



## ***FY 2006 Financial Results***

Star Conference  
Milan, March 1st 2007



✦ THE GROUP

✦ DATALOGIC OFFER

✦ UPDATE ON PSC

✦ FINANCIAL HIGHLIGHTS

✦ TRANSFORMATION PLAN

## *Datalogic Vision & Mission*



**DATALOGIC**  
Your Life. Our Enthusiasm™

**Our Vision**  
"To be Top of Mind when thinking about needs in the item identification value chain"

**Our Mission**  
"Promote and provide business solutions for data management by offering high value systems, products and services to Mark, Capture, Compute and Communicate (M&3C™) information anywhere and anytime, to generate a high ROI for our Customers"

**Our Values**

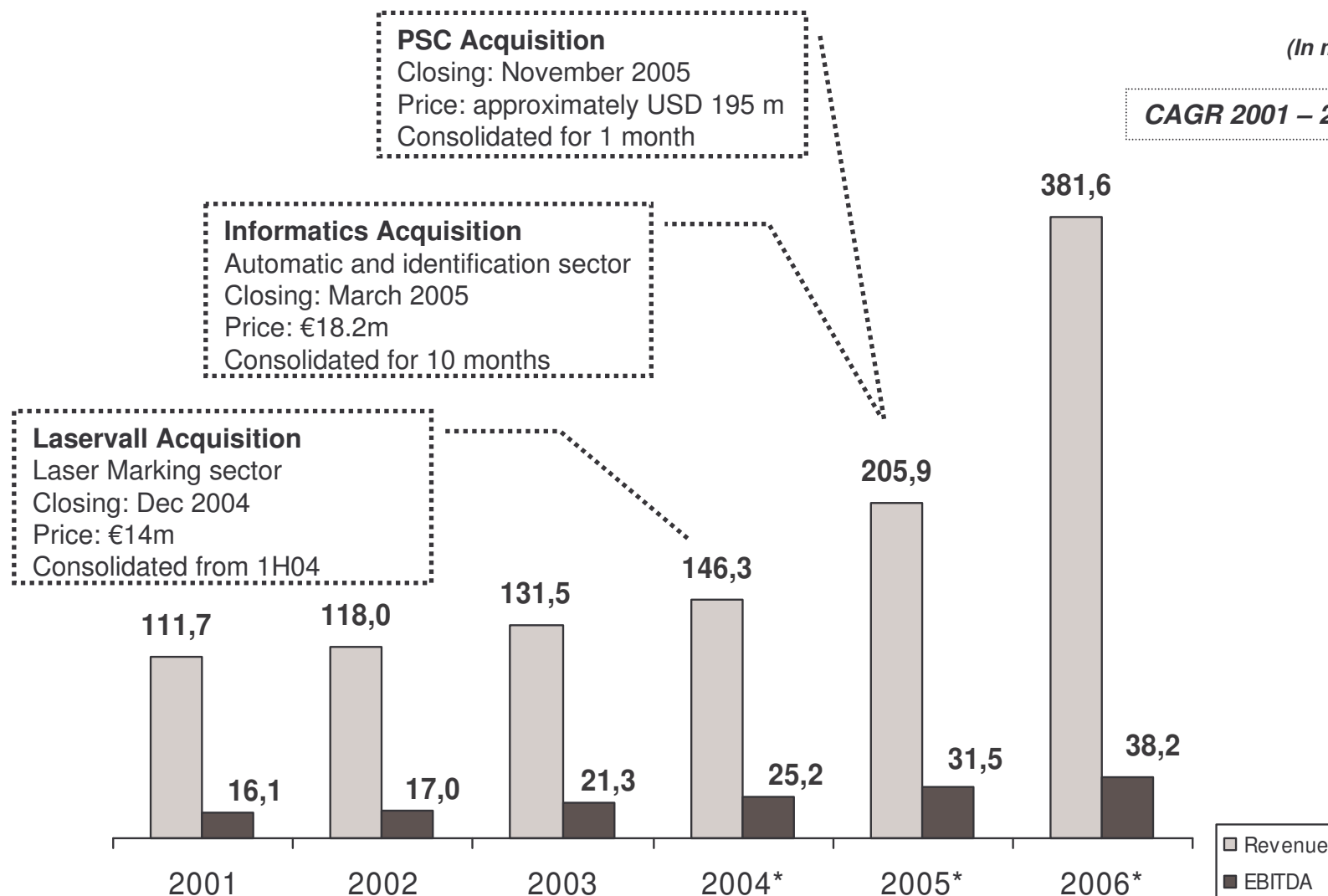
- Enthusiasm
- Commitment
- Professionalism
- Ethics
- Persistence
- Teamwork



## 2001 – 2006: a history of growth...

(In million Euro)

