



**Consolidated Financial  
Report at  
September 30<sup>th</sup>, 2002**

*Official documents are in Italian*



## **DATALOGIC GROUP**

### **Consolidated financial statements at September 30<sup>th</sup> 2002**

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## COMPOSITION OF CORPORATE GOVERNANCE BODIES

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### **Board of Directors** (1)

**Romano Volta**

*Chairman (2)*

**Roberto Tunioli**

Vice Chairman and C.E.O. (3)

**PierPaolo Caruso**

Director

**Alberto Forchielli**

Director

**Giancarlo Micheletti**

Director

**Umberto Paolucci**

Director

**Elserino Piol**

Director

**Gabriele Volta**

Director

**Valentina Volta**

Director

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### **Board of Statutory Auditors** (4)

**Stefano Romani**

President

**Giovanni Ronzani**

Standing auditor

**Massimo Saracino**

Standing auditor

**Stefano Biordi**

Alternate auditor

**Giorgio Delli**

Alternate auditor

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### **Independent auditing firm**

PricewaterhouseCoopers SpA

(1) The Board of Directors will remain in office until the shareholders' meeting that approves financial statements for the year ending on December 31st 2003

(2) Powers of legal representation of the company vis-à-vis third parties

(3) Powers of legal representation of the company vis-à-vis third parties

(4) The Board of Statutory Auditors will remain in office until the shareholders' meeting that approves financial statements for the year ending on December 31st 2003

## **DATALOGIC GROUP – Notes on consolidated quarterly results**

### **A) INFORMATION ON PERFORMANCE**

To our Shareholders,

The quarterly report as at September 30th 2002, that we are submitting for your review, has been prepared in compliance with the requirements indicated in the instructions of the Nuovo Mercato (New Market) Regulations.

This is the result of the admission of the ordinary shares of Datalogic S.p.A. to listing on the Nuovo Mercato run by the Italian Stock Exchange; the stockmarket debut took place on March 28th 2001 and the global offering involved 3,046,000 shares (of which 400,000 related to the Greenshoe option, which was fully subscribed on May 4th 2001).

The following table summarises the Datalogic Group's operating and financial highlights as at September 30th 2002, comparing them with the same period in the previous year:

<b>Datalogic Group</b>	<b>30/09/2002</b>	<b>30/09/2001</b>	<b>Change</b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Revenues from sales and services	81,913	81,859	54
EBITDA	10,527	11,717	(1,190)
% on total revenues	12.9%	14.3%	
Net Financial Position (NFP)	31,579	24,736	6,843
NFP as at 31/12/01	24,912	(24,315)	49,227
Change in NFP	6,667	49,051	(42,384)

In the first nine months of 2002 the Datalogic Group achieved revenues of € 82,793 thousand, of which € 81,913 thousand from sales and services. This was broadly in line with the same period in the previous year.

**Profit before taxation came to € 2,751 thousand, while EBITDA amounted to € 10,527 thousand, corresponding to 12.7% of total revenues.**

The reduction in EBITDA compared with the corresponding period in the prior year was due to the invoicing, in the first part of the year, of a major contract with a significantly lower profit margin than the group's average.

Also, the third quarter of the year is traditionally the worst in terms of sales, with its results particularly affected by the general slowdown, mainly in July and August, typifying the markets in which Datalogic operates.

## **REVENUE TRENDS AND KEY FACTORS AFFECTING OPERATIONS IN THE PERIOD**

Revenues from sales and services in the first nine months of 2002 amounted to € 81,913 thousand, having made a small improvement (+€ 54 thousand) on the prior year figure of € 81,859 thousand.

Sales of optical scanners accounted for € 69,050 thousand of this total, up by 2.5% on the € 67,354 thousand reported in the first nine months of 2001.

At € 8,466 thousand, revenues from sales of radio frequency identification devices (RFID) were down by 6% on the corresponding prior year period. This was mainly due to the continued difficulties in North America, which is the principal market for these devices.

Sales of "non core" products also retreated, going from € 3,385 thousand in 2001 to € 2,213 thousand in the first nine months of 2002.

At € 2,184 thousand, revenues from services at September 30th 2002 were in line with the corresponding figure in 2001.

As regards the costs incurred in the first nine months of 2002, depreciation and amortisation increased by over 20%, climbing from € 4,511 thousand in the first nine months of 2001 to € 5,430 thousand in the same period of 2002. The main reason for this increase was the implementation in July of the new management information system, amortisation of which came to € 441 thousand in the period.

The company MINEC was acquired in July. This is an important Swedish operator in the portable data collection market and its acquisition will give a major boost to the Datalogic Group's market share in Scandinavia.

As at September 30th 2002, the net financial position showed net cash of € 31,579 thousand, comprised as follows:

	<b>31/12/01</b>	<b>30/09/01</b>	<b>30/09/02</b>
Long-term financial assets (other securities)	2,468		2,467
M-/L-term bank borrowing	-16,978		-4,257
M-/L-term amounts payable to other financial institutions	-4,404		-4,453
Own shares	<u>1,091</u>	<u></u>	<u>4,354</u>
<b>Medium-/long-term net borrowing</b>	<u>-17,823</u>	<u>-22,346</u>	<u>-1,889</u>
Short-term bank borrowing and amounts payable to other financial institutions	-7,928		-3,321
Financial payables (leasing)	-68		0
Financial receivables (other securities)	1,167		2,750
Commercial paper	0		3,740
Cash and cash equivalents	<u>49,564</u>	<u></u>	<u>30,299</u>
<b>Short-term net financial position</b>	<u>42,735</u>	<u>47,082</u>	<u>33,468</u>
<b>Net financial position</b>	<u><b>24,912</b></u>	<u><b>24,736</b></u>	<u><b>31,579</b></u>

The net financial position improved by € 6,667 thousand compared with December 31st 2001, mainly thanks to € 9,017 thousand in cash flows generated by current business. Investments in the nine-month period, net of tangible and intangible fixed-asset disposals, amounted to € 4,563 thousand, partly funded by working capital, which fell by around € 5,250 thousand.

summarised below (the result for the period is shown before tax and after making the necessary adjustments for alignment with group accounting policies).

REVENUES FROM SALES AND SERVICES (€ '000):

COMPANY NAME	% OWNERSHIP	30/09/02
Datalogic SpA (parent company)		59,934
Datasud Srl	100%	20,053
Datalogic AB	100%	5,021
EMS, Inc.	91.93%	9,158
Datalogic France SA	100%	5,335
Datalogic Optik Elektronik Gmbh	100%	19,974
Datalogic Optic Electronics B.V. (1)	100%	0
Datalogic Handelsgesellschaft mbH (1)	100%	0
Datalogic PTY Ltd.	100%	2,971
Datalogic UK Ltd.	100%	6,180
Datalogic Inc.	100%	10,879
DL Iberia (1)	100%	0

(1) The figure for “revenues from sales and services” is zero because these companies operate on the basis of an agency contract.

PROFIT (LOSS) BEFORE TAX (€/000):

COMPANY NAME	% OWNERSHIP	30/09/02
Datalogic SpA (parent company)		3,587
Datasud Srl	100%	892
Datalogic AB	100%	(203)
EMS, Inc.	91.93%	(622)
Datalogic France SA	100%	(49)
Datalogic Optik Elektronik Gmbh	100%	(40)
Datalogic Optic Electronics B.V.	100%	79
Datalogic Handelsgesellschaft mbH	100%	530
Datalogic PTY Ltd.	100%	8
Datalogic UK Ltd.	100%	141
Datalogic Inc.	100%	(22)
DL Iberia	100%	(69)

Transactions during the period with the parent company (Hydra SpA) were minimal, being limited to reciprocal debiting of rents.

