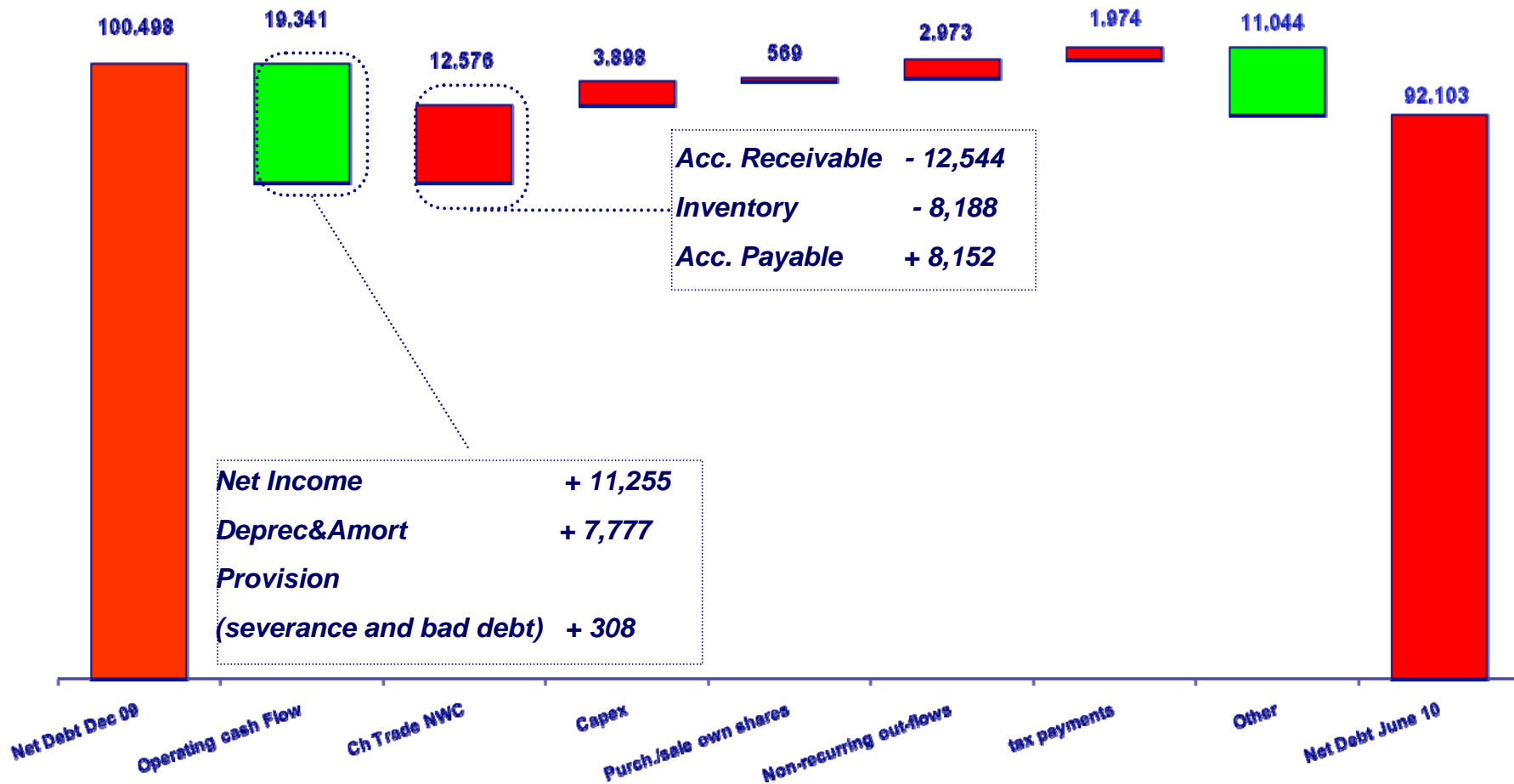
(Euro/1,000)

	Dec 31, 09	June 30, 10
Intangible fixed assets	39,621	41,555
Goodwill	87,081	99,394
Tangible fixed assets	50,822	51,888
Non consolidated investments	2,675	3,035
Other fixed assets	23,181	25,298
TOTAL FIXED ASSETS	203,380	221,170
Net trade account receivables	65,455	77,691
ST account payables	(43,816)	(51,968)
Inventory	39,082	47,266
TRADE WORKING CAPITAL	60,721	72,989
Other current receivables	17,512	15,174
Other ST payables and provision for risk & future charges	(34,989)	(41,549)
NET WORKING CAPITAL	43,244	46,614
Other LT payables	(17,373)	(19,225)
Employees' severance Indemnity	(7,739)	(7,101)
LT provision for risk & future charges	(4,319)	(7,300)
NET INVESTED CAPITAL	217,193	234,158
Equity	-116,695	-142,055
Net Financial Position	-100,498	-92,103
<i>Exchange rates</i>	<i>1.4406</i>	<i>1.2271</i>

Net Debt analysis: December '09 - June '10

(Euro/1.000)

■ Positive Cash flow
■ Negative Cash flow



✦ HIGHLIGHTS

✦ 1H10 FINANCIAL RESULTS

✦ OUTLOOK

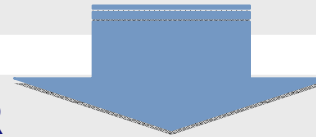
GLOBAL TRENDS

- ✦ Globalization of the World economy
- ✦ Increased focus on gaining efficiencies and cost reduction in supply chains
- ✦ Greater safety and security concerns



MARKET DYNAMICS

- ✦ Proliferation of products in manufacturing processes
- ✦ Separation of supply chain and growing importance of contract manufacturing – different information systems
- ✦ Desire for lot and part traceability
- ✦ Desire to reduce cycle times and product life cycles
- ✦ Desire to simplify process



VALUE TO THE CUSTOMER

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

+ 6-8% average market growth* - 2010 through 2012

**Company's estimations on available market trend data*

- 1 Focus on two major pillars of growth:
 - ✦ ADC (Automatic Data Capture) and
 - ✦ Factory Automation markets
- 2 Foster external growth through M&A activities, mainly in the Automation market that is very fragmented
- 3 Expand emerging market presence, through strategic alliances and foreign investments
- 4 Drive Datalogic offering from just products to solutions
- 5 Ensure innovation and product development through relentless R&D activities and investments

Thank You!

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Datalogic S.p.A.

Via Candini, 2

40012 Lippo di Calderara di Reno

Bologna – Italy

Tel. +39 051 3147011 – Fax +39 051 3147205

E-mail corporate@datalogic.com

www.datalogic.com