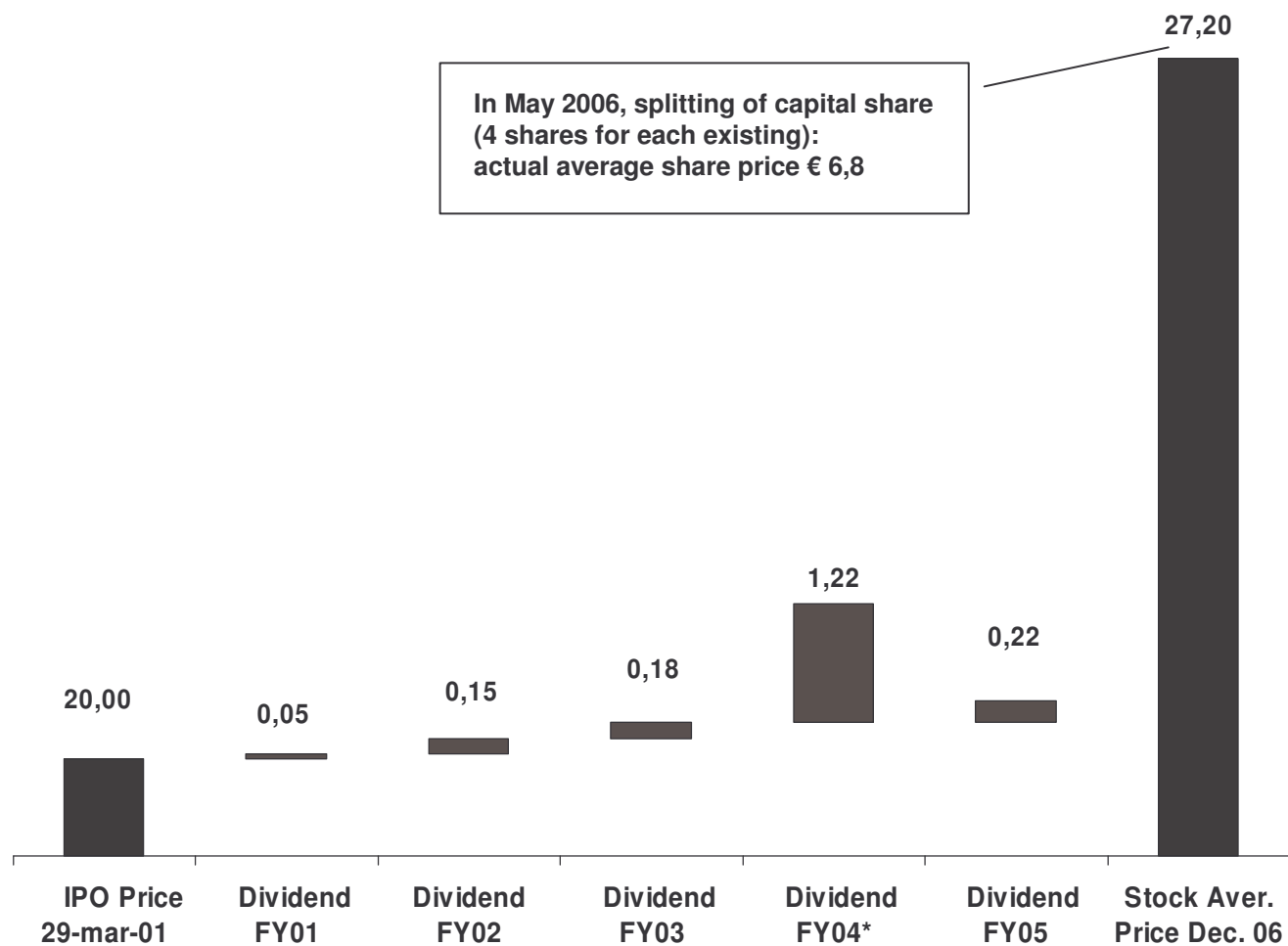
CAGR 2001 – 2006 = 28%



Note: (\*) IAS compliant

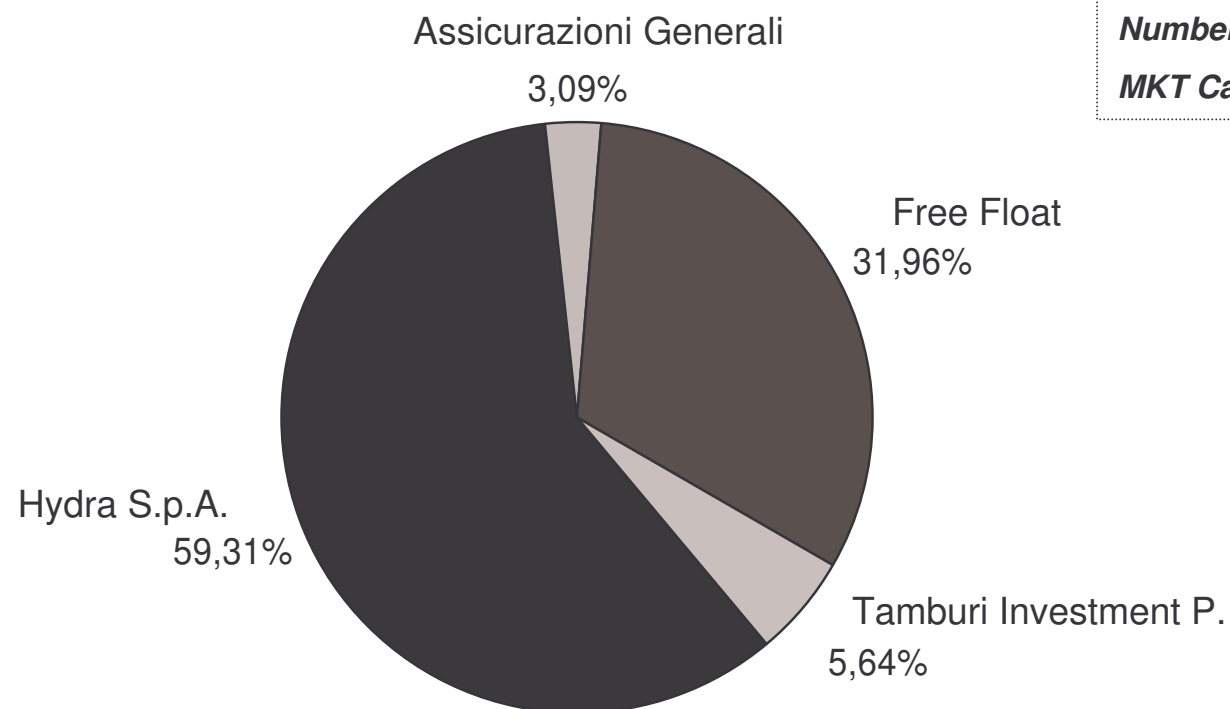
## 2001 – 2006: Share Performance

(In Euro)



Note: (\*) Dividend of € 1,22 per share, of which € 1 Extraordinary

## Shareholders' Structure



**Number of shares: 63.625.472**

**MKT Cap: € 433 million**

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# Data Capture (Datalogic + PSC)

2° WW  
1° EMEA

## HAND HELD READERS



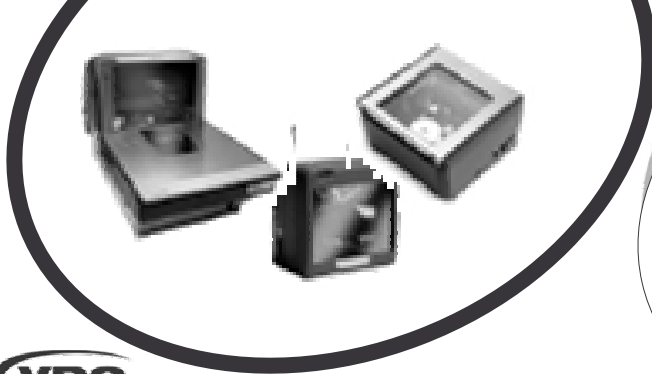
## UNATTENDED SCANNING SYSTEMS / Industrial



3° WW  
1° EMEA

1° WW  
1° EMEA  
2° Americas

## FIXED POSITION SCANNERS FOR RETAIL



## MOBILE COMPUTERS



TOP FIVE PLAYER  
WW

Figures by **VDC**



# Business Development



1° in USA  
Automotive/Electronic

1° in Italy  
80 Installations



Figures by **VDC**

## ***Business Solutions (1/2)***

### **POINT OF CUSTOMER INTERCHANGE**

*Implementing CRM to better know your customers and achieve greater sales opportunities*



### **WAREHOUSE MANAGEMENT SYSTEMS**

*Improving your SCM to capitalise on significant Investments made in the ERP system*



## ***Business Solutions (2/2)***

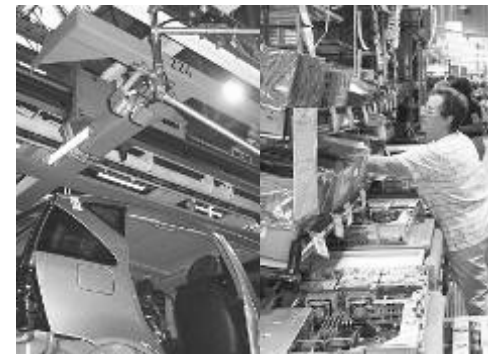
### **SORTING**

*Increasing value for money by streamlining and speeding up your deliver processes*



### **WORK IN PROGRESS**

*Enhancing your accountability with traceability solutions to maximise the ERP investment*



### **ORIGINAL EQUIPMENT MANUFACTURERS**

*Serving and supporting customer embedding bar-code solution in their machines/processes*



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## ***Restructuring Plan Update***

### **1Q 2006 Actions**

- February 06: Start of the fast-track restructuring
- March 06: Bill Parnell appointed new CEO

### **2Q 2006 Actions**

- Reduced employees by a total of 49 (out of the 740 regular employees)
- Annual cost saving of over Usd 4.4 m (6% of PSC's operating costs)
- Estimated restructuring costs of some Usd 1.6 mil
- Ongoing activities on Sales & Marketing and Purchasing & Production areas

### **3Q 2006 Actions**

- October 06: Signed with Symbol OEM Agreement (for the next 5 years the Group will benefit of a cost saving amounting to € 20 mil.

### **4Q 2006**

- In the fourth quarter of 2006 PSC revenues came, in dollars, to more than 8% over the last quarter of 2005
- 2006 total revenues: Usd 224,1 mil.

