

TRANSPORTATION & LOGISTICS



RETAIL



FACTORY AUTOMATION



HEALTHCARE



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DEAR SHAREHOLDERS

2015 was the best year in the history of the Datalogic Group. The strategy identified in the two previous years has enabled us to face successfully the challenges of an always more dynamic and complex environment.

The Customer was placed at the centre of the value chain with the goal of meeting and anticipating his/her data collection and process automation needs. Our closeness to our customers and our focus on their needs have been the engines of our growth, together with technological innovation. The awareness of operating in a market characterised by always more demanding customers and always more aggressive competitors have led us increasingly to invest in Research and Development and to leverage the uniqueness of our product portfolio.

To customers in the Retail, Transportation and Logistics, Manufacturing and Healthcare sectors, Datalogic is able to offer products and solutions along the entire supply chain, thanks to the ability to combine different technologies, typical of the markets of automatic data capture (ADC) and of industrial automation (IA).

A sharper focus on the customer and the launch of unique, innovative products allowed our Group to achieve excellent results in 2015, with high growth and improvements in all economic and financial measures, closing with the best results in its history.



In 2015 revenues grew by 15.2% (+5.9% at constant exchange rates) to 535.1 million Euro, as a result of the highly positive performance of the main reference markets, in particular China, Europe and the United States, and of all product lines. The projects for the optimisation of production costs and the centralisation of purchases led to an improvement in the EBITDA, which grew by 6.2% compared to 2014, to 73.7 million Euro, i.e. 13.8% of revenues (15.3% at constant exchange rates).

Investments in Research and Development were further expanded in the course of the year (+11.9% compared to 2014), enabling Invention Disclosures to increase by 25% and new patent applications filed to increase by 33%, bringing the portfolio to approximately 1,200 patents. To confirm the Company's leadership in automatic identification technologies, the acquisition of 20% of the capital of CAEN RFID, a Tuscan company at the cutting edge of RFID-Radiofrequency Identification technology in the Ultra High Frequency (UHF) band was of fundamental importance. This year the Group's innovative ability was once again appreciated at the NRF of New York, the foremost trade show in the Retail world, where the innovative solutions under the Datalogic brand attracted numerous visitors and potential customers.

All this, together with a virtuous financial management on the front of banking conditions, enabled net profit to improve sharply, and in fact it grew by 31.4% to 40.5 million Euro.

On the debt front, Datalogic further improved its net financial position, closing the year at 21 million Euro, in spite of the investments made during the year, which were nearly doubled compared to last year's figure, directed at creating the new production facility in Hungary, introducing new, cutting edge SMT (Surface Mount Technology) lines in all our plants, and at performing renovation work in some locations abroad, to provide our Group with a unified, modern image throughout the world.

These results would not have been possible without the passion and contribution of all the Group's employees and contractors. Investing in talent acquisition and personnel growth is one of the objectives I set for myself when I became Chief Executive Officer and I am convinced it continues to be one of the essential pillars for development. The Datalogic Company Culture was defined in order to orient the personnel's behaviours towards the shared objectives we have given ourselves. Putting the customer first, being innovative and long-term thinking were identified as the 3 essential values of the organisation, the foundations of its success.

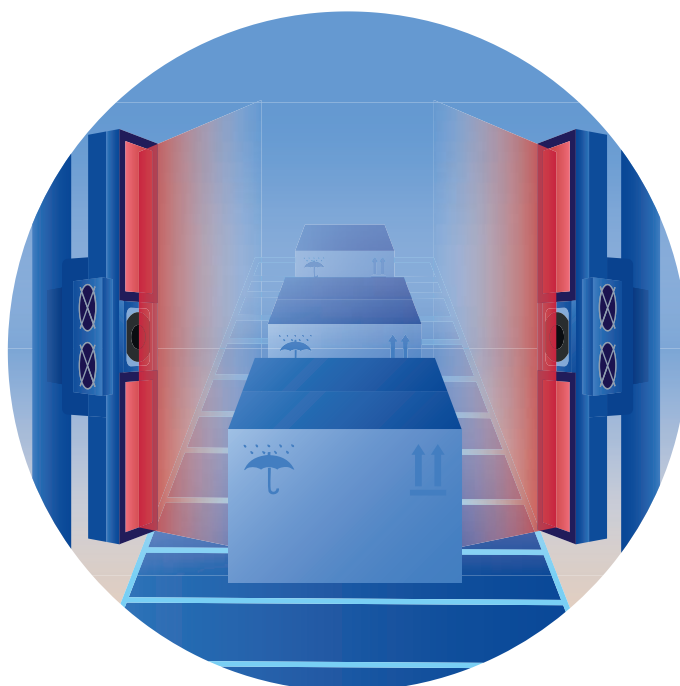
Constant focus on the customer, together with a culture that is solidly grounded on the reasons that have brought the Group from its origins to its present success, will enable us to achieve always more ambitious goals in the future.

Therefore, I am extremely proud of the record results of 2015 and I wish to thank all our Employees, our Customers and Business Partners throughout the world, along with our Suppliers, who have made these results possible. I would especially like to thank all the Shareholders who have believed in the Group, whose results were reflected by the particularly positive share performance. I am certain that, with everyone's active contribution, we will be able to continue to achieve, in the future, the challenging objectives we have set for ourselves to create value for all stakeholders.

Romano Volta
Chairman and Chief Executive Officer



TOTAL TRACK AND TRACE SOLUTIONS



VISION

A World identified, detected, inspected, marked and verified by Datalogic.

MISSION

To provide customers in the Retail, Transportation & Logistics, Manufacturing and Healthcare sectors with best quality and efficiency in data collection and process automation thanks to superior technology, products, solutions and an extremely talented team of people.

THE GROUP

Datalogic is a success story in the production of bar code readers, mobile computers for data collection, sensors, vision systems and laser marking systems that satisfy the constantly evolving needs of today's world. Datalogic is active in over 30 nations, markets products in 120 countries, has relationships with the world's leading operators and over 1,000 partners in the **Retail, Transportation & Logistics, Manufacturing and Healthcare** sectors.

Datalogic provides its customers with the broadest range of products and solutions available dedicated to the **Automatic Data Capture (ADC)** and **Industrial Automation (IA)** sectors.

In the **ADC market**, the Group is the global leader in high performance fixed scanners for retail checkouts, an industry leader in EMEA for handheld bar code readers, and the third player in the worldwide market of mobile computers dedicated to warehouse management and data capture at the point-of-sale.

In the **Industrial Automation market**, the Group is among the world's foremost providers of products and solutions for traceability in manufacturing, and the sorting of packages and luggage for transportation and logistics sectors. In addition to bar code readers, the Group has dedicated solutions for laser marking, sensors for detection, measurement and security, vision systems for inspection and quality control in industrial applications.

STRATEGIC GUIDELINES FOR GROWTH

Future means growth, development and new investments: focusing on **customer's** needs investing in technology and product excellence, winning over **new markets**, investing in our **human capital**, in the corporate climate and in selecting and promoting high performance personnel from within, in particular in the **Research and Development** area.



ASSISTED SALES

RETAIL

Customer Focus

The customer is at the core of the value chain: anticipating and meeting customers' needs in terms of improvement of the efficiency and quality of their activities is absolutely necessary for the Group's growth. This is possible only through constant product innovation, driven by the customers' needs and through the development, directly or through partnerships, of new technologies, coupled with the constant refinement of core technologies.

International development

To grow in emerging markets, consolidating our presence in the core markets. Building a strong presence in emerging markets, in particular in markets with high growth potential, like China, Turkey and Africa, while becoming stronger in mature markets, expanding our market share. Leveraging the unique feature of Datalogic - being the only true Bar Code Company, specialized in serving both reference markets, automatic data capture (ADC) and industrial automation (IA) - to be present in all geographic regions.

Human resources

To develop our personnel to distinguish our performance. The motivation, passion and dedication of the people who work for Datalogic is one of the Group's strengths. To motivate and manage human resources so they will contribute to the attainment of excellence.

These are the 3 pillars supporting future growth, accompanied by the constant search for improvements to **operating efficiency**. Streamlining **Operations**, and paying particular attention to components, both in terms of cost and of innovative content, together with the enhancement of control procedures, will translate into a marked improvement in the Group's overhead and working capital.



EVENTS



JANUARY

Datalogic was once again present at the National Retail Federation NRF 2016 in New York; this is the foremost trade show in the Retail world. Innovative solutions under the Datalogic brand attracted thousands of visitors. Attendance was the highest ever.

FEBRUARY

Datalogic launched its new **linear imager scanner, the Heron HD3100**. Sophisticated design, high technology and options that can be customised by the Retailer to extend their brand experience at the checkout. When technology meets design.

MARCH

Datalogic introduced the new **Matrix N imager** family which uses revolutionary new software called **DLCODE**. **Matrix 300N**, **Matrix 410N** and the new solution **XRF410N** are some of the leading products in the new line of 1D and 2D industrial code readers.

Datalogic also presented the new laser fibre **marker UNIQ**, a product featuring compact design, IP54 protection class, and the utmost ease of use with great flexibility for integration with existing systems.

APRIL

Datalogic presented the **Queue Busting App** for the **Joya** device. This innovative solution reduces wait time at the checkout counter, especially when the store is most crowded, improving the customers' shopping experience and the retailer's efficiency.

MAY

Datalogic's **QuickScan Lite QW2100** was selected by Philippine Seven Corporation, the regional associate of **7-Eleven** with over **1,300** points of sale in the Philippines, to improve their customers' shopping experience.

Datalogic launched the **Magellan 9300i** and **9400i**, new high-speed, 100% digital imaging scanners adding to the Magellan counter scanner family which is renown throughout the world.

Royal Mail chose a Datalogic solution to automate over **20 mail centres** in the United Kingdom. The contract, worth approximately 30 million Euro, was won because of its modular design, high technology, and operating performance developed specifically for the limited space available at Royal Mail centres.