As regards transactions with related parties, the only significant ones were those with Datasensor SpA. These mainly referred to the purchase of components by the parent company, financial charges, and contributions to interest payments in relation to the IMI mortgage (which, following the demerger on 02/01/1998, is now jointly held by the parent company and Datasensor SpA). Other transactions with this company involved the distribution, by some group companies, of modest quantities of Datasensor products.

## OUTLOOK FOR THE REST OF THE YEAR

The overall situation on the market and the results expected from the group's commercial activities should allow it to close with higher revenues than in 2001, in line with the budget.

## B) ACCOUNTING STANDARDS AND POLICIES



### *Introduction*

The Datalogic Group's quarterly report as at September 30th 2002 has been prepared in compliance with Italian Legislative Decree 127/1991. It also takes account of the contents of Consob Regulation 11971 dated May 14th 1999 and subsequent updates thereto and of article 1A.2.4.1 of the Instructions to the Regulations of the New Market, organised and run by Borsa Italiana S.p.A., in effect since February 18th 2002. In compliance with these regulations, quarterly financial statements are to be prepared on a consolidated basis only as from the first applicable period.

The financial statements presented consist of the consolidated balance sheet, profit & loss account, and cash-flow summary. The notes commenting on the balance sheet also include tables showing changes in net equity accounts and the reconciliation of the parent company's net equity and results for the period with the corresponding consolidated amounts.

All amounts presented in the quarterly report are shown in € '000. Amounts shown in the notes commenting on the balance sheet are compared with those as at December 31st 2001, whilst those concerning the profit & loss account are reported without any prior period comparatives. This is because the comparison may be omitted in the first period of application, as specified by Appendix 3D to Consob Regulation 11971/99 which implemented Legislative Decree 58/98.

The consolidated financial statements have been prepared based on the data of the parent company Datalogic SpA and of the companies included in the consolidation area. This data has been appropriately adjusted, when necessary, to align it with group accounting policies.

### *Accounting Standards and Policies*

The accounting standards and policies used to prepare the quarterly report as at September 30th 2002 are those envisaged in Italian Legislative Decree 127/1991, supplemented - for aspects not specifically covered by the decree - by the Italian accounting standards published by the Italian Accounting Profession (Consigli Nazionali e dei Dottori Commercialisti e dei Ragionieri) and, in their absence, by those of the International Accounting Standards Committee (IASC).

Standards and policies are the same as those used to draw up the consolidated financial statements as at December 31st 2001. Depreciation and amortisation of tangible and intangible fixed assets have been calculated on a straight-line basis, booking 3/4 of the full-year charge to reflect the length of the accounting period concerned. In addition, the valuation on a net equity basis of the investment in Minec Systems Holding AB, acquired on July 15th 2002, produced a difference arising on consolidation, which has been booked under the specific asset account. This difference arising on consolidation will be amortised over ten years, which is considered appropriate in relation to the specific characteristics of the company acquired.

In fact, Minec is one of the main players on the Swedish market for portable data collection devices. It boasts an important client base, most of whom are new to Datalogic SpA. Given their excellent, established relationship with Minec, in the future it will be possible to supplement the existing products supplied with others from the Datalogic range.

Minec is also in the process of completing work on an important new product in its range of portable devices. This is expected to generate a considerable economic return not just in Sweden but also in other markets where the group operates.

These factors make it reasonable to presume that a lasting competitive advantage will be maintained for a period of 10 years.

Note also that the profit for the period has been stated before tax, as well as the adjustments and provisions arising exclusively from the application of tax regulations.

### **Group business and structure**

The companies forming the group are active in the industrial production and marketing of products relating to the automatic identification sector. The range principally consists of four product lines as follows:

USS: Unattended Scanning System

HHR: Hand-Held Readers

PDC: Portable Data Collection devices

RFID: Radio-Frequency Identification Devices.

The consolidated quarterly results include the quarterly financial statements of the parent company and the companies in which the latter directly or indirectly holds the majority of voting capital, or in which it exercises a dominant influence, provided the companies concerned are significant.

The companies consolidated on a line-by-line basis for the nine months ending September 30th 2002 are as follows:

Company name	Registered offices	Share capital	Total net equity (€'000)	Result for the period (€'000)	% ownership
Datalogic SpA (parent company)	Lippo di Calderara di Reno (BO) – Italy	EUR 24,759,280	96,045	3,587	
Datasud Srl	Castiglione Messer Raimondo (TE) – Italy	EUR 1,820,000	7,022	892	100%
Datalogic AB	Malmö – Sweden	SEK 1,400,000	777	(203)	100%
EMS, Inc.	Scotts Valley (California) – USA	USD 648,000	2,982	(736)	91.93%
Datalogic France SA	Villebon Sur Yvette (Paris) - France	EUR 2,227,040	2,963	(81)	100%
Datalogic Optik Elektronik Gmbh	Erkenbrechtsweiler (Stuttgart) – Germany	EUR 1,022,580	4,420	(40)	100%
Datalogic Optic Electronics B.V.	Maarssen – Holland	EUR 18,150	(70)	79	100%
Datalogic Handelsgesellschaft mbH	Wiener Neudorf (Vienna) – Austria	EUR 72,670	1,251	530	100%
Datalogic PTY Ltd.	Mount Waverley (Melbourne)- Australia	AUD 2,300,000	865	8	100%
Datalogic UK Ltd.	Redbourn (London) – UK	GBP 3,500,000	2,647	163	100%
Datalogic Inc.	Hebron (Kentucky) – USA	USD 1	2,127	(22)	100%
DL Iberia	Madrid – Spain	EUR 60,500	(8)	(69)	100%

Companies valued on a net equity basis are as follows:

Company name	Registered offices	Share capital	Total net equity (€'000)	Result for the period (€'000)	% ownership
Izumi Datalogic Co. Ltd.	Kobe, Japan	JPY 300,000,000	562	22	50%
Minec Systems Holding AB		SEK 100,000	1,289	-48	100%

With regard to the 100% controlling interest in Minec System Holding AB, this is consolidated on a net equity basis since it is not viewed as being material relative to consolidated net equity.

The companies valued at cost are as follows:

Company name	Registered offices	Share capital	% ownership
Datalogic Private Ltd.	Shankarapuram (Bangalore) – India	INR 1,000,000	20%

Note that the companies valued at cost no longer include Datalex SA, the interest in which was sold on July 23rd 2002 for € 222 thousand, generating a capital gain of € 133 thousand, which has been booked under the heading "income from investments in associated companies" in the profit & loss account.

### **Changes in consolidation area**

Compared with the previous year the capital of EMS has increased by USD 10,000. This increase was entirely subscribed by employees, as provided under the stock option plan approved by the Board of Directors in 1997. This operation has reduced our interest in this company by 0.106%.

The wholly-owned subsidiary Datalogic Iberia, incorporated on December 13th 2001 and starting business on January 1st 2002, has been consolidated on a line-by-line basis, while at December 31st 2001 it was valued using the net equity method.

