

Full Year 2010 Conference Call

7th March, 2011

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✦ HIGHLIGHTS

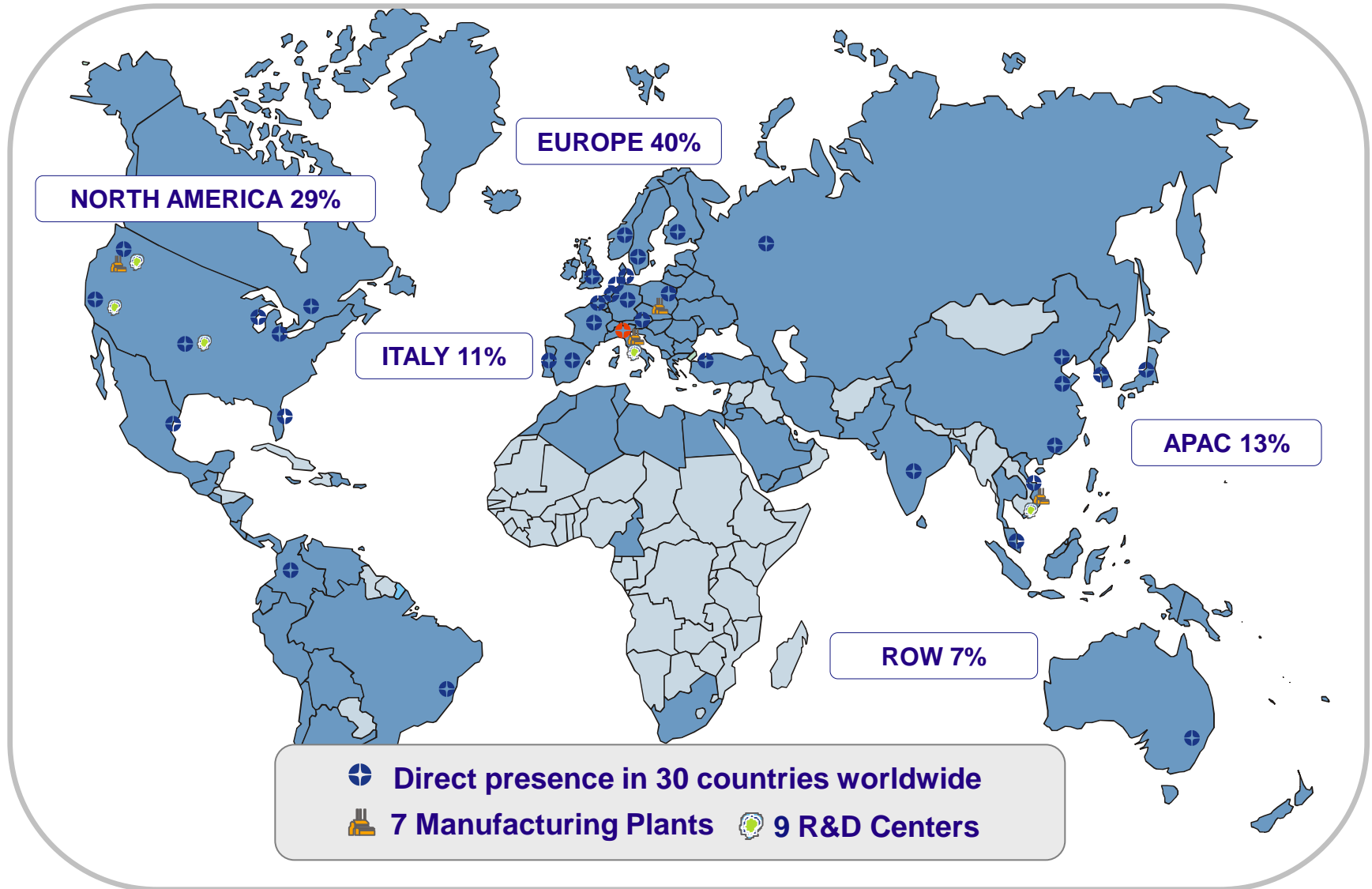
✦ 2010 RESULTS

✦ OUTLOOK



- ✦ **World-class producer of bar code readers, data collection mobile computers, RFID and vision systems**
- ✦ **Datalogic offers innovative solutions for a comprehensive range of applications in the manufacturing, retail, transportation & logistics markets**
- ✦ **Founded in 1972 in Bologna, Italy**
- ✦ **Listed on the STAR Segment of the Italian Stock Exchange since 2001**
- ✦ **2,000 employees**
- ✦ **Direct presence in 30 countries worldwide selling to +100 countries**
- ✦ **+1,000 partners worldwide**