JUNE

Datalogic presented the new **SRX3** ultrasound fork-shaped sensor which is able to detect labels with high resolution on a broad range of materials from paper to plastic with surfaces from transparent to metallic.

JULY

Datalogic presents the new **DS8110** and **DX8210** high performance laser readers for transportation and logistics, shipping, and airport applications where utmost reliability and **99.9%** reading rate is required.

Datalogic and Symcirus team up together to supply **Skorpio X3** mobile computers to the **SuperGroup PLC** fashion retailer. This device is used in all SuperDry stores in the UK and in Europe to improve performance at points of sale from inventory control to price checking.

AUGUST

Datalogic launched the new **SG4-H security barriers**, the first in the world with the body entirely made of stainless steel and a glass window. It has a wash-down design profile, essential for applications where the extreme hygiene imposes frequent washing of machine and systems with highly corrosive detergents. The product is ideal for **Pharma** machinery.

SEPTEMBER

Datalogic launched the **IMPACT+ OCR solution** that enables the **P-Series** compact smart camera to inspect printouts of variable data in the food industry, such as lot numbers, expiration date verification and traceability of serial numbers.

Datalogic expanded its international presence, opening a **new office** in **Shenzhen**, China. The new location contains commercial and administrative offices and it is also a major reference centre for **R&D and Procurement activities**. In addition, a spacious show room displays the Company's most recent technological innovations.

OCTOBER

Datalogic launched the **Heron HD3430 2D area imager**. Design, elegance and high technology make the Heron the ideal product for points of sale of all types, in particular for clothing stores, boutiques and specialised chains.

NOVEMBER

Datalogic expanded its international presence, opening a **new office** in **Cape Town**, South Africa. The location enables it to be closer to its current and potential customers and reflects the importance of the region for the Datalogic Group.

Datalogic presented the new **SLIM line of security barriers**. With high technology components enclosed in an **ultra-thin** profile, these light curtains are unique in their category. No dead zone and cascade connection are some of the unique features that distinguish them.

For the tenth consecutive year, Datalogic was recognised, by **VDC Research**, as the global market leader in the supply of **fixed mount scanners** for Retail POS. The report: "Strategic Insights 2015: Barcode Solutions Market" confirmed that more than half of all bi-optic scanners sold worldwide bear the Datalogic brand.

DECEMBER

Datalogic signed an agreement for the acquisition of 20% of **CAEN RFID Srl**, a Tuscan company at the cutting edge of RFID-Radio Frequency Identification technology in the Ultra High Frequency (UHF) band. The commercial agreement provides, inter alia, for the joint development of new products, the use, by Datalogic, of CAEN RFID components in the manufacture of its own products, and the distribution of CAEN RFID products under the Datalogic brand.

Datalogic signed a loan agreement with the **European Investment Bank (EIB)** totalling 30 million Euro, an amortising with 5 year maturity, directed at sustaining the Group's investments, research and development activity and technological innovation.

REVOLUTION IN SELF-SHOPPING





RESULTS

In 2015, the stock price rose by 84.3%, outperforming the stocks in the FTSE MIB by 71.6% and in the FTSE STAR by 44.4%. The stock reached its highest price of 17.59 Euro per share on 30th November 2015, while its lowest price of 8.80 Euro was on 6th January 2015. The average daily volume traded in 2015 was approximately 74,277 shares (substantially in line with the previous year).

2015 STOCK MARKET DATA

Segment

STAR - MTA

Bloomberg code

DAL.IM

Reuters code

DAL.MI

MKT Cap

985.5 million Euros at 31st December 2015

Number of shares

58,446,491 (including n. 274,610 treasury shares)

2015 max

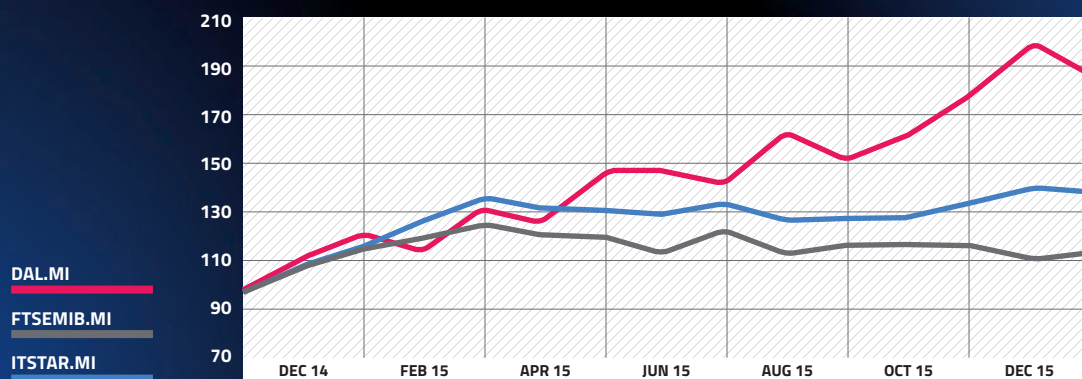
17.59 Euro (30th November 2015)

2015 min

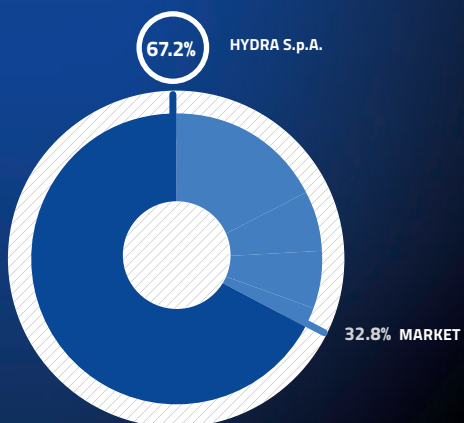
8.80 Euro (6th January 2015)