### **February 2007**

- Final definition of PSC Inc. purchase price agreed (reduced from Usd 151.2 to 143.7)

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## Consolidated Income Statement

(Euro/1.000)

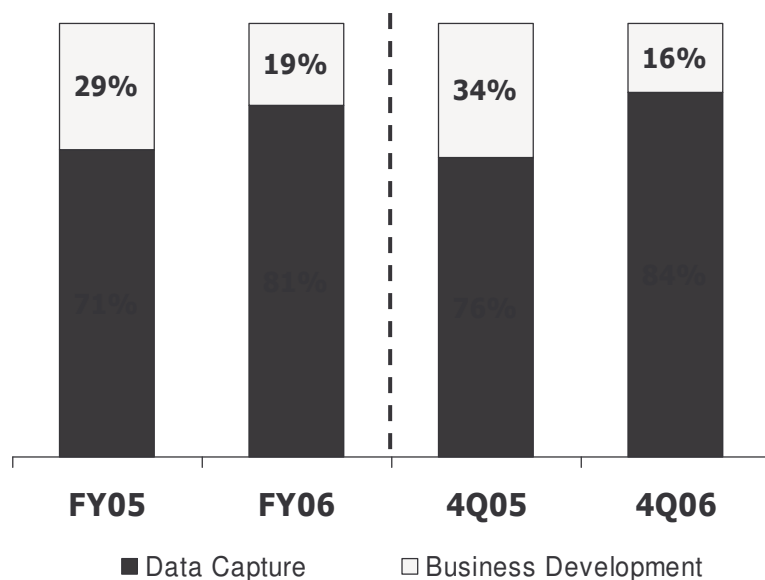
	FY05	%	FY06	%	Ratios
<b>Revenues</b>	<b>205.948</b>	<b>100,0%</b>	<b>381.614</b>	<b>100,0%</b>	<b>85,3%</b>
COGS	-106.526	-51,7%	-214.544	-56,2%	
<b>Gross Operating Margin</b>	<b>99.422</b>	<b>48,3%</b>	<b>167.070</b>	<b>43,8%</b>	<b>68,0%</b>
R&D	-14.676	-7,1%	-26.313	-6,9%	
G&A	-17.273	-8,4%	-28.752	-7,5%	
Distribution Costs	-42.949	-20,9%	-83.915	-22,0%	
Other Rev/(Charges)	276	0,1%	-2.056	-0,5%	
<b>Ordinary Operating Profit (EBITANR) (*)</b>	<b>24.800</b>	<b>12,0%</b>	<b>26.034</b>	<b>6,8%</b>	<b>5,0%</b>
Not recurring costs/rev	-2.691	-1,3%	-6.315	-1,7%	
Amort. intang. assets from acquis.	-1.830	-0,9%	-4.345	-1,1%	
<b>Operating Profit (EBIT)</b>	<b>20.279</b>	<b>9,8%</b>	<b>15.374</b>	<b>4,0%</b>	<b>-24,2%</b>
Financial (costs)/rev.	874	0,4%	-5.160	-1,4%	
Results from equity investments	229	0,1%	-53	0,0%	
Foreing exchange (costs)/rev.	1.298	0,6%	-1.128	-0,3%	
<b>EBT</b>	<b>22.680</b>	<b>11,0%</b>	<b>9.033</b>	<b>2,4%</b>	<b>-60,2%</b>
Taxes	-9.512	-4,6%	-4.767	-1,2%	
<b>Net Income</b>	<b>13.168</b>	<b>6,4%</b>	<b>4.266</b>	<b>1,1%</b>	
Third Parties Income	-171	-0,1%	-141	0,0%	
<b>Group Net Income</b>	<b>12.997</b>	<b>6,3%</b>	<b>4.125</b>	<b>1,1%</b>	
Depreciation	-4.558	-2,2%	-8.309	-2,2%	
Amortization	-2.191	-1,1%	-3.894	-1,0%	
<b>EBITDA</b>	<b>31.549</b>	<b>15,3%</b>	<b>38.237</b>	<b>10,0%</b>	<b>21,2%</b>

(\*) Ordinary Operating Profit before not recurring costs/revenues and amortization of intangible assets from acquisition (EBITNAR)

# Revenues Details

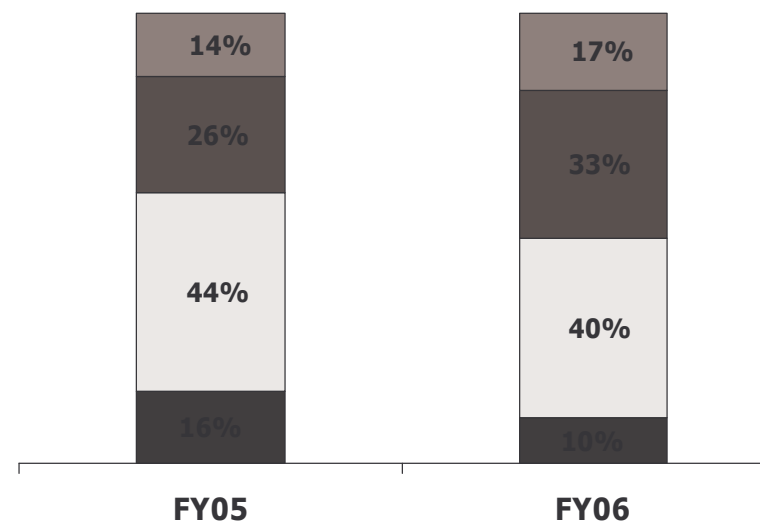
(Euro/1.000)