2010 REVENUES – TOTAL €393M - BREAKDOWN BY AREA



- ✦ Strengthened partnership with the biggest retailers, couriers and automotive manufacturers in the World (i.e. Carrefour, Unicoop, DHL and Fiumicino Airport)
- ✦ Acquisition of American company, Evolution Robotic Retail Inc., leader in the field of visual pattern recognition
- ✦ Approval of Datalogic Group's 3 Year Plan for 2010-2012
- ✦ N. 34 new products launched
- ✦ N. 65 new patents



✦ HIGHLIGHTS

✦ 2010 RESULTS

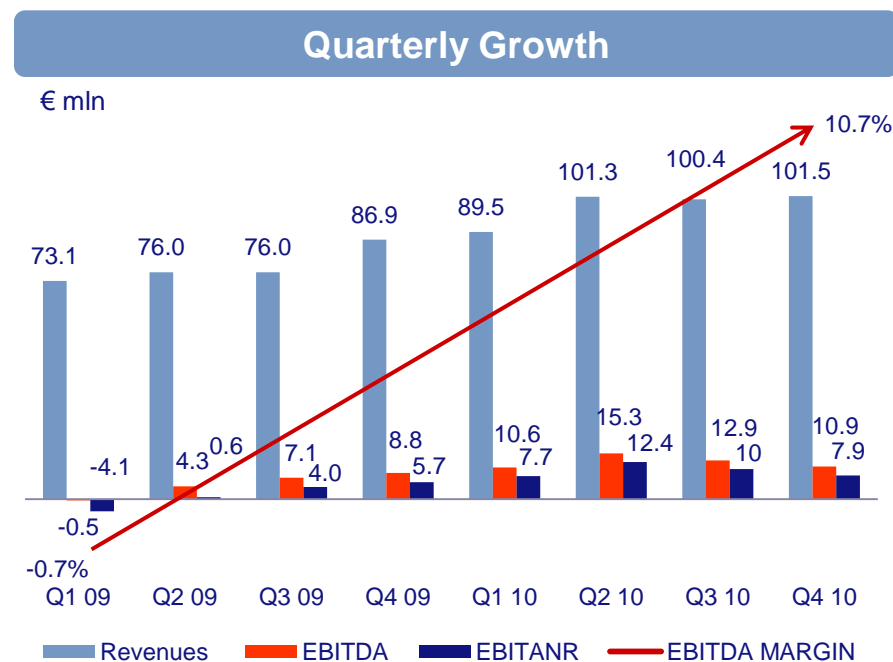
✦ OUTLOOK

- ✦ Sales revenues grew by 26% to € 392.7 million vs. € 311.9 million in 2009
- ✦ EBITDA rose to € 49.8 million (+153%) vs. € 19.6 million in 2009, with an EBITDA margin at 12.7%
- ✦ Jump of net profit to € 18 million from a net loss of € 12 million in 2009
- ✦ The net financial position improved to € -76.5 million vs. € -100.5 million at 31 December 2009
- ✦ Strong cash generation equal to € 24 million
- ✦ R&D investments amounted to € 26.3 million (6.7% on revenues)

- ✦ Revenues growth continues at a strong pace, +17% YoY, thanks to marketing and commercial efforts
- ✦ Costs in Q4 higher than the previous quarters due to the extraordinary devaluation of inventories and the usual raise of the opex related to the closing of ordinary activities for the end of the year
- ✦ R&D expenses increased by 27% to €7,3m (7.2% on revenues)
- ✦ EBITDA increased by 24.9% despite higher costs
- ✦ Jump of net profit to €3.5 mln from €1.8 mln in the quarter
- ✦ Strong cash generation in the quarter thanks to a reduction in trade working capital