TOTAL QUALITY INSPECTION

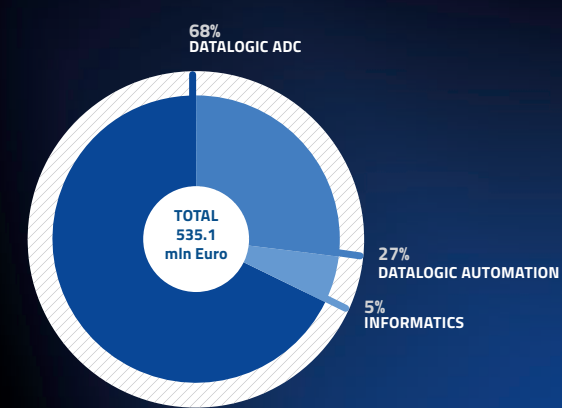


SHAREHOLDER STRUCTURE

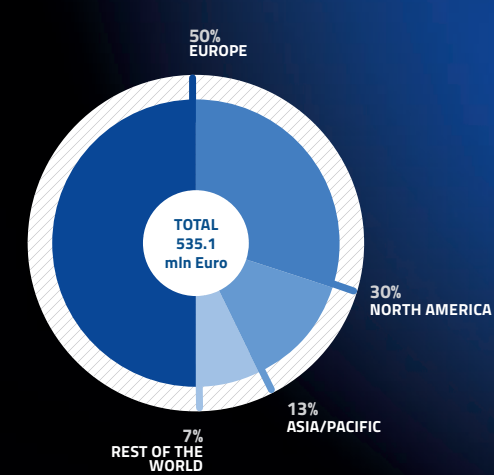




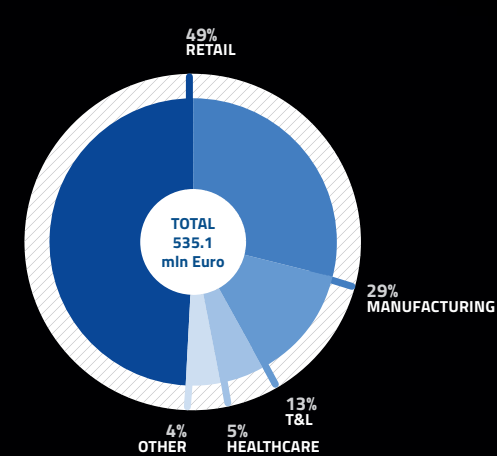
2015 REVENUES PER BUSINESS DIVISION



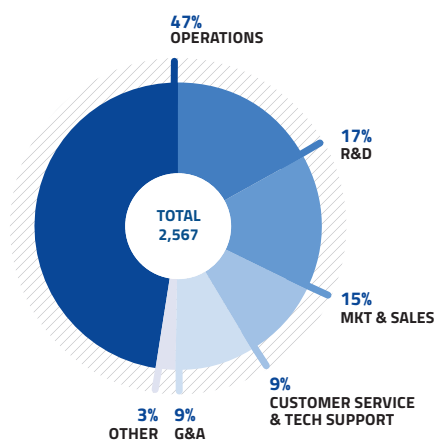
2015 REVENUES PER GEOGRAPHIC AREA



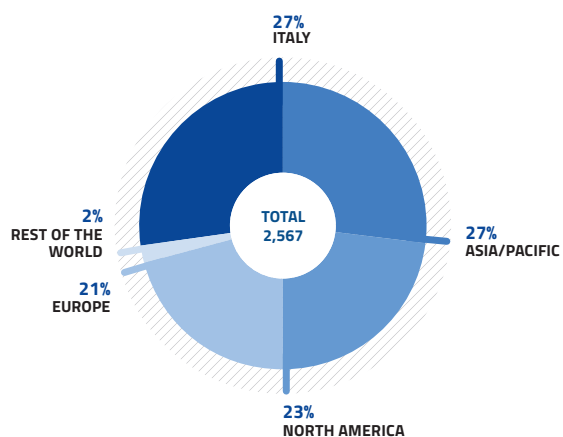
2015 REVENUES PER VERTICAL



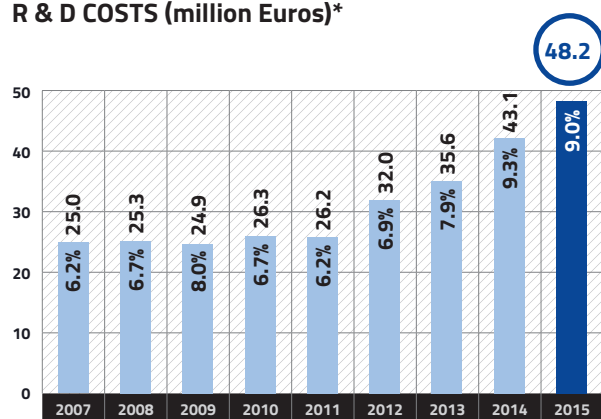
2015 EMPLOYEES PER FUNCTIONAL AREA



2015 EMPLOYEES PER GEOGRAPHIC AREA



R & D COSTS (million Euros)*



* % on revenues

FASHION STORE
SCANNING

CONSOLIDATED PROFIT AND LOSS

Million Euros	2001	2002	2003	2004	2005	2006	2007	2008 ⁽⁴⁾	2009	2010	2011	2012 ⁽⁵⁾	2013	2014	2015
TOTAL REVENUES	111.7	118.0	131.5	146.3	205.9	381.6	404.0	379.8	312.0	392.7	425.5	462.3	450.7	464.5	535.1
EBITDA	16.1	17.0	21.3	25.2	31.5	38.2	50.1	47.8	19.6	49.8	59.2	63.2	60.0	69.4	73.7
% on revenues	14.4	14.4	16.2	17.2	15.3	10.0	12.4	12.6	6.3	12.7	13.9	13.7	13.3	14.9	13.8
EBITANR⁽¹⁾	8.6	7.9	11.0	19.6	24.8	26.0	37.8	35.3	6.2	38.1	48.8	53.4	50.1	58.0	61.2
% on revenues	7.7	6.7	8.4	13.4	12.0	6.8	9.4	9.3	2.0	9.7	11.5	11.6	11.1	12.5	11.4
EBT	2.6	6.7	10.3	18.7	22.7	9.0	26.6	25.9	-12.8	28.2	33.2	9.5	35.5	39.2	51.6
% on revenues	2.3	5.7	7.8	12.8	11.0	2.4	6.6	6.8	-4.1	7.2	7.8	2.1	7.9	8.4	9.6
NET PROFIT	0.8	5.4	7.2	11.2	13.0	4.1	18.1	17.8	-12.2	18.0	25.9	10.2	26.9	30.9	40.5
% on revenues	0.7	4.6	5.5	7.7	6.3	1.1	4.5	4.7	-3.9	4.6	6.1	2.2	6.0	6.6	7.6

NUMBER OF EMPLOYEES	698	735	775	875	1,808	1,897	1,906	2,202	1,982	2,019	2,427	2,384	2,364	2,470	2,567
DIVIDEND PER SHARE (Euro)	0.05	0.15	0.18	1.22 ⁽²⁾	0.22	0.06 ⁽³⁾	0.07	0.035	-	0.15	0.15	0.15	0.16	0.18	0.25
DIVIDEND PAID (million Euro)	-	0.58	1.70	2.11	15.04	3.5	3.8	4.1	1.9	-	8.1	8.5	8.5	9.4	10.5

⁽¹⁾ EBITANR = Ordinary operating profit before non recurring costs/revenues and amortization of intangible assets from acquisition.

⁽²⁾ Euro 1 extraordinary dividend (October 2005).

⁽³⁾ In May 2006, execution of share capital split with a ratio of 4:1.

⁽⁴⁾ In May 2008, execution of share capital reduction by means of cancellation of nr. 5,409,981 treasury shares.

⁽⁵⁾ 2012 figures have been restated to reflect the application of IAS 19R.

Annual results from 2001 to 2003 are prepared in accordance with Italian Accounting Standards; annual results from 2004 are prepared in accordance with IAS/IFRS.

CONSOLIDATED BALANCE SHEET

Million Euros	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012 ⁽⁶⁾	2013	2014	2015
FIXED ASSETS	37.3	38.1	34.7	71.5	254.0	227.3	207.0	216.5	203.4	223.5	244.2	313.6	300.4	326.2	363.8
CURRENT ASSETS	62.4	65.6	72.4	75.1	145.9	142.9	152.8	152.4	122.0	131.5	150.9	157.3	150.2	164.0	166.8
CURRENT LIABILITIES	-21.1	-29.6	-34.7	-40.4	-74.7	-78.0	-90.3	-92.7	-78.8	-104.2	-121.0	-142.7	-133.6	-150.1	162.7
NET WORKING CAPITAL	41.3	36.0	37.7	34.7	71.3	64.9	62.5	59.7	43.2	27.2	29.8	14.6	16.7	13.9	4.1
INVESTED CAPITAL	73.7	68.9	66.5	80.3	255.6	245.0	236.0	242.8	217.2	216.7	229.7	294.5	282.3	297.0	319.2
NET EQUITY	98.6	102.3	106.0	116.2	129.8	186.6	173.5	135.8	116.7	140.2	170.2	173.4	185.3	241.3	298.3
NET FINANCIAL POSITION⁽⁷⁾	24.9	33.4	39.5	35.9	-125.7	-58.4	-62.5	-106.9	-100.5	-76.5	-59.4	-121.1	-97.0	-55.7	-21.0

CAPEX	10.0	6.8	5.1	18.1	6.8	7.9	12.6	9.4	7.3	7.8	13.6	14.4	17.1	12.7	22.0
% on revenues	9.0	5.8	3.9	12.4	3.3	2.1	3.1	2.5	2.3	2.0	3.2	3.1	3.8	2.7	4.1
NWC (Net Working Capital)	41.3	36.0	37.7	34.7	71.3	64.9	62.5	59.7	43.2	27.2	29.8	14.6	16.7	13.9	4.2
% on revenues	37.0	30.5	28.7	23.7	34.6	17.0	15.5	15.7	13.9	6.9	7.0	3.2	3.7	3.0	0.8
ROE %	1.2	5.4	6.9	10.1	10.6	2.6	10.0	11.5	-9.6	14.0	16.7	5.9	15.0	14.5	15.0
DEBT/EQUITY %	-25.3	-32.6	-37.3	-30.9	96.8	31.3	36.0	78.7	86.1	54.6	34.9	69.8	52.4	23.1	7.0

⁽⁶⁾ 2012 figures have been restated to reflect the application of IAS 19R

⁽⁷⁾ In 2005, the acquisitions of Laservall, Informatics and PSC had an impact of 178 million Euro.

In January 2006, conclusion of capital increase for a total value of 76.6 million Euro.

During 2008 Datasensor S.p.A. was acquired for 45 million Euro.

During 2010, Evolution Robotics Retail Inc. was acquired for 20.96 million Euro.

During 2011, PPT Vision Inc. was acquired for 4.1 million Euro and "one-shot" costs were born for approx. 12 million Euro, of which 10.2 million Euro related to the WCO project and 1.7 million Euro for acquisitions.

During 2012, Accu-Sort Systems Inc. was acquired for 100.3 million Euro.

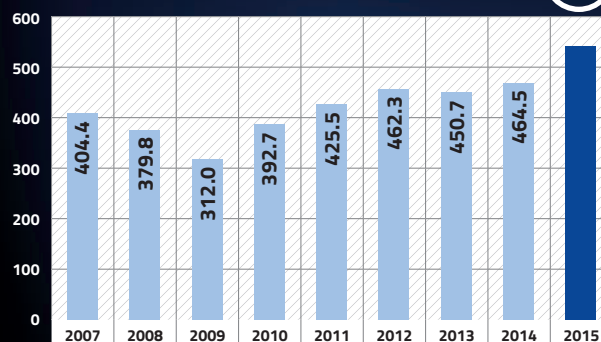
Annual results from 2001 to 2003 are prepared in accordance with Italian Accounting Standards; annual results from 2004 are prepared in accordance with IAS/IFRS.