On July 15th 2002, Datalogic AB, a wholly-owned subsidiary of the parent company, acquired a 100% stake in Minec System Holding AB, which in turn owns 100% of Minec AB.

This investment has been consolidated on a net equity basis.

## C) BALANCE-SHEET INFORMATION

### INTANGIBLE FIXED ASSETS

Changes in intangible fixed assets are shown below:

	Start-up costs	Industrial patents and intellectual properties	Concessions, licences, trademarks & similar items	Goodwill	Difference arising on consolidation	Others	Intangible assets in process and payments on account	Total
<u>Opening value</u>								
Historical cost	74	6,589	260	10,437		1,036	1,893	20,289
(Amortisation)	(57)	(3,180)	(127)	(4,970)		(787)		(9,121)
(Write-downs)		(120)						(120)
<b>Total</b>	<b>17</b>	<b>3,289</b>	<b>133</b>	<b>5,467</b>	<b>0</b>	<b>249</b>	<b>1,893</b>	<b>11,048</b>
<u>Increases</u>								
Increases	-	2,776	17	-	1,678	14	879	5,364
Amortisation reversal	-	-	-	-	-	-	-	-
Other changes	-	12	-	-	-	2	-	14
<b>Total</b>	<b>0</b>	<b>2,788</b>	<b>17</b>	<b>0</b>	<b>1,678</b>	<b>16</b>	<b>879</b>	<b>5,378</b>
<u>Decreases</u>								
Decreases	-	(5)	-	-	-	-	(2,574)	(2,579)
Amortisation	(11)	(1,524)	(57)	(783)	(35)	(124)	-	(2,534)
Other changes	-	(87)	-	-	-	(25)	-	(112)
<b>Total</b>	<b>(11)</b>	<b>(1,616)</b>	<b>(57)</b>	<b>(783)</b>	<b>(35)</b>	<b>(149)</b>	<b>(2,574)</b>	<b>(5,225)</b>
<b>Closing value</b>	<b>6</b>	<b>4,461</b>	<b>93</b>	<b>4,684</b>	<b>1,643</b>	<b>116</b>	<b>198</b>	<b>11,201</b>

"Start-up costs" consist of expenses and fees incurred for the merger by incorporation of IdWare Srl in 1998.

The main items under the "Industrial patents" heading - totalling € 4,461 thousand - consist of:

- € 3,663 thousand relating to the parent company, of which € 1,950 thousand for software licences, € 261 thousand for patent registration, € 912 thousand for licences on third-party patents, and € 540 thousand for the purchase of know-how;
- € 552 thousand relating to EMS for development of know-how concerning an RFID project.
- Datasud, most of which refers to software development costs for the new management information system.

The overall increase in this item, of € 2,776 thousand, is mainly attributable to the parent company (€ 2,487 thousand) and Datasud (€ 288 thousand). Most of it (€ 2,279 thousand) relates to the development of software for the new management information system, which entered service at the group's Italian companies in July of this year.

"Goodwill", amounting to € 4,684 thousand, refers to the merger deficit and share-swap loss arising on the merger by incorporation of IdWare Srl during 1998.

The "Difference arising on consolidation" has been generated following the consolidation on a net equity basis of the investment in Minec Systems Holding AB, in which a 100% interest was acquired on July 15th 2002 by Datalogic AB, a wholly-owned subsidiary of the parent company.

This balance will be amortised over ten years, as explained earlier.

The breakdown of "Others", totalling € 116 thousand, is as follows:

- € 110 thousand in deferred costs relating to rented buildings, of which € 4 thousand relates to the parent company and € 106 thousand to EMS;
- € 6 thousand in other items.

"Intangible assets in process and payments on account " refer to the parent company. These mainly relate to third-party costs for developing software used in the operation of the company's products.

**TANGIBLE FIXED ASSETS**

Changes in tangible fixed assets are shown below:

	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets in process and payments on account	Total
<b><u>Opening value</u></b>						
Historical cost	19,139	4,806	9,877	11,876	3,827	49,525
(Depreciation)	(4,710)	(3,391)	(7,192)	(9,215)		(24,508)
Revaluations	675		15	8		698
(Write-downs)	(246)			(160)		(406)
Exchange-rate differences	244		27	(7)	5	269
<b>Total</b>	<b>15,102</b>	<b>1,415</b>	<b>2,727</b>	<b>2,502</b>	<b>3,832</b>	<b>25,578</b>
<b><u>Increases</u></b>						
Investments	3,924	493	498	1,036	149	6,100
Depreciation reversal			25	210		235
<b>Total</b>	<b>3,924</b>	<b>493</b>	<b>523</b>	<b>1,246</b>	<b>149</b>	<b>6,335</b>
<b><u>Decreases</u></b>						
Disposals			(38)	(372)	(3,914)	(4,324)
Depreciation	(586)	(422)	(948)	(940)		(2,896)
Write-downs						
<b>Total</b>	<b>(586)</b>	<b>(422)</b>	<b>(986)</b>	<b>(1,312)</b>	<b>(3,914)</b>	<b>(7,220)</b>
Positive reversals				31		31
(Negative reversals)			(31)			(31)
Chg. in consolidation area						
Exchange-rate differences	(92)		(24)	(19)		(135)
<b>Closing value</b>	<b>18,348</b>	<b>1,486</b>	<b>2,209</b>	<b>2,448</b>	<b>67</b>	<b>24,558</b>

"Land and Buildings" have increased by € 3,922 thousand, almost entirely due to the parent company and the extension to the premises in Via Candini 2.

This work, which was completed during the third quarter of 2002, has increased usable floor space by 2,400 square metres and the volume by 4,500 cubic metres.

The increase in "Plant and machinery" is mainly due to Datasud's purchase of an automatic testing machine (€ 240 thousand) and an automatic silk-screen printer (€ 80 thousand), both of which are used in the production process.

"Industrial and commercial equipment" has increased by € 498 thousand, most of which is due to the parent company's purchase of € 109 thousand in moulds and € 216 thousand in electronic instruments for the production area and the R&D laboratories.

"Other assets" have risen by € 1,036 thousand, mainly due to:

- € 542 thousand relating to the parent company. The most important items were purchases of new furnishings (€ 268 thousand), electronic office machinery (€ 149 thousand), and motor vehicles (€ 57 thousand);
- Datalogic Uk. The most important items were purchases of office furniture and machines (€ 94 thousand) and motor vehicles (€ 22 thousand);
- € 108 thousand relating to the Spanish subsidiary. This amount mostly referred to the purchase of new furnishings.

As at September 30th 2002 the main components of "Other assets" were: office furniture and fittings (€ 718 thousand), office machinery (€ 1,097 thousand), motor vehicles (€ 241 thousand) and trade-fair equipment (€ 282 thousand).

We also draw attention to the fact that in the past Datasud Srl received capital grants of € 2,056 thousand (in three instalments: one in 1993 and two in 1997), that have been booked under Other Reserves, and interest subsidies totalling € 1,756 thousand (received in two instalments in 1995 and 1996).

These grants have led to the following restrictions and constraints on the free disposability of assets:

- a special lien pursuant to article 46 of Italian Legislative Decree no. 385 dated 01.09.1993 of € 2,970 thousand on plant and machinery installed in the factory;
- a mortgage for the same amount over properties.

Any failure to comply with the clauses imposing these restrictions and constraints entitles the issuing agency to recall the grants.