€000	4Q2009	4Q2010	Var %
Revenues	86,845	101,513	16.9%
Gross Operating Margin (GOM)	36,752	45,561	24.0%
Ord. Operating Profit (EBITANR*)	5,641	7,943	40.8%
Operating Profit (EBIT)	4,799	7,396	54.1%
EBT	2,864	6,078	112.2%
Net Income	1,783	3,543	98.7%
EBITDA	8,754	10,932	24.9%

*Ebitanr: earnings before interest, taxes, acquisition and non recurring



000€	2009	%	2010	%	Var %
Revenues	311,971	100.0%	392,742	100.0%	25.9%
COGS	(181,602)	-58.2%	(213,546)	-54.4%	
Gross Operating Margin	130,369	41.8%	179,196	45.6%	37.5%
Other revenues	2,210	0.7%	2,142	0.5%	
R&D	(24,885)	-8.0%	(26,304)	-6.7%	
Distribution Costs	(68,101)	-21.8%	(77,197)	-19.7%	
Administrative expenses	(29,602)	-9.5%	(37,710)	-9.6%	
Other operating expenses	(3,768)	-1.2%	(2,006)	-0.5%	
Total operating expenses and others	(126,356)	-40.5%	(143,217)	-36.5%	
Ordinary Operating Profit (EBITANR) (*)	6,223	2.0%	38,121	9.7%	512.6%
Non recurring costs/rev	(7,776)	-2.5%	827	0.2%	
Amort. Intang. Assets from acquis.	(4,022)	-1.3%	(4,266)	-1.1%	
Operating Profit (EBIT)	(5,575)	-1.8%	34,682	8.8%	n.a.
Financial (costs)/rev.	(6,380)	-2.0%	(6,733)	-1.7%	
Results from equity investments	(173)	-0.1%	403	0.1%	
Foreing exchange (costs)/rev.	(709)	-0.2%	(170)	0.0%	
EBT	(12,837)	-4.1%	28,182	7.2%	n.a.
Taxes	673	0.2%	(10,154)	-2.6%	
Net Income	(12,164)	-3.9%	18,028	4.6%	n.a.
Depreciation	(8,643)	-2.8%	(7,998)	-2.0%	
Amortization	(4,768)	-1.5%	(3,640)	-0.9%	
EBITDA	19,634	6.3%	49,759	12.7%	153.4%
<i>Exchange rate</i>	1.3948		1.3257		

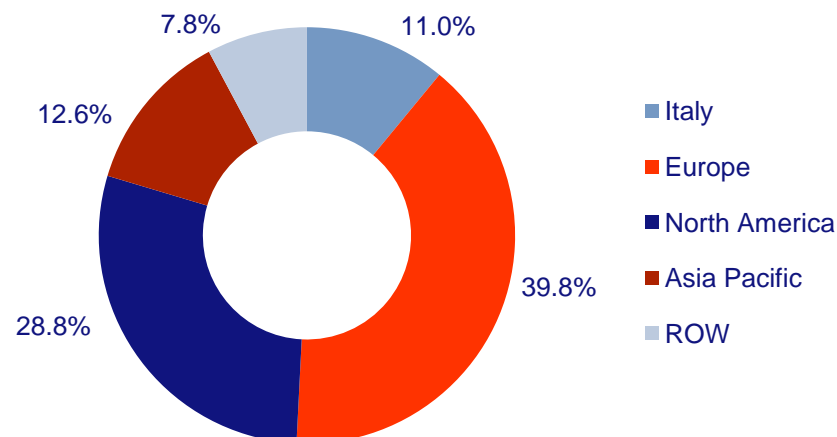
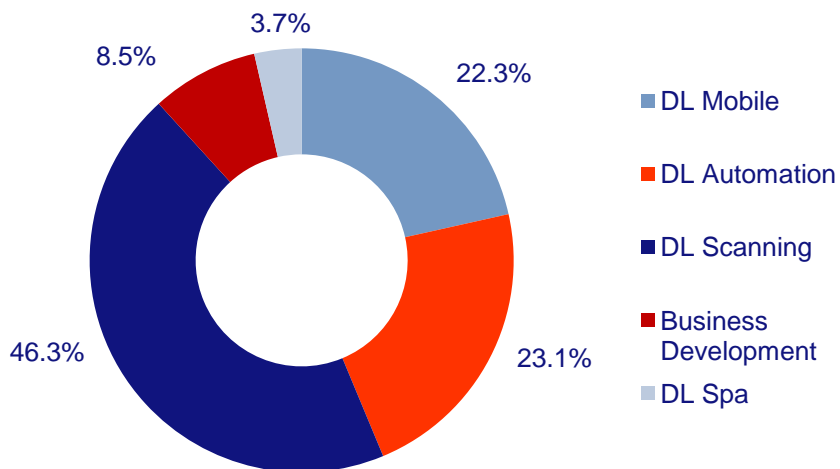
(*) Ordinary Operating Profit before non recurring costs/revenues and amortization of intangible assets from acquisition (EBITANR)