HEALTHCARE



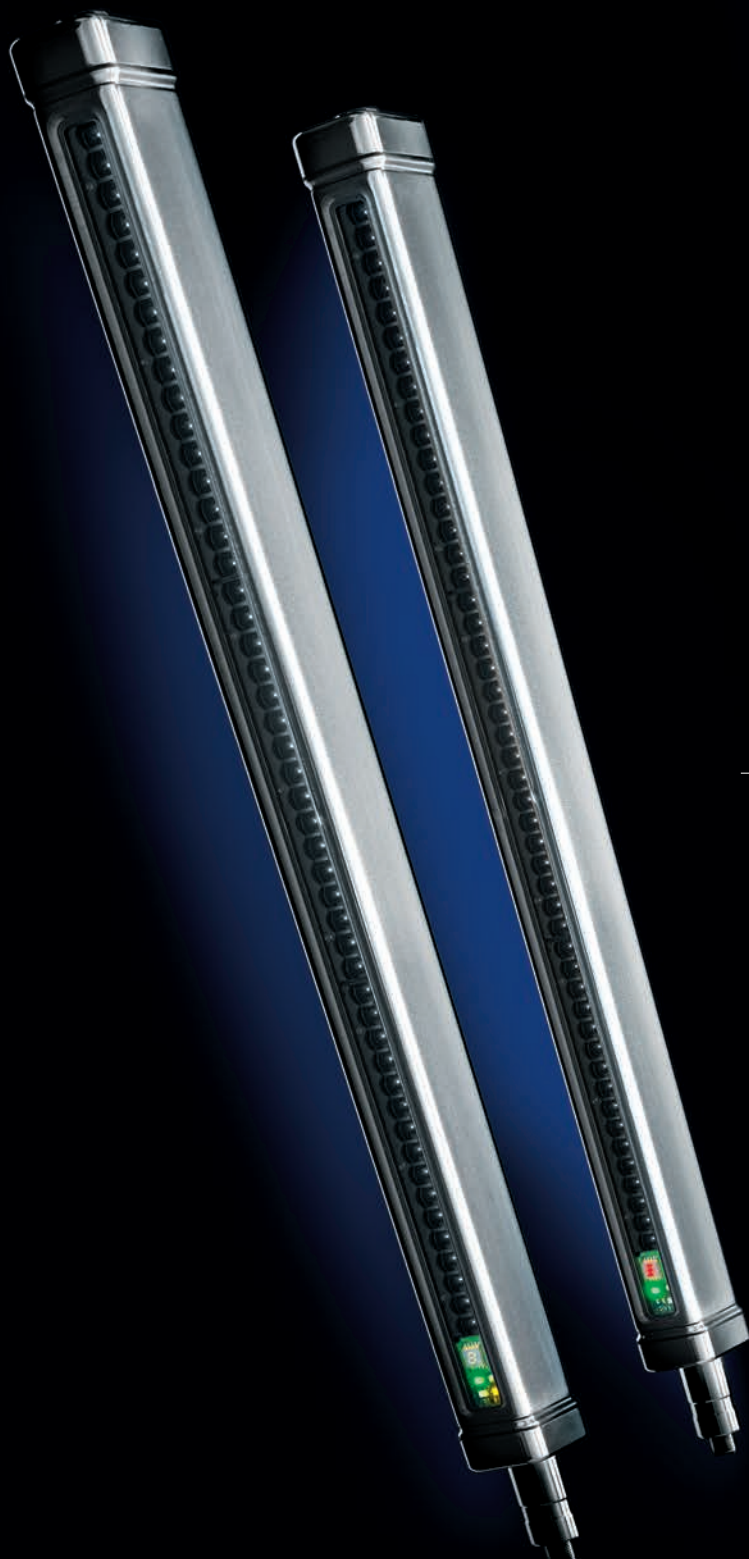
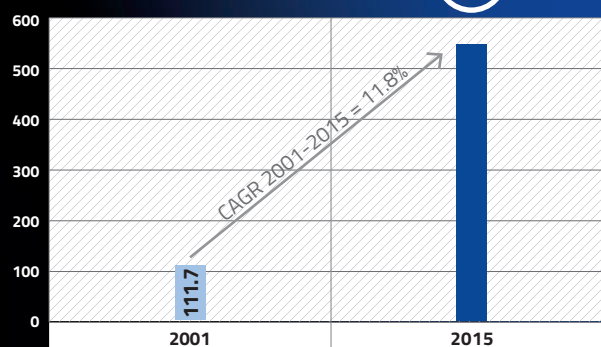
REVENUES (million Euros)

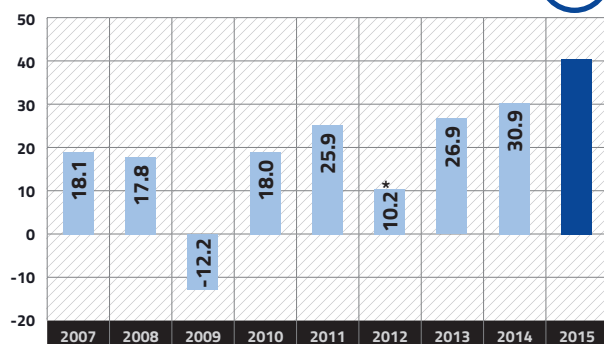
535.1



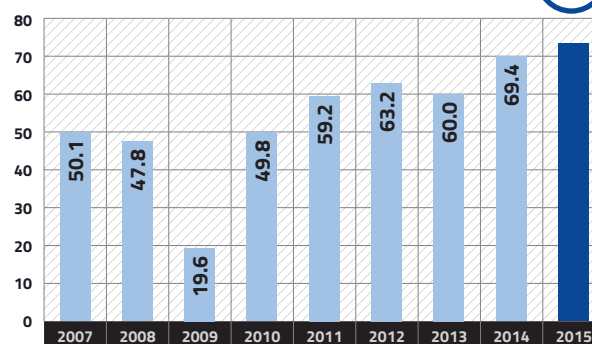
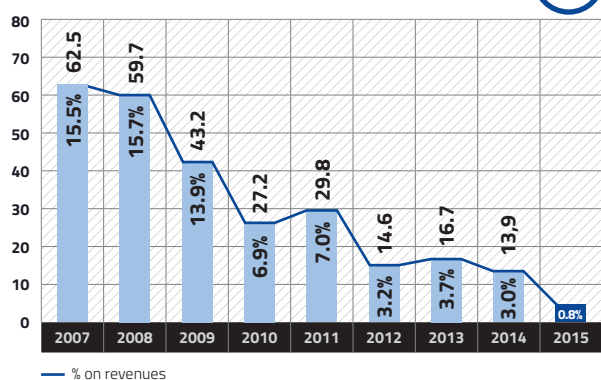
TOTAL REVENUES (million Euros)

535.1

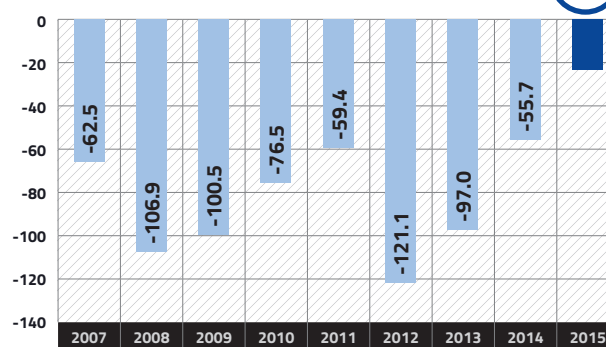


NET PROFIT (million Euros)**40.5**

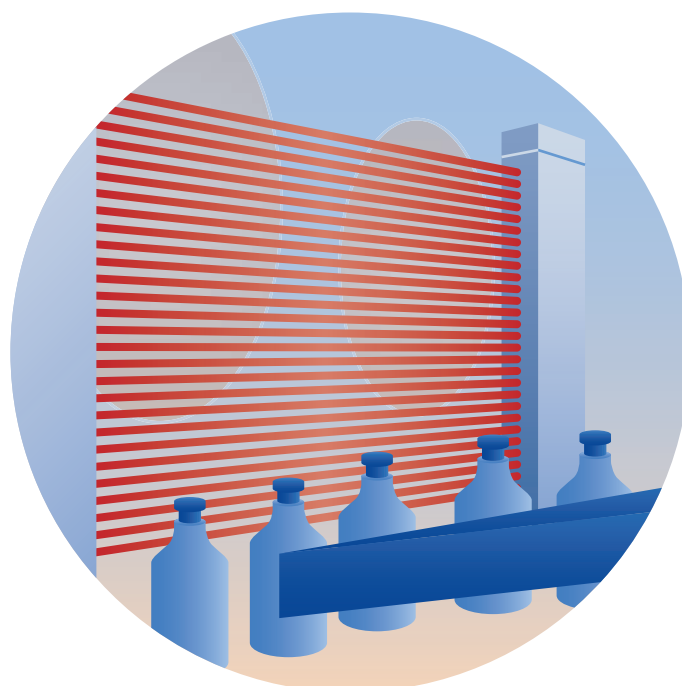
* Net profit was affected by an impairment for 27 million Euro.

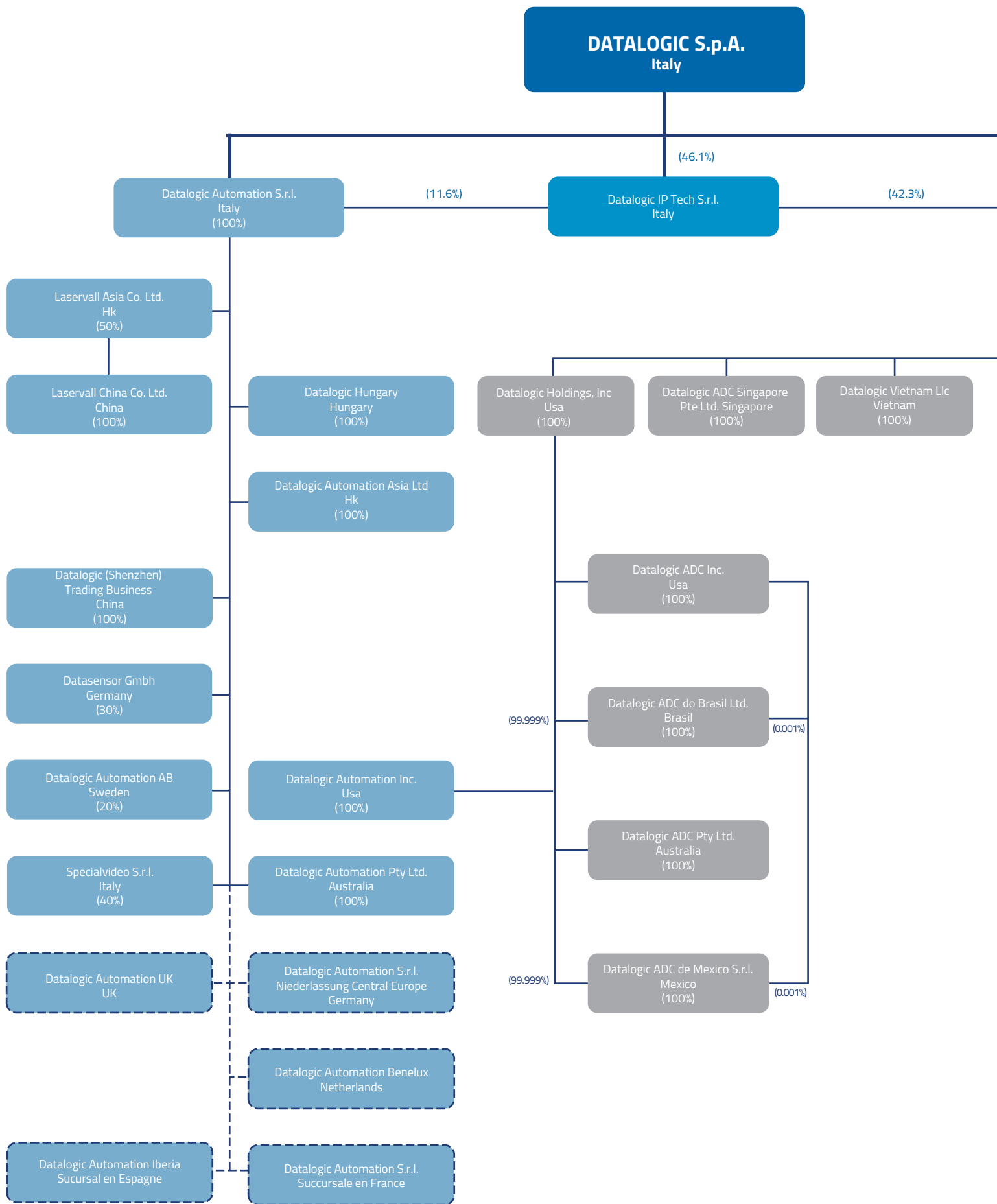
EBITDA (million Euros)**73.7****NET WORKING CAPITAL (million Euros)****4.1**