## Revenues by Division



	FY05	FY06	Var. %
Data Capture	146.566	309.313	111%
Business Development	59.382	72.301	22%
<b>Revenues</b>	<b>205.948</b>	<b>381.614</b>	<b>85%</b>

## Revenues by Geographic Area

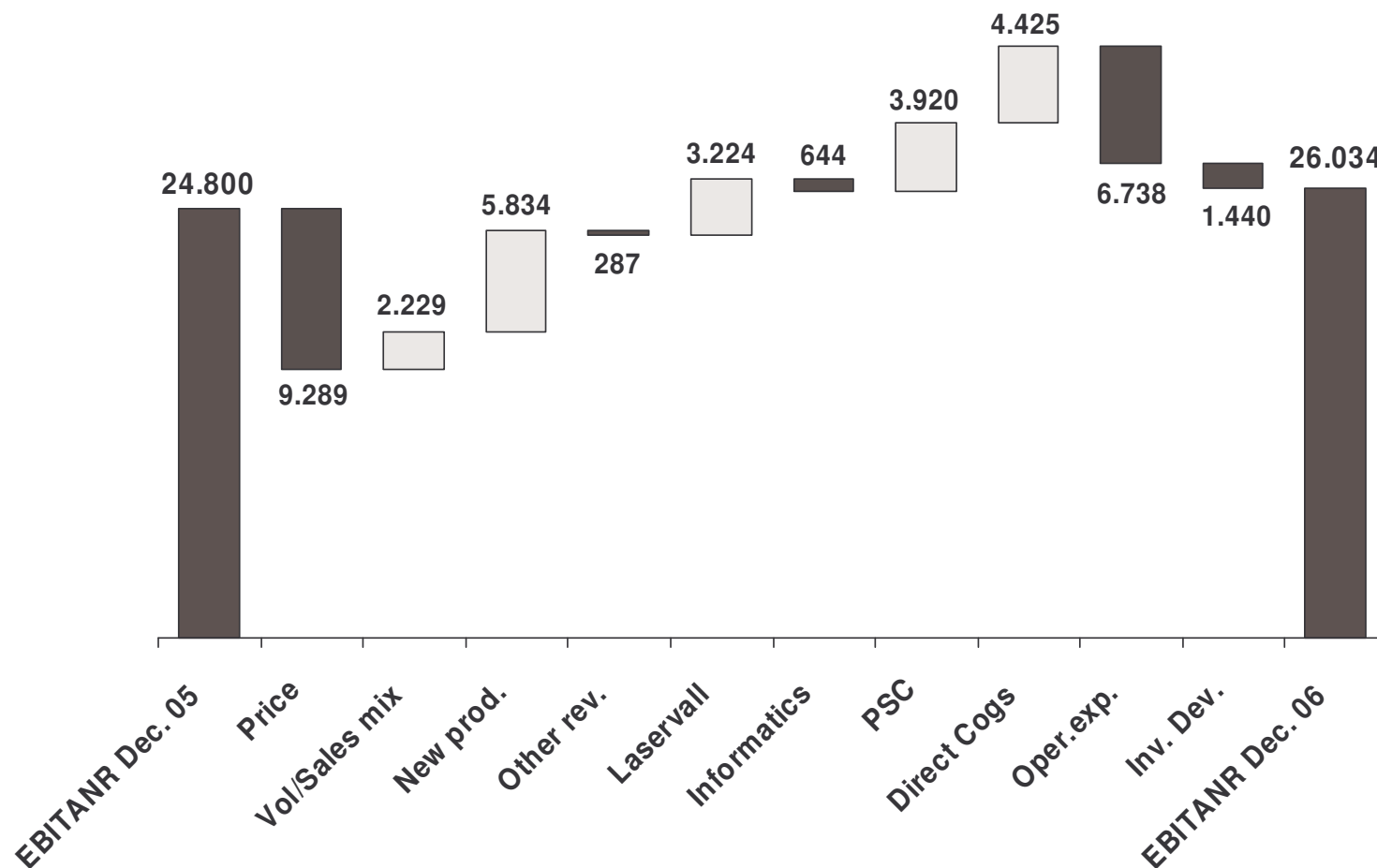


	FY05	FY06	Var %
Italy	32.803	37.973	16%
Europe	90.446	153.694	70%
North America	54.381	124.504	129%
ROW	28.318	65.443	131%
<b>Revenues</b>	<b>205.948</b>	<b>381.614</b>	<b>85%</b>



## Ordinary Operating Profit - EBITANR (\*) – Actual vs LY

(Euro/1.000)



(\*) Ordinary Operating Profit before not recurring costs/revenues and amortization of intangible assets from acquisition (EBITANR)