## LONG-TERM FINANCIAL ASSETS

### Investments

The changes in investments during the period are shown below:

	Net balance 31/12/01	Increases	Exchange- rate differences	Write-ups (write-downs)	Changes	Net balance 30/09/02
Subsidiary companies						
- Valued on net equity basis:						
Datalogic Iberia	61				(61)	0
Datalogic Handelsgesellschaft mbH	0					0
Datalogic Optic Electronics B.V	0					0
Minec	0	1,321	16	(48)		1,289
<b>Total subsidiary companies</b>	<b>61</b>	<b>1,321</b>	<b>16</b>	<b>(48)</b>	<b>(61)</b>	<b>1,289</b>
Associated companies						
- Valued on net equity basis:						
Izumi Datalogic Co. Ltd.	281		(11)	11		281
- Valued at cost:						
Datalogic Private Ltd.	8					8
Datalex SA	87				(87)	0
<b>Total associated companies</b>	<b>376</b>	<b>-</b>	<b>(11)</b>	<b>11</b>	<b>(87)</b>	<b>289</b>
Other companies:						
Nomisma SpA Italy	7					7
Conai						
CAAf Ind. Emilia Romagna Italy	4					4
Crit Srl	51					51
<b>Total other companies</b>	<b>62</b>					<b>62</b>

The change in Subsidiary companies relative to the prior year is due to:

- the transition to line-by-line consolidation of the new company Datalogic Iberia, incorporated in December 2001 and operational since the beginning of 2002;
- the acquisition and consolidation, on a net equity basis, of the 100% interest in Minec Systems Holding AB, bought on July 15th 2002 by Datalogic AB, a wholly-owned subsidiary of the parent company.

The change in Associated companies relative to 31/12/01 is the result of valuing Izumi Datalogic Co. Ltd on a net equity basis and of disposing of the interest in Datalex SA, sold on July 23rd 2002.

## Financial receivables – long-term financial assets

The changes in the period are shown below:

Financial amounts receivable from:	31/12/01	Increases	(Decreases)	30/09/02
Subsidiaries	0			0
Associated companies				
Others	185		(82)	103
<b>Total</b>	<b>185</b>	<b>0</b>	<b>(82)</b>	<b>103</b>

"Others" consist mainly of the parent company's tax credit for prepayment of withholding taxes on employee severance indemnities, inclusive both of payments made during the year and of revaluation of the existing credit.

## Other securities

	31/12/01	Increases	(Decreases)	30/09/02
Securities as guarantee	2,468		(1)	2,467
(Write-down provision)				
<b>Total</b>	<b>2,468</b>		<b>(1)</b>	<b>2,467</b>

This balance mainly consists of securities held to guarantee the loan from San Paolo IMI S.p.A. to the parent company to finance applied research. Of the securities in our portfolio, € 1,296 thousand relates to Italian medium- and long-term treasury notes (BTP and CCT), € 457 thousand to bank bonds, and € 711 thousand to shares in bond funds.

## Own shares

	31/12/01	Increases	(Decreases)	30/09/02
Datalogic S.p.A. shares	1,091	3,263		4,354
<b>Total</b>	<b>1,091</b>	<b>3,263</b>		<b>4,354</b>

At an ordinary general meeting held on October 25th 2001 the parent company shareholders approved a buy-back plan for a maximum of 650,000 shares, to be executed within 18 months from the date of the resolution, at a unit price ranging from a minimum of € 5.00 to a maximum of € 20.00. There were various, detailed reasons for proposing this plan to shareholders:

- on the one hand, there is the future possibility of undertaking share swaps to accelerate the company's development and the use of own shares is a more flexible instrument than a new share issue;
- the stock's market price does not seem to represent the company's effective fundamentals and earnings outlook and so the buy-back seems to be a good investment opportunity for the company itself.

As at September 30th 2002, a total of 397,500 own shares had been bought back at a total cost of € 4,354 thousand, implying an average unit purchase price of € 10.95. The total market value of these shares as at 30/09/2002 was € 3,373 thousand. The Board of Directors has not considered it necessary to write-down this amount since the loss in value is not viewed as permanent.

As required by law, a specific non-distributable reserve of a similar amount has been set up within the parent company's net equity accounts by drawing on the retained earnings reserve.

## CURRENT ASSETS

### Inventories

The detailed breakdown of inventories is as follows:

	30/09/02	31/12/01	Change
Raw and ancillary materials and consumables	12,137	11,652	485
Work in process and semi-finished goods	2,777	2,832	(55)
Finished products and goods	8,855	9,744	(889)
Payments on account	-	47	(47)
<b>Total</b>	<b>23,769</b>	<b>24,275</b>	<b>(506)</b>

The valuation applied does not differ significantly from that based on current costs.

**AMOUNTS RECEIVABLE**

Amounts receivable from:	30/09/02	31/12/01	Change	Due after 5 years
<b>Customers</b>				
For goods and services	26,287	28,673	(2,386)	-
(Doubtful debt provision)	(668)	(748)	80	-
<b>Total</b>	<b>25,619</b>	<b>27,925</b>	<b>(2,306)</b>	<b>-</b>
<b>Subsidiaries</b>				
Datalogic Optic Electronics B.V		-		-
Datalogic Handelsgesellschaft mbH		-		-
<b>Total</b>	<b>-</b>	<b>-</b>		<b>-</b>
<b>Associated companies</b>				
Izumi Datalogic Co. Ltd.	553	342	211	-
Datalex SA	-	130	(130)	-
Datalogic Private	-	-		-
<b>Total</b>	<b>553</b>	<b>472</b>	<b>81</b>	<b>-</b>
<b>Parent companies</b>				<b>-</b>
Hydra SpA	2	0	2	
<b>Total</b>	<b>2</b>	<b>0</b>	<b>2</b>	
<b>Others</b>				
Tax authorities for VAT	2,277	2,716	(439)	
Other tax receivables	4,009	4,684	(675)	
Commercial paper	3,740	-	3,740	
Bank interest receivable	0	1	(1)	
Payments on account to suppliers	558	554	4	
Tax credits on dividends	17	119	(102)	
Amount receivable on disposal of Datalex	110	-	110	
Sundry amounts receivable	189	198	(9)	
<b>Total</b>	<b>10,900</b>	<b>8,272</b>	<b>2,628</b>	
<b>Total amounts receivable</b>	<b>37,074</b>	<b>36,669</b>	<b>405</b>	

Amounts receivable from subsidiaries and associated companies relate to trade transactions completed at going market rates.

Other tax receivables – mainly relating to the parent company (€2,690 thousand) and Datasud Srl (€ 427 thousand) – refer to € 2,536 thousand in payments on account and also include € 1,252 thousand in deferred tax assets. The balance also includes € 145 thousand in taxes withheld on interest income.

Amounts receivable for commercial paper (€ 3,740 thousand as at 30/9/2002) represent investments made to optimise use of corporate liquidity.

### Current financial assets

"Other securities", totalling € 2,750 thousand, relate to the investment of liquidity in bonds and cash-based investment funds.

### Cash and cash equivalents

	30/09/02	31/12/01	Change
Bank and post-office deposits	29,877	49,325	(19,448)
Cheques	37	-	37
Cash and similar items in hand	385	239	146
<b>Total cash and cash equivalents</b>	<b>30,299</b>	<b>49,564</b>	<b>(19,265)</b>

The major decrease in this item is mainly due to investments in bonds and commercial paper and to the parent company's early discharge of three unsecured long-term loans, totalling € 16,963 thousand.