— % on revenues

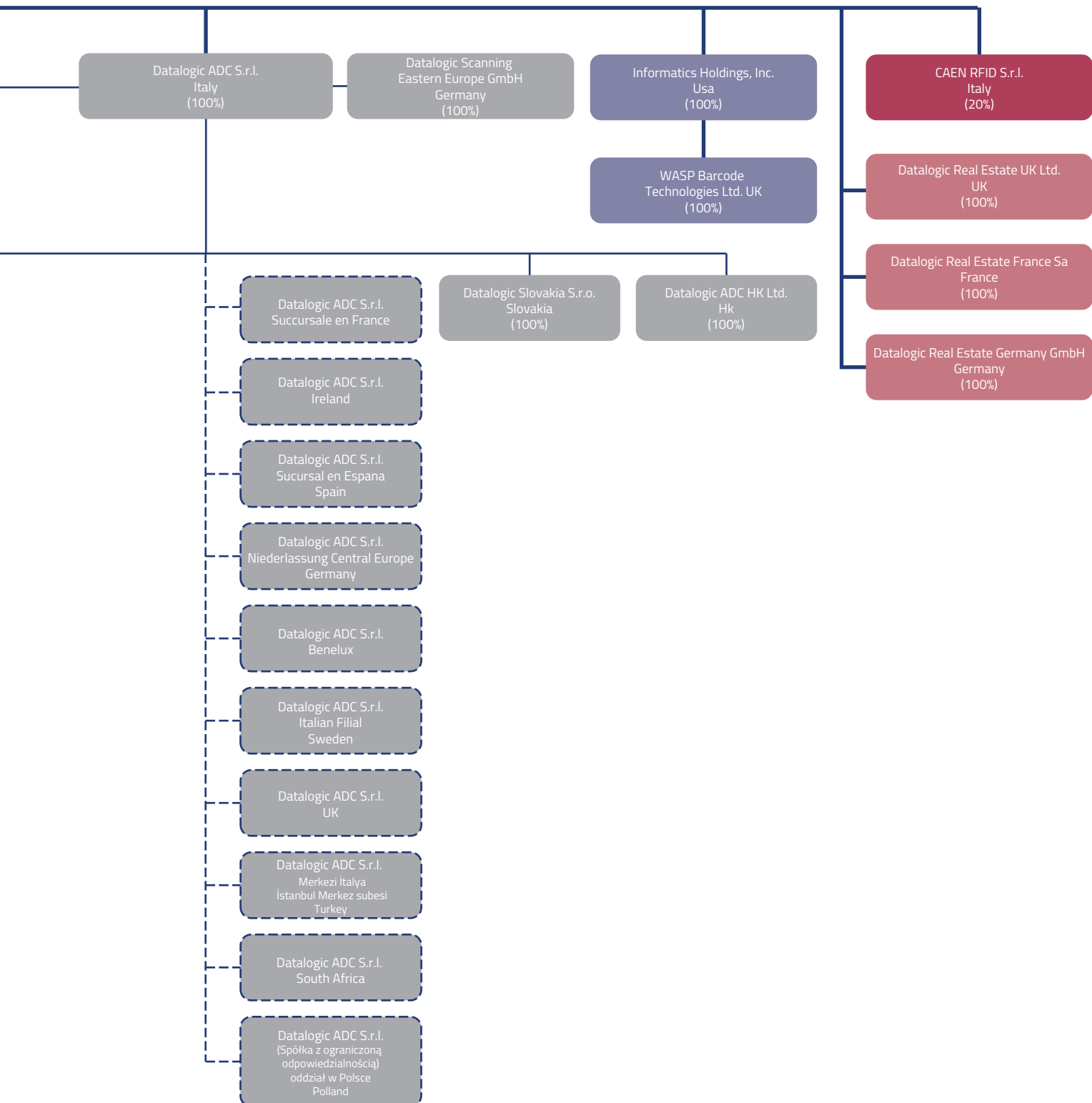
NET FINANCIAL POSITION (million Euros)**-21.0**

**UNIQUE
HYGIENICAL
PROTECTION**





—— Legal Entity
- - - - Branch



Composition of Corporate Bodies



Composition of Corporate Bodies

BOARD OF DIRECTORS ⁽¹⁾

Romano Volta

Chairman & Chief Executive Officer ⁽²⁾

Carlo Achille Aversa

Director

Pier Paolo Caruso

Director

Luigi Di Stefano

Independent Director

Gaia Mazzalveri

Independent Director

Pietro Todescato

Director

Filippo Maria Volta

Director

Valentina Volta

Director

STATUTORY AUDITORS ⁽³⁾

Mario Fuzzi ⁽⁴⁾

Chairman

Mario Stefano Luigi Ravaccia

Statutory Auditor

Francesca Muserra

Statutory Auditor

Stefano Biordi

Alternate Statutory Auditor

Paola Bonfranceschi

Alternate Statutory Auditor

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 2017.

(2) Legal representative with respect to third parties.

(3) The Statutory Auditors in office until the approval of the accounts for the financial year ending 31 December 2015.

(4) The Chairman will remain in office until the next General Meeting.



Management Report



Report on Operations

To our Shareholders,

the report for the year ended 31 December 2015, 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 31 December 2015 in comparison with the same period a year earlier (figures in Euro thousands):

(€/000)	31.12.2015	31.12.2014	Change	Change %
Total revenues	535,068	464,546	70,522	15.2%
EBITDA (*)	73,748	69,443	4,305	6.2%
% of total revenues	13.8%	14.9%		
Group net profit/loss	40,547	30,857	9,690	31.4%
% of total revenues	7.6%	6.6%		
Net Financial Position (NFP) (**)	(20,961)	(55,718)	34,757	-62.4%

(*) **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 35.

As at 31 December 2015, the **Datalogic Group had revenues of €535,068 thousand (€464,546 thousand in the previous year)**, of which €508,338 thousand derived from product sales and €26,730 thousand from services.

Revenues increased by 15.2% compared to the previous year; at constant Euro/Dollar exchange rates they would have increased by 5.9%. This improvement, stemming from a continuous product innovation, aimed at meeting customers' needs, involved both ADC and IA divisions and the main reference markets, especially Europe, China and United States, where the distribution network was significantly strengthened.

The booking (already acquired orders) achieved €563.3 million, up by 17.6% compared to the same period of 2014. In 2015, the impact on turnover generated by new products (launched in the last 24 months) was equal to 26.7%.

Group EBITDA was €73,748 thousand, corresponding to 13.8% of total revenues, an increase of 6.2% compared with the same period of the previous year (€69,443 thousand as at 31 December 2014, +8.6% at constant exchange rates).

The decrease in margin is primarily due to the exchange rate effect, net of which the margin would have been 15.3%, thanks to the confirmation of high margins of the ADC Division, as well as the results of operating cost-saving measures.

Group net profit, which as at 31 December 2015 was €40,547 thousand, is 31.4% higher than the profit obtained in the previous year, equal to €30,857 thousand.

Events in 2015

During 2015, the Company continued the development focused on the following strategic priorities:

- Focus on customers and technological innovation;
- Increase of market shares in markets with the largest growth potential;
- Development of human resources.

FOCUS ON CUSTOMERS AND TECHNOLOGICAL INNOVATION

The target is to place the customer at the centre of the entire value chain, by fulfilling and staying ahead of the customer's needs in terms of increased efficiency and quality of the Company's own activities. Being close to customers and paying attention to their needs is the driver of growth; moreover, technological innovation boots future development. Greater resources have been allocated to innovation (€48,244 thousand invested in Research, up by 11.9% compared to the previous year and **equal to 9.0% of revenues**). The impact on turnover generated by new products (launched in the last 24 months) amounted to 26.7%. To confirm the validity and strategic importance of ongoing R&D projects, in December the Parent Company signed a loan agreement with the European Investment Bank (EIB) for a total amount of €30 million, with a 5-year amortisation period.

INCREASE OF MARKET SHARES IN MARKETS WITH THE LARGEST GROWTH POTENTIAL

The expansion phase in both fast growing and mature markets continued in 2015 through the implementation of the organisational structure dedicated to end customers, in addition to special channels, and a focus on the range of applications aimed to retail, transport and logistics sectors, as well as the manufacturing industry and health care.

Moreover, the new commercial office in Cape Town was opened on 2 December 2015. The new office in South Africa reflects the growing strategic importance that the region holds for Datalogic, where the Company has rooted its presence since 2013.