## ***FY05 and FY06 results without PSC***

*(Euro/1.000)*

	<b>FY05</b>	<b>%</b>	<b>FY06</b>	<b>%</b>	<b>Ratios</b>
<b>Revenues</b>	<b>186.523</b>	<b>100,0%</b>	<b>203.673</b>	<b>100,0%</b>	<b>9,2%</b>
COGS	-93.329	-50,0%	-103.340	-50,7%	
<b>Gross Operating Margin</b>	<b>93.194</b>	<b>50,0%</b>	<b>100.333</b>	<b>49,3%</b>	<b>7,7%</b>
R&D	-13.440	-7,2%	-15.009	-7,4%	
G&A	-16.391	-8,8%	-19.412	-9,5%	
Distribution Costs	-38.773	-20,8%	-43.678	-21,4%	
Other Rev/(Charges)	353	0,2%	-263	-0,1%	
<b>Ordinary Operat. Profit (EBITANR) (*)</b>	<b>24.943</b>	<b>13,4%</b>	<b>21.971</b>	<b>10,8%</b>	<b>-11,9%</b>
Not recurring costs/rev	-2.691	-1,4%	-893	-0,4%	
Amort. intang. assets from acquisition (**)	-1.830	-1,0%	-1.933	-0,9%	
<b>Operating Profit (EBIT)</b>	<b>20.422</b>	<b>10,9%</b>	<b>19.145</b>	<b>9,4%</b>	<b>-6,3%</b>
Financial (costs)/rev.	931	0,5%	-1.121	-0,6%	
Results from equity investments	229	0,1%	-53	0,0%	
Foreing exchange (costs)/rev.	1.275	0,7%	-1.633	-0,8%	
<b>EBT</b>	<b>22.857</b>	<b>12,3%</b>	<b>16.338</b>	<b>8,0%</b>	<b>-28,5%</b>
Depreciation	-4.267	-2,3%	-4.131	-2,0%	
Amortization	-2.190	-1,2%	-3.750	-1,8%	
<b>EBITDA</b>	<b>31.400</b>	<b>16,8%</b>	<b>29.852</b>	<b>14,7%</b>	<b>-4,9%</b>

*(\*) Ordinary Operating Profit before not recurring costs/revenues and amortization of intangible assets from acquisition (EBITNAR)*

*(\*\*) The item "Amort. intangible assets from acquisitions" at 31/12/06 includes € 1.295 thousand and € 638 thousand for Laservall and Informatics acquisitions.*