**Accrued income and prepayments**

	30/09/02	31/12/01	Change
a) Accrued income			
Sundry interest receivable	93	18	75
Other	24	68	(44)
<b>Total accrued income</b>	<b>117</b>	<b>86</b>	<b>31</b>
b) Prepayments			
Insurance	77	95	(18)
Association membership fees	63	58	5
Rents and maintenance fees	69	72	(3)
Leasing contracts	33	11	22
Surety costs	78	114	(36)
Trade fairs and sponsorships	88	165	(77)
Substitute tax	625	625	0
Other	125	270	(145)
<b>Total prepayments</b>	<b>1,158</b>	<b>1,410</b>	<b>(252)</b>

The largest item consists of € 625 thousand in substitute tax on goodwill, booked in the parent company's accounts. It is being charged to income over the period 1998-2007 (inclusive), in keeping with the period over which the associated goodwill is being amortised.

**NET EQUITY**

Changes in net equity during the period are shown below:

	Opening balance 31.12.01	Profit allocation	Capital increases	Other changes	Profit (loss) for the period	Closing balance 30.09.02
Share capital	24,759					24,759
Share premium reserve	54,424					54,424
Revaluation reserves	258					258
Legal reserve	284	180				464
Own-shares reserve	1,091			3,263		4,354
Demerger capital reserve	4,439					4,439
Consolidation reserve	1,878					1,878
Translation reserve	1,154			(746)		408
Retained earnings/losses carried forward	9,246	18		(3,265)		5,999
Profit (loss) for the period	779	(779)			2,751	2,751
<b>Balance</b>	<b>98,312</b>	<b>(581)</b>	<b>0</b>	<b>(748)</b>	<b>2,751</b>	<b>99,734</b>
Minority interests in results	45	(45)			(50)	(50)
Minority interests in net equity	236	45	11			292
<b>Balance</b>	<b>98,593</b>	<b>(581)</b>	<b>11</b>	<b>(748)</b>	<b>2,701</b>	<b>99,976</b>



Note that the profit for the period is shown before tax.

Revaluation reserves comprise asset revaluations (totalling € 258 thousand) carried out under the following Italian laws:

- Law 413/91
- Law 72/83 (the so-called "Visentini" law).

The demerger capital reserve is the result of splitting the parent company, on January 2nd 1998, into IES SpA (demerged company, now Datasensor) and Datalogic SpA (the beneficiary company).

As required under the Italian Civil Code, the own-shares reserve has been set up by the parent company following the buy-back of its stock.

Share capital is comprised as follows as at September 30th 2002:

Shares/quotas	Number	Nominal value per share (€)	Total (€)
Ordinary	11,903,500	2.08	24,759,280

"Retained earnings/losses carried forward - other group companies" include balance-sheet changes in consolidated companies occurring after the date of acquisition as well as the effect of consolidation adjustments.

The reconciliation between the parent company's net equity and profit and the corresponding consolidated amounts is shown below:

	Share capital and reserves	Net profit 30/09/02	Total equity 30/09/02
<b>Datalogic SpA net equity and profit</b>	<b>92,458</b>	<b>3,587</b>	<b>96,045</b>
Differences between consolidated companies' net equity and their carrying value in the parent co.'s financial statements and effect of valuing at equity	6,036	624	6,660
Amortisation of difference arising on consolidation		(35)	(35)

Elimination of intercompany profits	(2,483)	(777)	(3,260)
Effect of eliminating intercompany transactions	16	26	42
Effect of booking leasing contracts	146	(37)	109
Reversal of BV's doubtful debt write-down	373	(200)	173
Reversal of dividends	437	(437)	0
<b>Group net equity</b>	<b>96,983</b>	<b>2,751</b>	<b>99,734</b>
Minority interests in net equity	292	(50)	242
<b>Total net equity</b>	<b>97,275</b>	<b>2,701</b>	<b>99,976</b>

Note that the profit for the period is shown before taxes.

#### PROVISIONS FOR RISKS AND CHARGES

	31/12/01	Increases	(Utilisation)	Exchange-rate differences	30/09/02
Retirement benefits and similar obligations	6				6
Taxes	495		(162)	(1)	332
Other provisions	701	51	(63)	(20)	669
<b>Total provisions for risks and charges</b>	<b>1,202</b>	<b>51</b>	<b>(225)</b>	<b>(21)</b>	<b>1,007</b>

The tax provision mainly consists of: € 80 thousand in deferred taxes relating to consolidation entries, € 21 thousand in deferred taxes calculated by Datasud, € 170 thousand in deferred taxes calculated by the parent company, and € 48 thousand in deferred taxes provided by the subsidiary Datalogic GmbH in respect of the different depreciation rates used for consolidation purposes.

The breakdown of "Other provisions" is as follows:

	30/09/02	31/12/01	Change
Product warranty provision	523	548	(25)
Risk provision for outstanding legal claims and provision for restructuring charges	25	33	(8)

Other provisions	121	120	1
<b>Total</b>	<b>669</b>	<b>701</b>	<b>(32)</b>

The product warranty provision represents estimated costs to be incurred for servicing products sold under warranty. It totals € 523 thousand and is deemed sufficient to meet the specific risk concerned.

#### ACCRUED EMPLOYEE SEVERANCE INDEMNITY PROVISION

Changes during the period are shown below:

	31/12/01	New provisions	(Utilisation)	30/09/02
Employee severance indemnities	3,498	799	(253)	4,044

#### PAYABLES

##### Bank borrowing

Bank borrowing can be analysed as follows:

	Within 12 months	After 12 months	After 5 years	Total
<b>Bank borrowing</b>				
Current account overdrafts	556			556
Bank and mortgage loans	1,122	3,931	326	5,379
Other	525			525
<b>Total</b>	<b>2,203</b>	<b>3,931</b>	<b>326</b>	<b>6,460</b>

"Other" includes € 437 thousand in export advances and € 88 thousand in borrowings to fund the purchase of own shares.

Amounts owed to other financial institutions

	Within 12 months	After 12 months	After 5 years	Total
<b>Amounts owed to other financial institutions</b>				
San Paolo I.M.I. SpA	809	2,531	389	3,729
Other providers of finance	309	771	762	1,842
<b>Total</b>	<b>1,118</b>	<b>3,302</b>	<b>1,151</b>	<b>5,571</b>

The amounts owed to other providers of finance mainly relate to a secured long-term loan from San Paolo IMI SpA to Datasud Srl and the parent company, and to a loan, renegotiated in 2000, from Barclays Bank to Datalogic UK Ltd.

Amounts payable to associated and parent companies

These mainly concern commercial transactions performed at normal market conditions.

The detail of these payables is as follows:

	30/09/02	31/12/01	Change
<b>Amounts payable to associated companies</b>			
Datalex SA	0	6	(6)
Izumi Datalogic Co. Ltd.	3	0	3
<b>Total amounts payable to associated companies</b>	<b>3</b>	<b>6</b>	<b>(3)</b>
<b>Amounts payable to parent companies</b>			
Hydra SpA	0	2	(2)
<b>Total amounts payable to parent companies</b>	<b>0</b>	<b>2</b>	<b>(2)</b>
<b>Total</b>	<b>3</b>	<b>8</b>	<b>(5)</b>

Taxes payable

"Taxes payable" include only liabilities for certain or definite taxes, since liabilities for probable or uncertain taxes as regards amount and materialisation, or for deferred taxes, are booked under liability account B2 (tax provision). As at September 30th 2002, taxes payable amount to € 1,991 thousand, of which € 943 thousand relating to the parent company as detailed below:

- € 416 thousand for personal income tax (IRPEF) withheld from employees;

- € 316 thousand for VAT payable;
- € 208 thousand for the portion of substitute tax on goodwill to be paid during 2003;
- € 3 thousand for taxes withheld from professionals and various self-employed service providers.