DEVELOPMENT OF HUMAN RESOURCES

The motivation, passion and dedication of Datalogic's employees are one of the Group's undeniable strong points.

In 2015, the investment in the sHaRe management platform, available to Group personnel, continued with the launching of new applications (HC Reporting, 360° evaluation and the completion of the performance management system), as well as the beginning of the development of new modules (E-Recruitment, E-Compensation).

The definition and construction project of the Datalogic Company Culture started at end 2015. This led to the definition of 10 key values, which are fundamental to the behaviour expected for each single individual within the Group.

FURTHER EVENTS OCCURRED OVER THE YEAR

A medium-term refinancing operation was completed with a pool of Banks on 24 February, for a total amount of €140 million, an arm's length interest rate and a five-year duration with covenants substantially in line with the Group best practice for similar operations. This transaction allows for the further improvement of the financial structure by extending the duration of medium-term debt from almost two years to around four years, and reducing the average cost of debt.

On 28 April, the Shareholders' Meeting appointed the Company's new Board of Directors for the 2015–2017 period.

On 13 May, Michele Marchesan was appointed Senior Vice President and Chief Human Resources Officer.

On 29 May, an agreement was signed with Royal Mail for the implementation of a new sorting out automated system in around 20 postal centres in the United Kingdom. The total value of the order is around €29 million.

On 7 August, following the resignation of Bill Parnell, Pietro Todescato was appointed new CEO of Datalogic ADC.

On 10 December, an agreement was signed for the acquisition of 20% share capital in CAEN RFID S.r.l., a leading company in RFID-Radiofrequency Identification in the Ultra High Frequency (UHF) band, and with headquarter in Tuscany. Moreover, a trade agreement was signed which envisaged, amongst other, the joint development of new products, the use by Datalogic of CAEN RFID components to manufacture new products and the distribution of CAEN RFID products under Datalogic brand.

On 18 December, a loan agreement was signed with the European Investment Bank (EIB), for a total amount of €30 million, with a 5-year amortisation period, aimed at supporting investments, R&D activities and the Group's technological innovation.

On 29 December, the Alternate Auditor Mario Fuzzi took over the office of Mr. Enrico Cervellera, after his resignation as Chairman of the Board of Statutory Auditors. Mr. Mario Fuzzi will remain in office until the next Shareholders' Meeting of the Company.

On 31 December, the Chief Information Officer ("CIO"), Mr. Giovanni Sgalambro, ended his collaboration with the Datalogic Group. The Company has already begun its search for a new CIO.

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:

(€/000)	31.12.2015		31.12.2014 Reclassified		Change	Var. %
Total revenues	535,068	100.0%	464,546	100.0%	70,522	15.2%
Cost of sales	(286,450)	-53.5%	(236,101)	-50.8%	(50,349)	21.3%
Gross Profit	248,618	46.5%	228,445	49.2%	20,173	8.8%
Other revenues	3,504	0.7%	2,239	0.5%	1,265	56.5%
Research and development expenses	(48,244)	-9.0%	(43,108)	-9.3%	(5,136)	11.9%
Distribution expenses	(101,095)	-18.9%	(88,205)	-19.0%	(12,890)	14.6%
General and administrative expenses	(39,521)	-7.4%	(39,146)	-8.4%	(375)	1.0%
Other operating costs	(2,041)	-0.4%	(2,206)	-0.5%	165	-7.5%
Total operating costs and other costs	(190,901)	-35.7%	(172,665)	-37.2%	(18,236)	10.6%
Ordinary operating result before non-recurring costs and revenues and administrative costs arising from acquisitions (EBITANR)	61,221	11.4%	58,019	12.5%	3,202	5.5%
Non-recurring costs and revenues	(2,564)	-0.5%	(5,618)	-1.2%	3,054	-54.4%
Depreciation and amortisation due to acquisitions (*)	(5,712)	-1.1%	(5,493)	-1.2%	(219)	4.0%
Operating Result (EBIT)	52,945	9.9%	46,908	10.1%	6,037	12.9%
Net financial income (expenses)	(4,622)	-0.9%	(8,111)	-1.7%	3,489	-43.0%
Profits/(Losses) from associates	174	0.0%	25	0.0%	149	596.0%
Foreign exchange differences	3,087	0.6%	357	0.1%	2,730	764.7%
Pre-tax profit/(loss)	51,584	9.6%	39,179	8.4%	12,405	31.7%
Taxes	(11,037)	-2.1%	(8,322)	-1.8%	(2,715)	32.6%
Group Net Profit/(Loss)	40,547	7.6%	30,857	6.6%	9,690	31.4%
Depreciation and write-downs of Tangible assets	(7,812)	-1.5%	(7,199)	-1.5%	(613)	8.5%
Amortisation and write-downs of Intangible assets	(4,715)	-0.9%	(4,225)	-0.9%	(490)	11.6%
EBITDA	73,748	13.8%	69,443	14.9%	4,305	6.2%

(*) 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/revenues 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/revenues and depreciation and amortisation due to acquisitions and which matches figures reported in year-end financial statements.

It is noted that figures as at 31 December 2014 were reclassified under various items to render them consistent with figures related to 2015. For the details, reference is made to the Annex to the Financial Statements.

The **Gross Profit**, equal to €248,618 thousand, increased by 8.8% against €228,445 thousand reported in the previous year (4.1% at constant exchange rates), while its impact on revenues decreased from 49.2% in 2014 to 46.5% in 2015. This trend is mainly due to the combined effect of Euro/Dollar performance and the reduction in margin recorded by the System BU. Net of these effects, the Group gross profit would have been equal to 49.9%.

Operating Costs, equal to €190,901 thousand, increased by 10.6% (at constant exchange rates the increase would have been 2.8%), compared to €172,665 thousand of 2014. Their impact on turnover, however, improved from 37.2% to 35.7%. R&D costs, the true lever for a sustainable growth, increased from €43,108 thousand to €48,244 thousand (+11.9% compared to 2014). Their impact on revenues remained substantially unchanged (9% compared to 9.3% reported in 2014). Distribution costs stood at €101.1 million, up by 14.6% compared to 2014, mainly due to the strengthening of sales in North America, while General and Administrative expenses increased by 1% only, reporting €39.5 million thanks to a higher control of the same.

As at 31 December 2015, item non-recurring costs and (revenues), primarily due to internal reorganisation activities, showed a balance of €2,564 thousand.

The breakdown of this item is as follows:

Items (€/000)	Amount	Type of cost
1) "Cost of goods sold"	241	early retirement incentives
Total	241	
2) "R&D expenses"	92	early retirement incentives
Total	92	
3) "Distribution expenses"	688	early retirement incentives
3) "Distribution expenses"	310	commissions
Total	998	
4) "General and administrative expenses"	825	early retirement incentives
4) "General and administrative expenses"	408	consulting
Total	1,233	
Total non-recurring costs	2,564	

As at 31 December 2015, depreciation and amortisation due to acquisitions (totalling €5,712 thousand) broke down as follows:

(€/000)	31.12.2015	31.12.2014	Change
Acquisition of the PSC group (on 30 November 2006)	2,513	2,099	414
Acquisition of Laservall S.p.A. (on 27 August 2004)	0	221	(221)
Acquisition of Informatics Inc. (on 28 February 2005)	120	602	(482)
Acquisition of Evolution Robotics Retail Inc. (on 1 July 2010)	631	527	104
Acquisition of Accu-Sort Systems Inc. (on 20 January 2012)	2,448	2,044	404
Total	5,712	5,493	219

The "Ordinary Operating Result" (EBITANR) was €61,221 thousand (11.4% of revenues) and up by 5.5% over the amount registered for the same period of the previous year (€58,019 thousand).

The **Operating Result (EBIT)** increased by 12.9%, from €46,908 thousand, recorded in the previous year, to €52,945 thousand (+25.8% at constant exchange rates).

The following table compares the main operating results achieved in the fourth quarter 2015 with the same period of 2014.

(€/000)	QIV 2015		QIV 2014		Change	Change %
Total revenues	143,773	100.0%	124,482	100.0%	19,291	15.5%
M.O.L. (EBITDA)	20,670	14.4%	17,436	14.0%	3,234	18.5%
Ordinary Operating Result (EBITANR) (*)	17,409	12.1%	14,400	11.6%	3,009	20.9%
Operating Result (EBIT)	14,856	10.3%	9,756	7.8%	5,100	52.3%

(*) see definition on page 24.

The following table compares the main operating results achieved in the fourth quarter of 2015 with those achieved in the third quarter of 2015.

(€/000)	QIV 2015		QIII 2014		Change	Change %
Total revenues	143,773	100.0%	133,810	100.0%	9,963	7.4%
M.O.L. (EBITDA)	20,670	14.4%	18,752	14.0%	1,918	10.2%
Ordinary Operating Result (EBITANR) (*)	17,409	12.1%	15,478	11.6%	1,931	12.5%
Operating Result (EBIT)	14,856	10.3%	13,404	10.0%	1,452	10.8%

(*) see definition on page 24.

The fourth quarter 2015 reported a better performance than the last two years, both in terms of growth in revenues and increased profitability. An acceleration was reported in this quarter, compared to the same period of the previous year, with revenues that increased to €143,773 thousand, with a 15.5% growth compared to the fourth quarter 2014 (at constant exchange rates they would have stood at €134.8 million, +8.3%) and 7.4% compared to the previous quarter.

EBITDA increased over the quarter to €20,670 thousand, with 10.2% growth compared to the third quarter 2015 and 18.5% compared to the fourth quarter 2014.

The booking (already acquired orders) during the quarter was equal to €158.2 million, up by 21.3% compared to the fourth quarter 2014.

Segment disclosure

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, mainly couriers, areas. It comprises product ranges related to: fixed bar code readers using imager and laser technology, the photoelectric sensors and equipment for industrial automation and security, smart remote cameras and software for artificial vision, industrial laser markers.