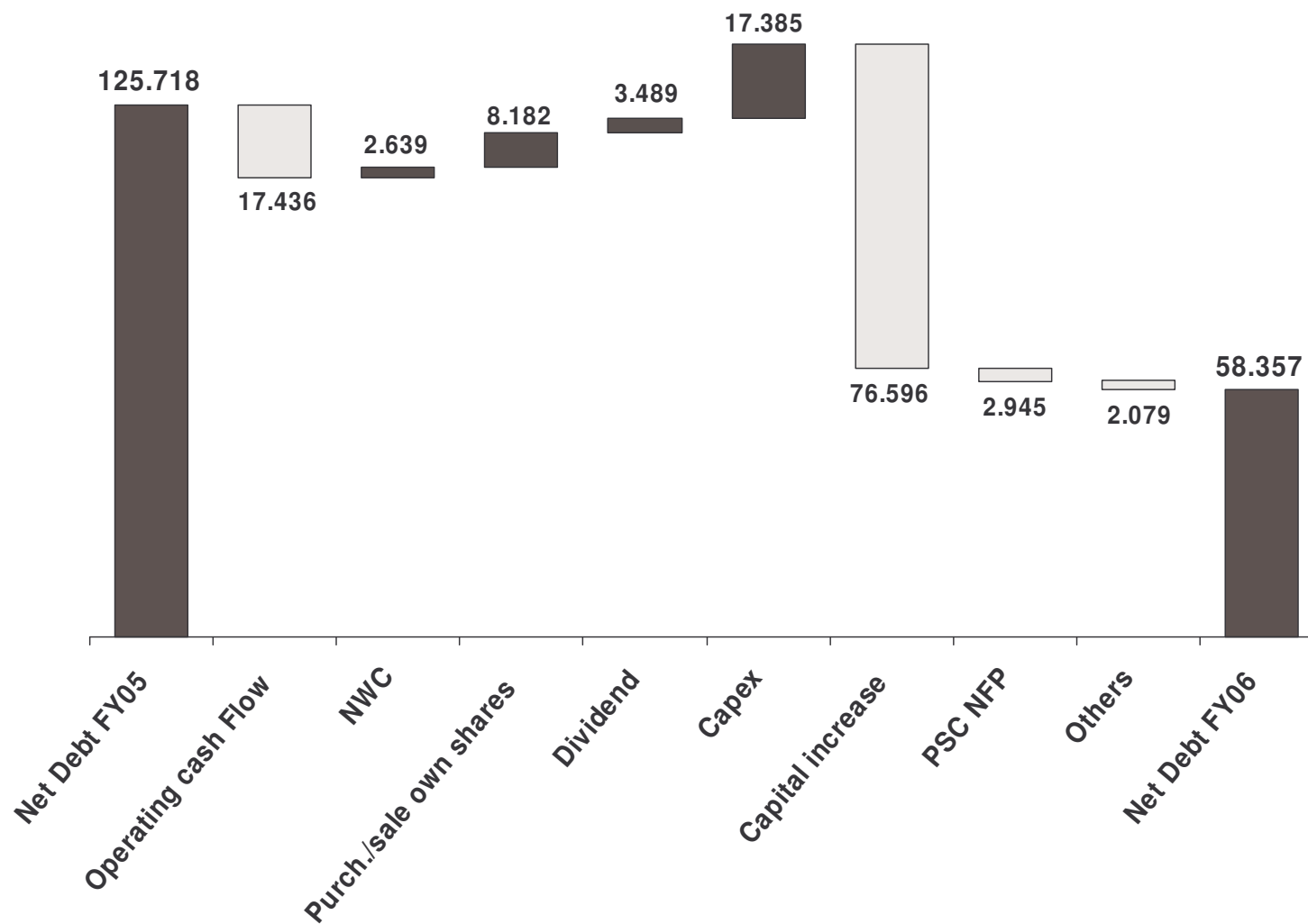
## *Consolidated Balance Sheet*

*(Euro/1.000)*

	<b>FY05</b>	<b>FY06</b>
<b>Fixed Assets</b>	<b>254.016</b>	<b>227.254</b>
Receivables	94.482	90.917
Inventory	51.512	52.005
Payables	-74.681	-78.042
<b>Net Working Capital</b>	<b>71.313</b>	<b>64.880</b>
Employees' severance Indemn.	-6.894	-7.624
Risk Funds	-8.919	-9.856
Other liabilities	-53.937	-29.687
<b>Net Invested Capital</b>	<b>255.579</b>	<b>244.967</b>
<b>Equity</b>	<b>129.861</b>	<b>186.610</b>
<b>Net Financial Position</b>	<b>-125.718</b>	<b>-58.357</b>

# Net Debt

(Euro/1.000)



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# The Datalogic Group Today:

## Business Development Division

### Develop adjacent & emerging busin.

- Build emerging businesses
- Look at adjacent businesses to integrate upstream and downstream