Other significant tax payables were reported by Datalogic GmbH (€ 139 thousand), Datalogic UK (€ 333 thousand), and Datasud (€ 181 thousand).

#### Other amounts payable

	30/09/02	31/12/01	Change
Employees	3,557	2,806	751
Leasing instalments payable	-	68	(68)
Directors' emoluments	36	243	(207)
Insurance	-	65	(65)
Sundry amounts payable	1,472	345	1,127
<b>Total</b>	<b>5,065</b>	<b>3,527</b>	<b>1,538</b>

Amounts payable to employees represent the amount due for salaries and vacations accrued by employees at period end.

Other amounts payable also include € 1,259 thousand owing on the acquisition of the interest in the company Minec Systems Holding AB.

#### **ACCRUED LIABILITIES AND DEFERRED INCOME**

	30/09/02	31/12/01	Change
<b>Accrued liabilities</b>			
Interest payable	128	40	88
Consulting services	72	116	(44)
Bonuses and commissions	-	35	(35)
Marketing funds	248	65	183
Maintenance contracts	14	-	14

€ 181 thousand for packaging and shipment;  
€ 50 thousand for charge-back of seconded staff;  
€ 41 thousand for contingent income on product returns;

€ 56 thousand for other sundry income and revenues.

The geographical breakdown of revenues from sales and services is shown in percentage terms as follows:

	30/09/02
Revenues – Italy	16%
Foreign revenues – Rest of EU	53%
Foreign revenues – Non-EU	31%

## PRODUCTION COSTS

	30/09/02
Raw and ancillary materials, consumables and goods for resale	32,686
Services	12,480
Use of third-party assets	1,401
Staff costs:	
Wages and salaries	20,560
Social security charges	4,484
Employee severance indemnities	799
Other staff costs	504
<b>Total staff costs</b>	<b>26,347</b>
Amortisation, depreciation and write-downs:	
Amortisation of intangible fixed assets	2,534
Depreciation of tangible fixed assets	2,896
Write-downs of receivables included in current assets	86
<b>Total amortisation, depreciation and write-downs</b>	<b>5,516</b>
Changes in inventories of raw and ancillary materials, consumables and goods for resale	(2,006)
Risk provisions	43
Other provisions	-
Sundry operating costs	637
<b>Total production costs</b>	<b>77,104</b>

The detailed breakdown of service costs is as follows:

	30/09/02
Trade fairs, advertising and entertaining	1,847
Outworkers	946
Technical, legal and tax advisory services	1,449
Travel and lodging	1,266
Goods receipt and shipment	1,043
Power	390
Repairs and technical assistance	579
Maintenance	617
Emoluments of corporate officers	805
Services for staff	426
Telephones and postage	645
Meetings	390
Insurance	256
Vehicle costs	177
Cleaning	214
Commissions	264
Other	1,166
<b>Total</b>	<b>12,480</b>



The emoluments of corporate officers include emoluments both for directors ( € 776 thousand) and statutory auditors (€29 thousand).

Details of the costs incurred for use of third-party assets are as follows:

	30/09/02
Building rental	715
Rental of other assets	399
Leasing instalments	155
Maintenance of third-party assets	60
Other	72
<b>Total</b>	<b>1,401</b>

“Sundry operating costs” are analysed as follows:

<b>Sundry operating costs</b>	30/09/02
Taxation other than income tax	163
Membership fees	168
Sponsorships and promotion	94
Gifts and donations	38
Contingent charges	49
Costs reimbursable by third parties	16
Other	109
<b>Total</b>	<b>637</b>

## **Financial income and charges**

### **Income from investments in associated companies**

This item includes the capital gain of € 135 thousand realised on the sale, for €222 thousand, of the interest in the associated company Datalex SA on July 23rd 2002.

**Other financial income**

This item is analysed as follows:

	30/09/02
Interest receivable on bank accounts	861
Exchange-rate gains	490
Other	1
<b>Total other financial income</b>	<b>1,352</b>

“Exchange-rate gains” include € 368 thousand in respect of the parent company and may be analysed as follows:

- € 236 thousand in exchange gains on commercial transactions, of which € 24 thousand refers to retranslation at period-end exchange rates.
- € 130 thousand in exchange gains on financial hedging operations in the form of forward currency sales, of which € 4 thousand refers to retranslation at period-end exchange rates.
- € 2 thousand in exchange gains on borrowings and current accounts in foreign currency.

**Interest expenses and other financial charges**

	30/09/02
Interest payable on bank overdrafts and loans	625
Exchange-rate losses	1,043
Interest on loans from other financial institutions	147
Operating grants	(175)
Other	132
<b>Total interest expenses and other financial charges</b>	<b>1,772</b>

“Exchange-rate losses” include € 903 thousand in respect of the parent company and may be analysed as follows:

- € 614 thousand in exchange losses on commercial transactions, of which € 31 thousand refers to retranslation at period-end exchange rates.
- € 289 thousand in exchange losses on borrowings and current accounts in foreign currency, of which € 239 thousand refers to the retranslation at period-end exchange rates.

## Adjustments to the value of financial assets

The write-back refers to the valuation on a net equity basis of Izumi Datalogic Co. Ltd.

The write-down relates to the valuation on a net equity basis of Minec Systems Holding AB in respect of the period after its acquisition (July 16th 2002 – September 30th 2002).

## Extraordinary income and charges

	30/09/02
<b>Income</b>	
Capital gains on disposals	
Other extraordinary income	
Contingent income	62
Sundry income	49
<b>Total extraordinary income</b>	<b>111</b>
<b>Charges</b>	
Capital losses on disposals	
Miscellaneous charges	1
Other extraordinary charges	-
Contingent charges	170
Other charges	701
<b>Total extraordinary charges</b>	<b>872</b>

"Other extraordinary charges" mainly consist of € 541 thousand relating to the subsidiary EMS in respect of an ongoing dispute with one of its former employees and € 93 thousand in respect of the subsidiary Datalogic GmbH, representing the estimated charge arising from the tax audit of the years 1994, 1995 and 2000.