REVENUES BY DIVISION

€000	2009	2010	Var %
Datalogic Mobile (*)	68,127	87,751	28.8%
Datalogic Automation	66,958	90,674	35.4%
Datalogic Scanning	146,982	181,659	23.6%
Business Development	30,552	33,366	9.2%
Datalogic S.p.a.	12,250	14,677	19.8%
Adjustments	(12,898)	(15,385)	19.3%
Total revenues	311,971	392,742	25.9%

REVENUES BY AREA

€000	2009	2010	Var %
Italy	39,039	43,106	10.4%
Europe	129,927	156,415	20.4%
North America	93,490	113,187	21.1%
Asia Pacific	30,204	49,384	63.5%
ROW	19,311	30,650	58.7%
Total revenues	311,971	392,742	25.9%

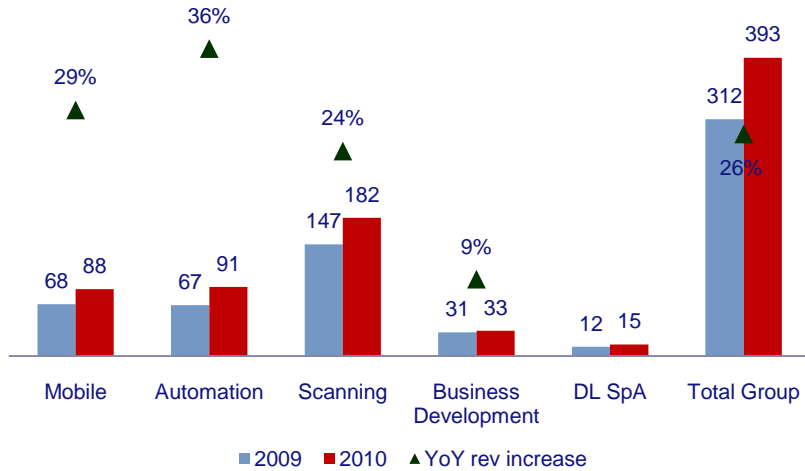


(*) Datalogic Mobile includes Enterprise Business Solutions BU

(**) % figures calculated on total net of adjustment

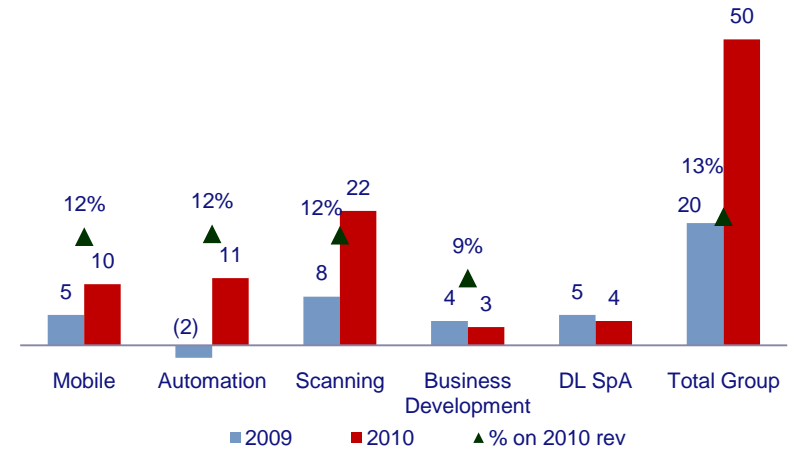
REVENUES

(€mIn)