Informatics – this Company, which is based in the United States, sells and distributes products and solutions for the management of inventories and mobile assets tailored for 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** as at 31 December 2015 and 31 December 2014 are as follows:

(€/000)	ADC		Industrial Automation		Informatics		Corporate		Adjustments		Total Group	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
External sales	361,635	308,197	146,050	130,254	27,383	26,124	0	0	0	(29)	535,068	464,546
Intersegment sales	2,331	1,510	34	47	0	0	36,451	24,918	(38,816)	(26,475)	0	0
Total sales	363,966	309,707	146,084	130,301	27,383	26,124	36,451	24,918	(38,816)	(26,504)	535,068	464,546
Ordinary Operating Result (Divisional EBITANR)	73,630	67,428	6,108	5,424	(223)	1,098	5,179	(5,745)	(23,473)	(10,186)	61,221	58,019
% of revenues	20.23%	21.77%	4.18%	4.16%	(0.81)%	4.20%	14.21%	(23.06)%	60.47%	38.43%	11.44%	12.49%
Operating Result (Divisional EBIT)	49,589	56,074	(678)	(974)	(343)	(1,472)	4,693	(6,535)	(316)	(185)	52,945	46,908
% of revenues	13.62%	18.11%	(0.46)%	(0.75)%	(1.25)%	(5.63)%	12.87%	(26.23)%	0.81%	0.70%	9.90%	10.10%
Financial Income (expenses)	(6,947)	(7,796)	(1,640)	(1,602)	(289)	(118)	27,744	24,895	(20,229)	(23,108)	(1,361)	(7,729)
Fiscal income (expenses)	(7,724)	(9,793)	803	575	256	479	(4,406)	378	34	39	(11,037)	(8,322)
Amortisation, depreciation and write-downs	(10,714)	(9,343)	(4,903)	(4,549)	(329)	(778)	(2,304)	(2,281)	11	34	(18,239)	(16,917)
Divisional EBITDA	81,199	74,144	8,564	7,709	(14)	1,274	7,483	(3,464)	(23,484)	(10,220)	73,748	69,443
% of revenues	22.31%	23.94%	5.86%	5.92%	(0.05)%	4.88%	20.53%	(13.90)%	60.50%	38.56%	13.78%	14.95%
R&D expenses	(39,027)	(30,176)	(17,942)	(14,670)	(1,180)	(764)	(13,596)	(13,395)	23,501	15,897	(48,244)	(43,108)
% of revenues	(10.72)%	(9.74)%	(12.28)%	(11.26)%	(4.31)%	(2.92)%	(37.30)%	(53.76)%	(60.54)%	(59.98)%	(9.02)%	(9.28)%

Costs in 2014 were reclassified under various items to render them consistent with figures related to 2015. For the details, reference is made to the Annex to the Financial Statements.

For the purposes of a better representation of divisional operating results, we chose to highlight the Divisional EBITDA as monitoring KPI of economic performance related to each single operating sector, in line with the data that are periodically reviewed by the top management for a decision-making on resources to be allocated to the sector and the evaluation of its results.

Reconciliation between **EBITDA, EBITANR and Profit/(Loss) before tax** is as follows:

(€/000)	31.12.2015	31.12.2014
EBITDA	73,748	69,443
Depreciation and write-downs of Tangible assets	(7,812)	(7,199)
Amortisation and write-downs of Intangible assets	(4,715)	(4,225)
EBITANR	61,221	58,019
Non-recurring costs and revenues	(2,564)	(5,618)
Depreciation and amortisation due to acquisitions (*)	(5,712)	(5,493)
EBIT (Operating Result)	52,945	46,908
Financial Income	37,617	26,831
Financial expenses	(39,152)	(34,585)
Profits from associates	174	25
Pre-tax profit/(loss)	51,584	39,179

(*) see definition on page 24.

DATALOGIC ADC

In addition to Datalogic ADC S.r.l. and the related European branches, the Datalogic ADC Division comprises Datalogic Slovakia Sro, Datalogic Vietnam Llc and the commercial branches located in the United States, as well as in Australia and Asia.

The Automatic Data Capture (ADC) Division, specialised in the manufacture of fixed bar code readers for the retail market, manual readers and mobile computers for warehouse management, recorded a turnover of €96.2 million in the fourth quarter 2015, a 15.7% (+8.5% at constant exchange rates) increase compared to the fourth quarter 2014. The positive performance is due to the award of important tenders for the supply of bench scanners and hand-held readers in the Retail segment, mainly in North America. As at 31 December 2015, the ADC Division recorded a turnover of €363,966 thousand, up by 17.5% compared to December 2014. This improvement is significant also at constant exchange rates (+8.2%). Europe recorded sales amounting to €196,065 thousand, equal to 53.9% of total revenues, while North America recorded revenues of €94,376 thousand, equal to 25.9% of total revenues.

The Gross Profit, equal to €172,226 thousand, is 47.3% of revenues, an improvement compared to 50.8% over 2014.

Operating Costs, which include R&D, distribution and general and administrative expenses, amounted to €100,914 thousand, up by €10,010 thousand compared to the previous year, mainly due to the increase in Distribution expenses, equal to €54,356 thousand, up by 12.8% and mainly due to the strengthening of the distribution structure.

Divisional EBITDA was €81,199 thousand, corresponding to 22.3% of total revenues, a decrease compared to 23.9% over the previous year.

Net Profit as at 31 December 2015 was €34,918 thousand (9.6% of revenues).

DATALOGIC INDUSTRIAL AUTOMATION

The **Industrial Automation Division**, specialised in the production of automatic identification systems, security, detection and marking for the Industrial Automation market, in the fourth quarter 2015 reported a turnover of €42.7 million, an increase of 21.3% compared to the fourth quarter of 2014 (+14.9% at constant exchange rates). The Division also benefits from the execution by the Business Unit Systems of the first tranche of the Royal Mail order, for the amount of around €4.2 million. Excluding the Business Unit Systems, revenues of the Division increased by 11.7% to €35.0 million (+6.6% at constant exchange rates), thanks to a double-digit increase in T&L in North America and Factory Automation in APAC.

As at 31 December 2015, the Automation Division reported revenues amounting to €146,084 thousand, up by 12.1% compared to revenues of €130,301 thousand recorded during the previous year (+4.7% at constant exchange rates). Revenues recorded in Europe totalled €65,234 thousand, equal to 44.7% of the total amount; revenues in North America amounted to €32,004 thousand, equal to 21.9% of total revenues. Excluding the Business Unit Systems, revenues of the Division increased by 12.6%, to 129 million (+6.2% at constant exchange rates). This growth was driven by the launching of new products in the segment of automatic identification and sensors, dedicated to the Factory Automation and T&L segment.

Gross Profit, equal to €65,446 thousand, is in line compared to the previous year.

Operating Costs, which include R&D, distribution and general and administrative expenses, amounted to €63,875 thousand, up by €8,252 thousand compared to the prior year.

Divisional EBITDA of Industrial Automation was €8,564 thousand, corresponding to 5.9% of total revenues.

Lastly, **Informatics** reported a turnover of €27.4 million compared with €26.1 million in 2014.

The statement of financial position information relating to operating sectors as at 31 December 2015 compared with the information as at 31 December 2014 is as follows:

(€/000)	ADC		Industrial Automation		Informatics		Corporate		Adjustments		Total Group	
	31.12.15	31.12.14	31.12.15	31.12.14	31.12.15	31.12.14	31.12.15	31.12.14	31.12.15	31.12.14	31.12.15	31.12.14
Total Assets	644,360	587,938	302,179	226,237	24,604	21,423	782,593	677,215	(1,064,560)	(912,534)	689,176	600,279
Non-current assets	159,226	148,927	99,247	85,149	15,270	12,967	33,635	30,756	573	797	307,951	278,596
Tangible assets	19,226	17,787	18,671	10,734	2,711	2,568	27,806	26,098	(30)	(30)	68,384	57,157
Intangible assets	140,000	131,140	80,576	74,415	12,559	10,399	5,829	4,658	603	827	239,567	221,439
Equity investments in associates	76,241	69,287	6,387	6,213			155,190	155,190	(235,836)	(228,882)	1,982	1,808
Total Liabilities	423,679	398,989	245,880	173,420	7,245	5,504	541,641	463,614	(827,529)	(682,539)	390,916	358,988

Sector information by region as at 31 December 2015 and 31 December 2014 is broken down as follows:

(€/000)	31.12.2015	31.12.2014	Change
Revenues per geographic area			
Revenues in Italy	45,798	44,489	2.9%
Revenues in Europe	222,735	199,484	11.7%
Revenues in North America	161,063	132,644	21.4%
Revenues in Asia & Pacific	71,490	57,327	24.7%
Revenues in Rest of the World	33,982	30,602	11.0%
Total revenues	535,068	464,546	15.2%

(€/000)	31.12.2015	31.12.2014	Adjustments 31.12.2015	Adjustments 31.12.2014	Consolidated 31.12.2015	Consolidated 31.12.2014	Change
Non-current assets							
Italy	381,456	394,815			381,456	394,815	-3.4%
Europe	35,062	26,152			35,062	26,152	34.1%
North America	392,696	354,370			392,696	354,370	10.8%
Rest of the World	16,198	13,446			16,198	13,446	20.5%
Eliminations and adjustments			(429,333)	(441,899)	(429,333)	(441,899)	-2.8%
Total	825,412	788,783	(429,333)	(441,899)	396,079	346,884	14.2%

Performance by business segment and R&D activities

DATALOGIC ADC

Research and Development expenses for the year amounted to €39,027 thousand, with respect to ADC Division. The R&D activities carried out during 2015 by the ADC Division are described hereunder, by reason of the fact that they are deemed more significant to describe the performance of Research activities. The ADC Division has three R&D centres situated in Italy, America and Vietnam.