Romano Volta

Chairman of the Board of Directors

# DATALOGIC S.p.A.

## CONSOLIDATED BALANCE SHEET

ASSETS	30-sett-02 in Euro/000	31-dic-01 in Euro/000
<b>A) SUBSCRIBED CAPITAL UNPAID</b>		
1) Part called up		
2) Part not called up		
<b>Total subscribed capital unpaid (A)</b>		
<b>B) FIXED ASSETS</b>		
<b>I - Intangible fixed assets:</b>		
1) Start up and expansion costs	6	17
2) Research & Development and advertising costs		-
3) Industrial patent rights and rights for use of intellectual properties	4.461	3.289
4) Concessions, licenses, trademarks and similar rights	93	133
5) Goodwill	4.684	5.467
6) Consolidation difference	1.643	-
7) Intangible Assets in progress and advances	198	1.893
8) Other intangible assets	116	249
<b>Total intangible fixed assets (I)</b>	<b>11.201</b>	<b>11.048</b>
<b>II - Tangible fixed assets:</b>		
1) Land and buildings	18.348	15.102
2) Plant and machinery	1.486	1.415
3) Industrial and commercial equipment	2.209	2.727
4) Other tangible fixed assets	2.448	2.502
5) Assets in progress and advances	67	3.832
<b>Total tangible fixed assets (II)</b>	<b>24.558</b>	<b>25.578</b>
<b>III - Long term financial assets:</b>		
1) Investments in:		
a) Subsidiaries valued on the net equity basis	1.289	61
b) Associated companies valued on the net equity basis	289	376
c) Parent companies		-
d) Other companies	62	62
2) Accounts receivable from:		
a) Subsidiaries		
within 12 months		-
after 12 months		-
Total accounts receivable from subsidiaries (a)	-	-
b) Associated companies		
within 12 months		-
after 12 months		-
Total accounts receivable from associated companies (b)	-	-
c) Parent companies		
within 12 months		-
after 12 months		-
Total accounts receivable from parent companies (c)		
d) Other companies		
within 12 months		55
after 12 months	103	130
Total accounts receivable from other companies (d)	103	185
3) Other securities:	2.467	2.468
4) Own shares	4.354	1.091
<b>Total long term financial assets (III)</b>	<b>8.564</b>	<b>4.242</b>
<b>Total fixed assets (B= I + II + III)</b>	<b>44.323</b>	<b>40.868</b>

# DATALOGIC S.p.A.

## CONSOLIDATED BALANCE SHEET

ASSETS	30-sett-02 in Euro/000	31-dic-01 in Euro/000
<b>C) CURRENT ASSETS</b>		
<i>I - Inventories:</i>		
1) Raw and auxiliary materials, and consumables	12.137	11.652
2) Work in progress and semifinished goods	2.777	2.832
3) Work to order in progress		-
4) Finished goods and goods for resale	8.855	9.744
5) Payments on account	-	47
<b>Total inventories (I)</b>	<b>23.769</b>	<b>24.275</b>
<i>II - Accounts receivable:</i>		
1) From customers		
within 12 months	25.619	27.925
after 12 months		-
<b>Total accounts receivable from customers (1)</b>	<b>25.619</b>	<b>27.925</b>
2) From subsidiaries		
within 12 months		-
after 12 months		-
<b>Total accounts receivable from subsidiaries (2)</b>	<b>-</b>	<b>-</b>
3) From associated companies		
within 12 months	553	472
after 12 months		-
<b>Total accounts receivable from associated companies (3)</b>	<b>553</b>	<b>472</b>
4) From parent companies		
within 12 months	2	-
after 12 months		-
<b>Total accounts receivable from parent companies (4)</b>	<b>2</b>	<b>-</b>
5) From others		
within 12 months	10.680	8.175
after 12 months	220	97
<b>Total accounts receivable from others (5)</b>	<b>10.900</b>	<b>8.272</b>
<b>Totale accounts receivable (II)</b>	<b>37.074</b>	<b>36.669</b>
<i>III - Current Financial assets</i>		
1) Investments in subsidiaries	-	-
2) Investments in associated companies	-	-
3) Investments in parent companies	-	-
4) Other investments	-	-
5) Own shares	-	-
6) Other securities	2.750	1.167
<b>Total current financial assets (III)</b>	<b>2.750</b>	<b>1.167</b>
<i>IV - Bank deposit and cash on hand</i>		
1) Bank and postal deposits	29.877	49.325
2) Cheques	37	-
3) Cash and cash equivalent	385	239
<b>Total bank deposit and cash on hand (IV)</b>	<b>30.299</b>	<b>49.564</b>
<b>Total current assets (C = I + II + III + IV)</b>	<b>93.892</b>	<b>111.675</b>
<b>D) ACCRUED INCOME AND PREPAYMENTS</b>		
a) Accrued income	117	86
b) Prepayments	1.158	1.410
c) Discounts on loans		
<b>Total accrued income and prepayments (D)</b>	<b>1.275</b>	<b>1.496</b>
<b>TOTAL ASSETS (A + B+ C+ D)</b>	<b>139.490</b>	<b>154.039</b>

# DATALOGIC S.p.A.

## CONSOLIDATED BALANCE SHEET

LIABILITIES AND EQUITY	30-sett-02 in Euro/000	31-dic-01 in Euro/000
<b>A) NET EQUITY</b>		
<i>I Share Capital</i>	24.759	24.759
<i>II Share premium reserve</i>	54.424	54.424
<i>III Revaluation reserves</i>	258	258
<i>IV Legal reserve</i>	464	284
<i>V Own-share reserve</i>	4.354	1.091
<i>VI Statutory reserves</i>	0	0
<i>VII Demerger capital reserve</i>	4.439	4.439
<i>VIII Other reserves</i>		
<i>IX Consolidation reserve</i>	1.878	1.878
<i>X Translation reserve/(loss)</i>	408	1.154
<i>XI Retained earnings/(losses) carried forward</i>	5.999	9.246
<i>XIII Net profit/(loss) for the year</i>	2.751	779
	<b>99.734</b>	<b>98.312</b>
Net equity pertaining to minorities	242	281
<b>Total net equity (A)</b>	<b>99.976</b>	<b>98.593</b>
<b>B) PROVISIONS FOR RISKS AND CHARGES:</b>		
1) Provision for retirement benefits and similar obligations	6	6
2) Provision for taxation	332	495
3) Others	669	701
<b>Total provisions for risks and charges (B = 1 + 2 + 3)</b>	<b>1.007</b>	<b>1.202</b>
<b>C) Employees' severance indemnity provision</b>	<b>4.044</b>	<b>3.498</b>
<b>D) PAYABLES</b>		
1) Debentures		
within 12 months	-	-
after 12 months	-	-
Total debentures (1)	-	-
2) Convertible bonds		
within 12 months	-	-
after 12 months	-	-
Total convertible bonds (2)	-	-
3) Bank borrowing		
within 12 months	2.203	6.844
after 12 months	4.257	16.978
Total bank borrowing (3)	6.460	23.822
4) Accounts payable to other financial institutions		
within 12 months	1.118	1.084
after 12 months	4.453	4.404
Total accounts payable to other financial institutions (4)	5.571	5.488
5) Advances received		
within 12 months	6	1
after 12 months	-	-
Total advances received (5)	6	1
6) Trade payables		
within 12 months	13.187	12.071
after 12 months	0	0
Total trade payables (6)	13.187	12.071
7) Bill payable		
within 12 months	-	-
after 12 months	-	-
Total bill payable (7)	-	-