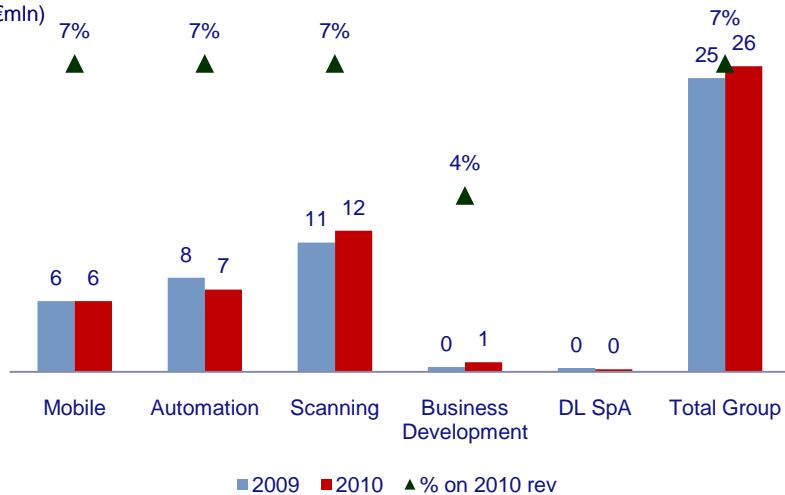
EBITDA

(€mIn)



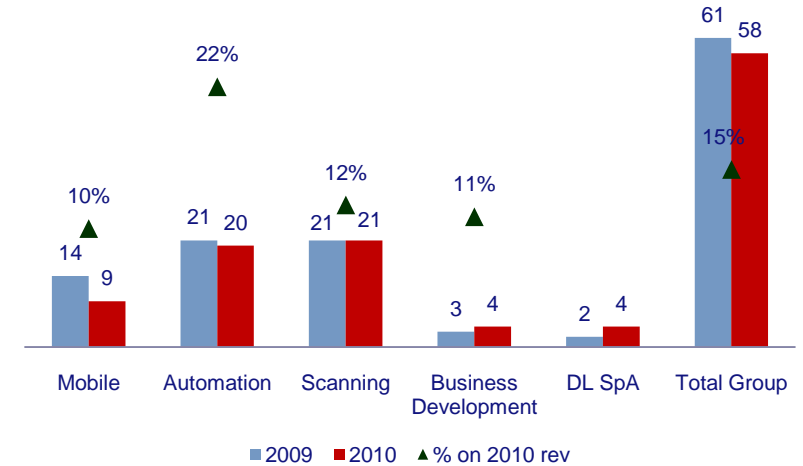
R&D COSTS

(€mIn)