Business Unit Name

Brand

**Marking**

BUSINESS UNIT



**RFID**

BUSINESS UNIT



**Enterprise Business Solutions**

PRODUCT GROUP



**Small/Mid Business Barcode Solutions**

BUSINESS UNIT



## Data Capture Division

### Develop core business

- Defend and extend current core business

Business Unit Name

Brand

**Hand Held Readers**

BUSINESS UNIT



**Mobile Computers**

BUSINESS UNIT



**Unattended Scanning Systems - Industrial**

BUSINESS UNIT

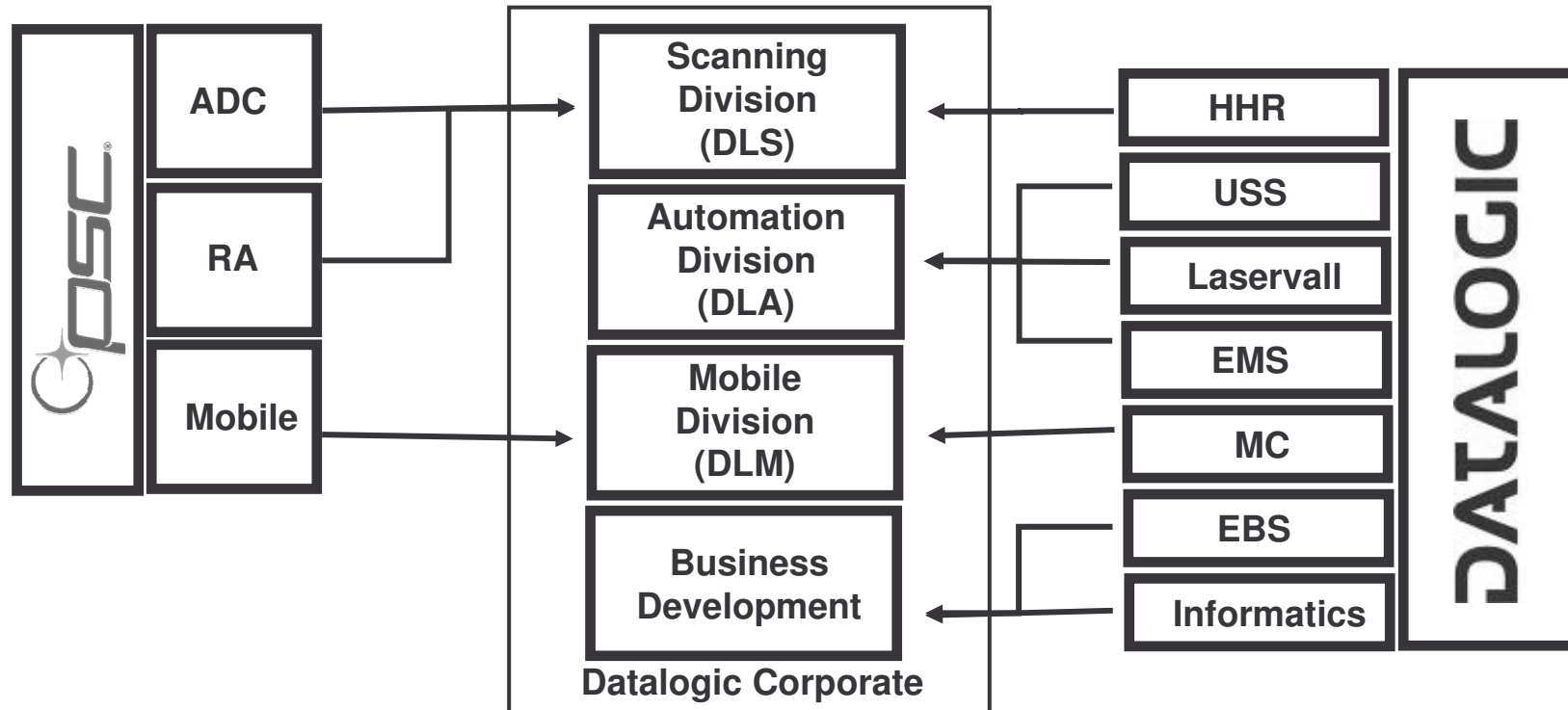


**Fixed Position Scanners for Retail**

BUSINESS UNIT



## How Datalogic is Changing



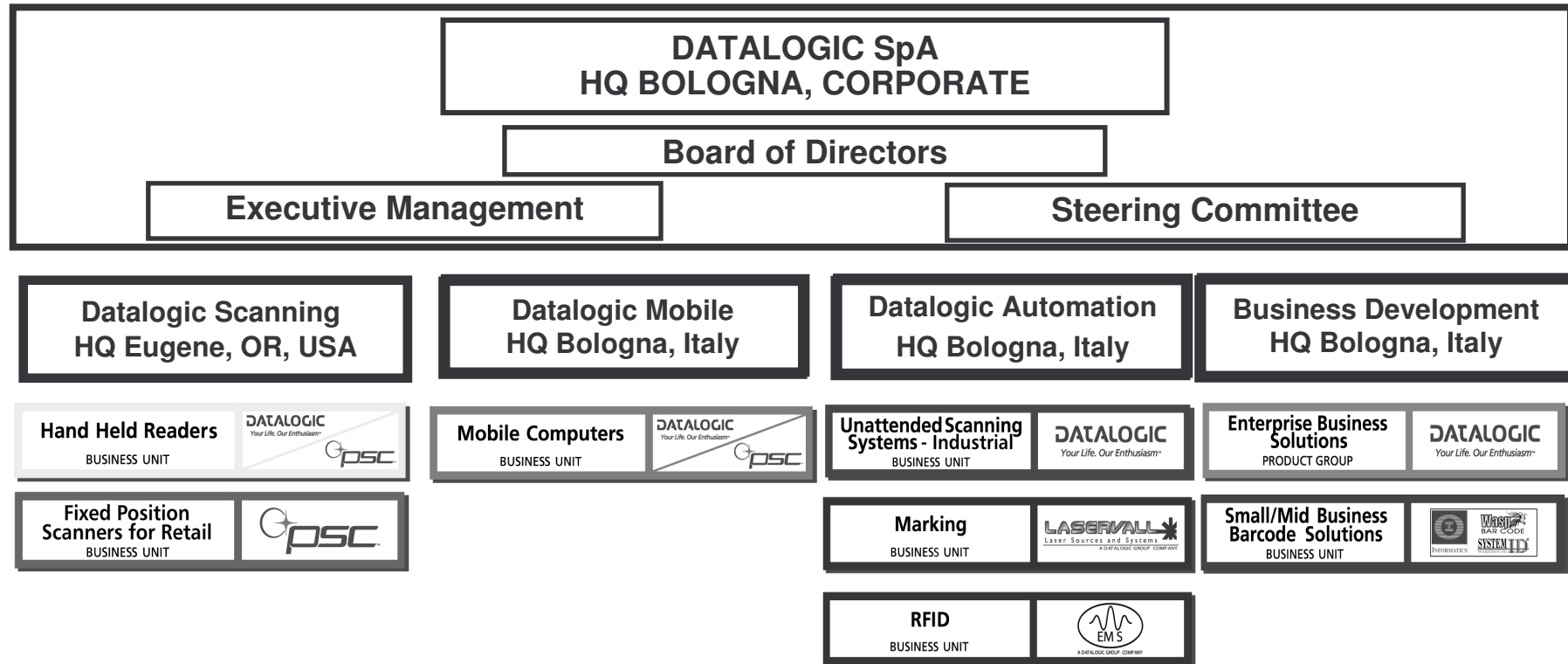
### ✦ Corporate Organization

- ✦ Provides strategic direction
- ✦ Ensures adequate control and oversight
- ✦ Drives organizational accountability

### ✦ Divisional Structure

- ✦ Focus on product and market specialization
- ✦ Deep Customer focus
- ✦ Optimal operating costs

# The Final Result on April 2, 2007





## ***Benefits of the New Structure***

- ✦ To increase our market shares in the WW item identification market
- ✦ Creation of a Federal Group of Companies with a deep focus on product and market specialization
- ✦ The new structure will be a solid platform upon which Datalogic can continue to expand the Group
- ✦ More attention to the Customer
- ✦ To achieve both economies of scale and economies of scope