## **DATALOGIC S.p.A.**

### CONSOLIDATED BALANCE SHEET

<b>LIABILITIES AND EQUITY</b>		<b>30-sett-02 in Euro/000</b>	<b>31-dic-01 in Euro/000</b>
8) Accounts payable to subsidiaries			
	within 12 months	-	-
	after 12 months	-	-
	Total accounts payable to subsidiaries (8)	-	-
9) Accounts payable to associated companies			
	within 12 months	3	6
	after 12 months	-	-
	Total accounts payable to associated companies (9)	3	6
10) Accounts payable to parent companies			
	within 12 months	0	2
	after 12 months	-	-
	Total accounts payable to parent companies (10)	-	2
11) Tax authorities payable			
	within 12 months	1.991	4.053
	after 12 months	0	208
	Total tax authorities payable (11)	1.991	4.261
12) Social security institutions payable			
	within 12 months	1.112	1.047
	after 12 months	-	-
	Total social security institutions payable (12)	1.112	1.047
13) Other payables			
	within 12 months	5.032	3.494
	after 12 months	33	33
	Total other payables (13)	5.065	3.527
<b>Total accounts payable (D)</b>		<b>33.395</b>	<b>50.227</b>
<b>E) ACCRUED EXPENSES AND DEFERRED INCOME</b>			
a) Accrued expenses		707	419
b) Deferred income		361	101
c) Premium on loans		-	-
<b>Total accrued expenses and deferred income (E)</b>		<b>1.068</b>	<b>520</b>
<b>TOTAL LIABILITIES AND EQUITY (A+B+C+D+E)</b>		<b>139.490</b>	<b>154.039</b>



**CONSOLIDATED PROFIT & LOSS ACCOUNTS**

*30-sett-02 in Euro/000*

<b>A) PRODUCTION VALUE:</b>	
1) Revenues from sales and services	81.913
2) Changes in inventories of work in progress, semifinished and finished goods	(2.003)
3) Changes in contract work in progress	-
4) Increases in fixed assets from internal work	22
5) Other revenue and income	
a) Sundry revenues	643
b) Income from grants	237
Total other revenue and income(5)	880
<b>Total production value(A)</b>	<b>80.812</b>
<b>B) PRODUCTION COSTS:</b>	
6) Raw and auxiliary materials, consumables and goods for resale	32.686
7) Services	12.480
8) Use of third parties asset	1.401
9) Personnel costs:	
a) Salaries and wages	20.560
b) Social contributions	4.484
c) Employees' severance indemnity	799
d) Provision for retirement benefits and similar costs	-
e) Other personnel costs	504
Total personnel costs (9)	26.347
10) Amortisation, depreciation and write-downs	
a) Amortisation of intangible fixed assets	2.534
b) Depreciation of tangible fixed assets	2.896
c) Other write-downs of fixed assets	-
d) Write-downs of receivables entered in current assets and in cash at bank and on hand	86
Total amortisation, depreciation and write-downs (10)	5.516
11) Changes in inventories of raw materials, supplies, consumables and goods for resale	(2.006)
12) Risk provisions	43
13) Other provisions	-
14) Sundry operating costs	637
<b>Total production costs (B)</b>	<b>77.104</b>
<b>DIFFERENCE BETWEEN PRODUCTION VALUE AND COST (A - B)</b>	<b>3.708</b>

**CONSOLIDATED PROFIT & LOSS ACCOUNTS**

*30-sett-02 in Euro/000*

**C) FINANCIAL INCOME AND CHARGES:**

15) Income from investments in:		
a) Subsidiaries		
b) Associated companies		135
c) Other companies		
	Total income from investments (15)	135
16) Other financial income from:		
a) Receivables entered in long term financial assets from:		
- Subsidiaries		
- Associated companies		
- Parent companies		
- Others		
	Total (a)	-
b) Securities entered in long term financial assets that are not investments		50
c) Securities entered in current assets that are not investments		26
d) Income other than the above from:		
- Subsidiaries		
- Associated companies		
- Parent companies		
- Other companies		1.352
	Total (d)	1.352
	Total other financial income (16)	1.428
17) Interest and other financial costs from:		
- Subsidiaries		
- Associated companies		
- Parent companies		
- Others		1.772
	Total interest and other financial costs (17)	1.772

**Total financial income and charges (15+16-17) (209)**

**D) ADJUSTMENT TO THE VALUE OF FINANCIAL ASSETS:**

18) Revaluation of:		
a) investments		11
b) long term financial assets that are not investments		
c) Securities entered in current assets that are not investments		
	Total revaluations (18)	11
19) Write-downs of:		
a) investments		48
b) long term financial assets that are not investments		
c) Securities entered in current assets that are not equity investments		
	Total write-downs (19)	48

**Net adjustment to the value of financial assets (D =18-19) (37)**

**E) EXTRAORDINARY INCOME AND CHARGES:**

20) Extraordinary income		
a) Capital gains on disposals of fixed assets		
b) Other extraordinary income		111
	Total extraordinary income (20)	111
21) Extraordinary charges		
a) Capital losses on disposals of fixed assets		1
b) Other extraordinary charges		871
	Total extraordinary charges (21)	872

**Total extraordinary income/(charges) (20-21) (761)**

**DATALOGIC S.p.A.****CONSOLIDATED PROFIT & LOSS ACCOUNTS***30-sett-02 in Euro/000*

<b>PROFIT/(LOSS) BEFORE TAXES (A - B +/- C +/- D +/- E)</b>	<b>2.701</b>
22) Current income taxes	
Deferred taxes	
<b>PROFIT/(LOSS) FOR THE YEAR</b>	<b>2.701</b>
Profit/(Loss) pertaining to minorities	50
<b>NET PROFIT/(LOSS) FOR THE YEAR</b>	<b>2.751</b>

The President of the Board of Directors  
(Romano Volta)

**DATALOGIC S.p.A.**  
CONSOLIDATED CASH FLOW

	30-sett-02 in Euro/000	31-dic-01 in Euro/000
<b>NET SHORT TERM FINANCIAL POSITION AT THE BEGINNING OF THE YEAR</b>	<b>42.734</b>	<b>1.543</b>
<b>NET PROFIT/(LOSS) FOR THE YEAR</b>	<b>2.751</b>	<b>779</b>
Amortisation and depreciation	5.430	6.165
Increase of the provision for employees' severance indemnity	799	977
Revaluations/write-downs of financial assets	37	4
<b>CASH FLOW FROM CURRENT OPERATIONS</b>	<b>9.017</b>	<b>7.925</b>
<b>Effect of changes in operating assets and liabilities</b>		
Trade receivables	2.223	-1.931
Inventories	506	4.867
Other current assets	1.456	1.119
Other long term assets	-123	29
Trade payables	1.111	-9.616
Tax payables	-2.270	-2.919
Other current liabilities	2.224	130
Other long term liabilities	0	-80
Provisions for risks and charges	-195	-473
Decrease of the provision for employees' severance indemnity	-253	-1.196
<b>Changes in operating assets and liabilities</b>	<b>4.679</b>	<b>-10.070</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>13.696</b>	<b>-2.145</b>
<b>Effect of changes in investment activities</b>		
(Increase)/decrease in intangible fixed assets	-2.687	-4.356
(Increase)/decrease in tangible fixed assets	-1.876	-5.966
(Increase)/decrease in long term financial assets	-3.181	-836
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>	<b>-7.744</b>	<b>-11.158</b>
<b>Effect of changes in financial activities</b>		
Change in long term financial position	-12.672	-7.141
Change in net equity pertaining to minorities	-39	52
Impact of exchange-rate changes on foreign companies' consolidation	-746	229
Other net equity changes	-583	60.630
Change in unconsolidated investments (*)	-1.178	724
<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>	<b>-15.218</b>	<b>54.494</b>
<b>CHANGE IN NET FINANCIAL POSITION</b>	<b>-9.266</b>	<b>41.191</b>
<b>NET SHORT TERM FINANCIAL POSITION AT YEAR-END</b>	<b>33.468</b>	<b>42.734</b>