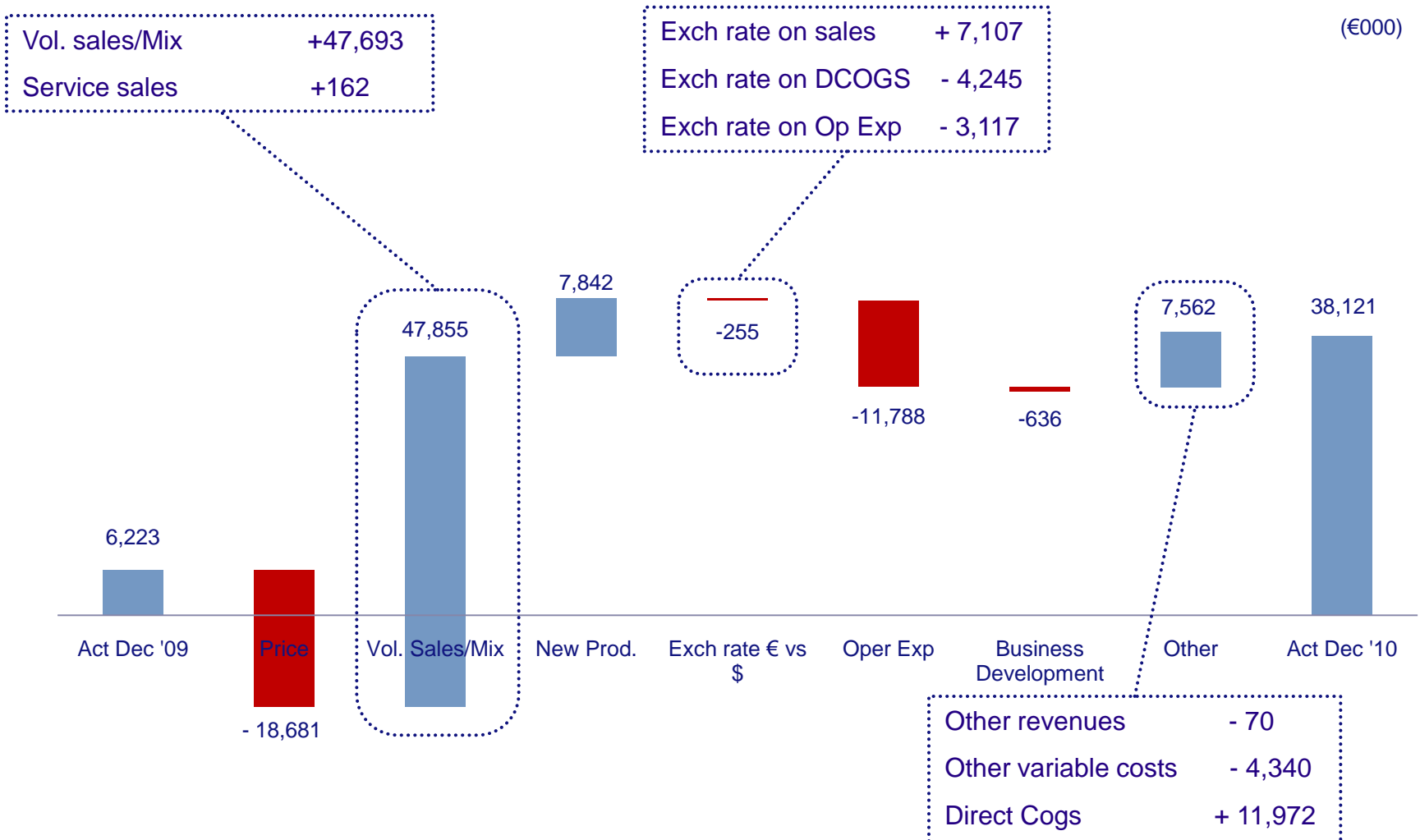


TWC

(€mIn)



EBITANR * - 2010 Actual vs. Last Year



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

Note:

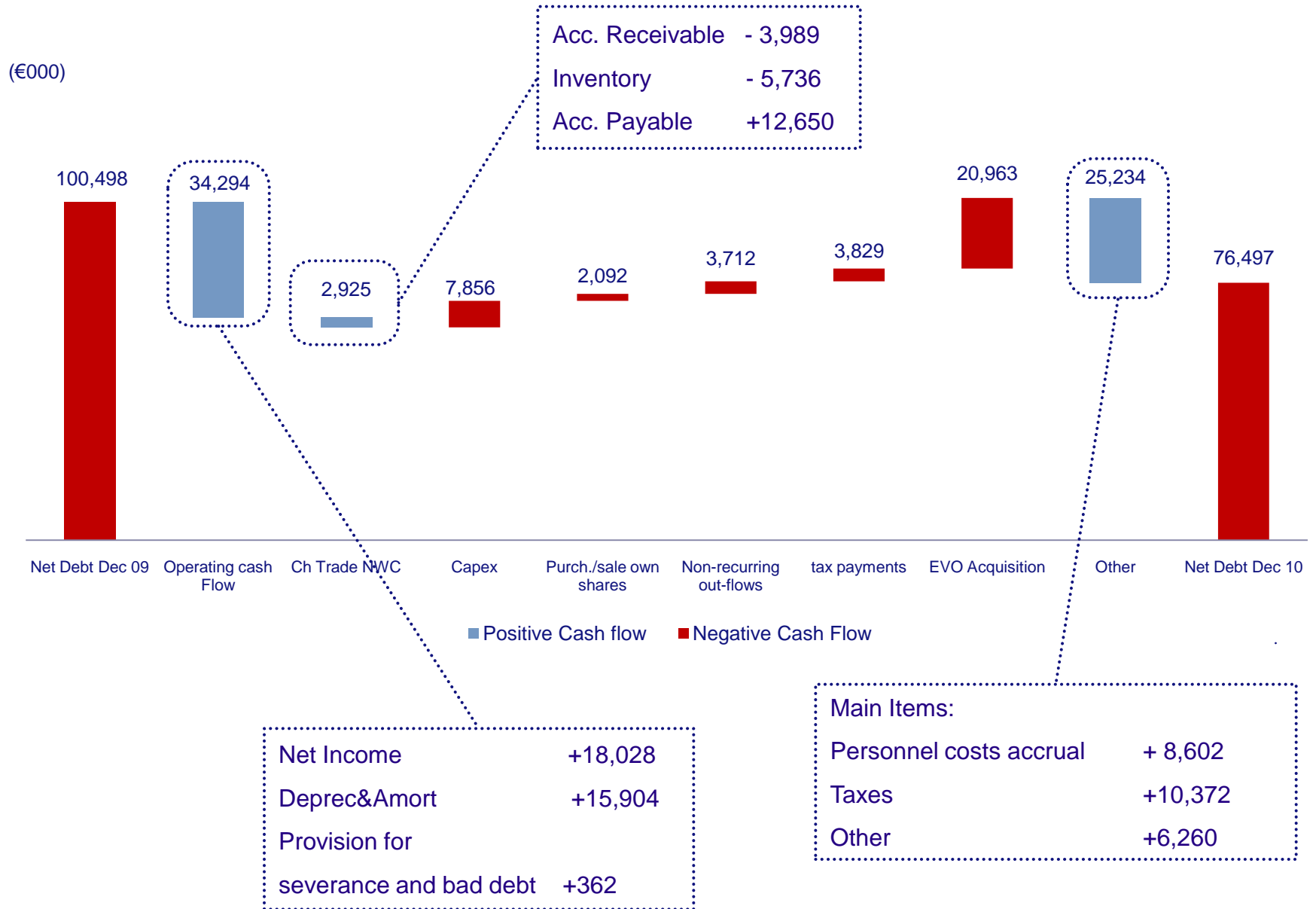
The Exchange rate variance has been calculated on Sales/COGS/Operating expenses originally denominated in USD (\$). The variance was the result of the difference between Dec '10 Actual (1,326) and Dec '09 Actual (1,395) €/USD exchange rate.

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

For Informatics & Evolution Robotics Retail (Business Development) has been considered their overall impact on the EBITANR

€000	At 31/12/2009	At 31/12/2010
Intangible fixed assets	39,621	40,998
Goodwill	87,081	106,088
Tangible fixed assets	50,822	50,042
Non Consolidated investments	2,675	3,286
Other fixed assets	23,181	23,088
Total Fixed Assets	203,380	223,502
Net trade account receivables	65,455	69,353
ST account payables	(43,816)	(56,688)
Inventory	39,082	45,308
Trade Working Capital	60,721	57,973
Other current receivables	17,512	16,827
Other ST payables and provision for risk & future charges	(34,989)	(47,553)
Net Working Capital	43,244	27,247
Other LT payables	(17,373)	(17,144)
Employees' severance Indemnity	(7,739)	(7,121)
LT provision for risk & future charges	(4,319)	(9,823)
Net Invested Capital	217,193	216,661
Equity	(116,695)	(140,164)
Net Financial Position	(100,498)	(76,497)
<i>Exchange rate</i>	1.4406	1.3362

Net Debt Analysis: 2010 Actual vs. Last Year





✦ HIGHLIGHTS

✦ 2010 RESULTS

✦ OUTLOOK

GLOBAL TRENDS

- ✦ Technology shifts: analogue to digital; wireless technology
- ✦ Globalization of the world economy
- ✦ Increased focus on gaining efficiencies and cost reduction in supply chains
- ✦ Greater safety and security concerns



VALUE TO THE CUSTOMER

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



+8% average market growth* - 2010 through 2012

*Company's estimates based on available market trend data

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

Thank You!

This presentation contains statements that are neither reported financial results nor other historical information. These statements are forward-looking statements. These forward-looking statements rely on a number of assumptions and are subject to a number of risks and uncertainties, many of which are outside the control of Datalogic S.p.A., that could cause actual results to differ materially from those expressed in or implied by such statements, such as future market conditions, currency fluctuations, the behavior of other market participants and the actions of governmental and state regulators

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We Welcome Your Questions!