Hand-held readers (HHRs)

In 2015 Datalogic ADC confirmed its leadership position as to manual bar code readers; 2015 sales at global level amounted to €171,000 thousand (21%), an increase compared to the previous year.

The year 2015 was an excellent year, both for the category of multiple use readers, where sales increased by 18.4%, and industrial readers. The latter segment played a significant role in the total growth, reporting 57% increase compared to the previous year. The roll-out of around 23 thousand units at one of the US largest industry retailers is worth noting.

Excellent results have been achieved also thanks to the growth in the product range of 2D imaging readers, which reported +44.4% compared to 2014. Conversely, sales in imager 1D products decreased and the laser reader market remained unchanged.

The main products introduced in 2015 are as follows:

- **QuickScan 2131:** the outstanding optical characteristics and the extra-wide scan line allow for an easier acquisition of longer and larger bar codes by the new scanner imager. These bar codes are commonly used, also at close range, in various application segments, such as bills of households utilities, transport documents and some parcels. The scanner beam, clear and well visible, renders the reader easy and intuitive to use. As for the other readers of the QuickScan series, the new Datalogic imager stands out for its elegant and modern design.
- **QM2131:** equipped with Datalogic STAR 2.0 Cordless System, for radio communications in narrow 433 MHz band, the device QM2131 linear imager guarantees safe communications free of interferences with Wi-Fi infrastructures, with low sensitivity to obstacles.
- **QBT 2131:** equipped with wireless Bluetooth®, this device can transmit data from the host through the base station, as well as through any Bluetooth compatible device available on the market. The QBT2131 linear imager is also able to connect any tablet with iOS or Android™ operating system, through the Bluetooth HID profile.
- **QD 2100 Quickscan:** the QuickScan I QD2100 linear imager reader is an entry level product that is perfect for use in retail and office environments, as well as activities related to couriers and postal services. The QD2100 is small, lightweight and its ergonomic design is comfortable to use. It offers snappy reading performance and is capable of reading a wide reading range of symbols, including the majority of 1D codes, as well as GS1 DataBar™ linear codes. The QD2100 reader was designed with durability in mind. One of the most vulnerable features of any scanner is damage to the scan window. When such accidents happen, the scanner may have to be replaced. The QD2100 was specifically designed so that a replacement window pack can be ordered to replace damaged or scratched windows without having to return the scanner for repairs. This helps to reduce the total cost of ownership during the life of the scanner and helps to ensure that it is always available for use.
- **HD3400 Heron:** the new scanner Datalogic Heron™ HD3430 2D is an area imager with an elegant design, equipped with a bar code reading technology of the latest generation and it is the ideal solution for the acquisition of data in the modern sales points. This new scanner can be customised with corporate identity brands, as the top cover can be marked with a logo and bear the desired colours. It is also possible to have dedicated visual and audio feedbacks.

Checkout scanners

Datalogic is the world leader in developing solutions for the automatic acquisition of data (ADC) related to sales in the retail sector by offering revolutionary solutions, innovations in the high-performance checkouts, automatic scanning, advanced imaging readers, personal shopping and visual recognition. In 2015, Datalogic continued to be the world's number one for data collection using in-counter or on-counter readers in the retail segment. The Magellan brand is world renowned for its top quality and extreme reliability. Turnover is growing by 18.9%, compared to the previous year. The sales of the new Magellan 9800I increased remarkably. In 2015, the installation of the Jade X7 Automated Scanning device continued at some of the most important retailers in the world. Datalogic presented the next generation of Magellan 9300I e 9400I scanner imaging devices in order to provide customers with a range of high performance scanners at a competitive price.

Major products introduced in 2015:

- **9300I Magellan:** the new series of high performance bar code readers. With a multi-plane digital imager technology, the 9300I scanners easily read both 1D and 2D bar codes, thus allowing the operator to rapidly and continuously work with no need for correctly orienting the product. With a traditional layout, wide windows for the vertical and horizontal reading can be easily placed inside the counter or in self-checkout stations with touchscreen. This is easily interfaced with any type of payment terminal or printer. The Customer Service Scanner (CSS) allows retailer to easily implement mobile commerce programs. Shoppers can easily self-scan the bar codes of promotional coupons from both mobile devices and paper-based coupons.
- **9400I Magellan:** this device is similar to the 9300I version, but is also equipped with a full digital scanner for 2D bar codes on a multi-plane. The acquisition of images, Datalogic Clear™ Glass, is available also in the multi-plane imaging scanner/scale version, complete with three processors capable of improving the performance of the scanner and supporting the Digimarc™ technology.

Mobile computing store automation

In 2015, the Mobile Computing Business Unit reported its best year, with a turnover higher than €100,000 thousand, up by 10% compared to the previous year, thus confirming and reinforcing its third position at world level. The strong growth in North America and the continuing increase in the EMEA region, more than offset a certain weakness in the emerging markets.

A number of innovative projects were started in 2015 and will result in new important products in 2016 and 2017.

The main products introduced in 2015 are as follows:

- **Joya X2 General Purpose:** the Joya™ X2 General Purpose (GP) with 2D imaging technology, is the standard mobile computer version of the Joya device, usually used in Self-Shopping. This was mainly studied as simple and intuitive solution to manage the shop-floor and inventory activities in a retail environment, rather than for the access control in the Entertainment applications or applications in the Transport segment. The Joya X2 GP is equipped with a new keyboard layout, with special setups to use the device for the mobile computing data collection (offered with Software Development Kit (SDK) Datalogic CE6, for the development of C/C++ and .NET applications).
- **QUEUE Busting Application:** with the Queue Busting app, the operator reads the bar codes of the products directly in the trolleys or baskets by using the Joya™ device, connected to a mobile printer, while the customer waits in a queue. The service is therefore optimised, especially in busiest shopping hours. Satisfaction of shoppers is therefore increased as they benefit from a quick and immediate checkout. At the end of the reading, the printer prints a label with a 2D code which includes all information on the items that had been previously scanned. Upon checkout, the operator carries out the first scan of the 2D bar code and then prints the sales receipt reporting the total amount of the shopping.
- **DL-Axist:** the first full rugged Datalogic Android full touch PDA was presented on the occasion of the NRF 2016 meeting. Featuring a 5"HD screen, with the best Wi-Fi connection available on the market and advanced 2D images for data collection. With the Datalogic SoftSpot™ a new and more efficient way to make the best use of touchscreen potentialities is now available.
- **Joya Touch:** previewed on the occasion of the NRF 2016 meeting, the latest self-shopping device, the Joya Touch, features a number of innovations: wireless recharge and fast battery recharge, easily convertible from pod to reader and equipped with Datalogic SoftSpot™ technology.

DATALOGIC INDUSTRIAL AUTOMATION

Research and Development expenses for the year amounted to €14,670 thousand, with respect to Industrial Automation Division. The R&D activities carried out during 2015 by the Datalogic Industrial Automation Division are described hereunder, by reason of the fact that they are deemed more significant to describe the performance of Research activities.

Identification

2015 was a very positive year for the ID range products and excellent results were achieved in all markets. During the year, a new range of DS8110 and DX8210 industrial laser scanners was launched, a long-standing tradition of excellence of the 8000 series, with additional functions which confer higher value to customers and operators in the transport and logistics sectors. The Imager 2D Matrix range has grown dramatically thanks to the successful application of new SW functions, including, but not limited to the innovative DL.CODE graphical interface and the new decoder algorithms for Direct Part Marking, but also thanks to the launching on the market of new models including Matrix 210N, an ultracompact imager with electronic autofocus, a pioneering solution in the industrial production within the Electronics, Automotive, Pharmaceutical and Food & Beverage segments.

The ID Business Unit, amid the most active in the production of Intellectual Properties, performed a number of researches of the utmost innovative content, both technological and process-related, within the projects financed by the Emilia Romagna region.

Lasermarking

In the Lasermarking Business Unit, products for industrial marked excellent results on all markets, especially the European market.

During the year, this BU completed the development of a new, highly innovative, laser product called UniQ™.

This marker is based on the proprietary Fiber Laser technology and it is characterised by distinctive elements, including extremely reduced size and immunity as regards industrial environments, as well as the "ALL-IN-ONE" approach, i.e. the total absence of external devices such as check devices or power systems. Their launch on the market is expected in April 2015.

In 2015, the Lasermarking BU developed a new marking system, based on the MOPFA technology owned by the Group. This new product completes the already existing portfolio, while allowing the penetration in niche markets and applications that are not covered by the current solutions.

This product will be launched in the first quarter of 2016.

Sensors & Safety

With regard to security devices, the development of a new range of SLIM barriers was completed in 2015. This solution was born to be perfectly compatible with any machine, thanks to its reduced size and high mechanical flexibility. This is the simplest and most flexible solution designed to protect automatic or semi-automatic machines, where saving space is a key feature and where the

close dangerous areas and the frequent interventions of operators require a photoelectric barrier that must be perfectly integrated in the machine framework.

Moreover, Datalogic has developed the innovative SG4-H safety barrier, first and only on the market with stainless steel container and IP69K protection for applications in the aseptic environment of the pharmaceutical industry.

In the sensor and photoelectric device segment, a new version of contrast readers was developed within the consolidated family of TL46, characterised by a very low uncertainty of response time, which is the key feature for applications in the sector of printing machines.

A new miniature-sized family S45 was also introduced. This is the most complete range of reduced-size formats today available in the Automation market. This offers a wide range of optical functions, types of luminous emissions and models with advanced detection functions, particularly suited to all applications for food, as well as bottling and pharmaceutical industries.

Vision

The Vision Business Unit introduced the line of MX-U Vision processors and the related next generation of high speed U Cameras, which is capable of supporting the USB3 technology, necessary to meet requirements of high speed applications. It also improved performance of SW IMPACT, which is now up to 5 times higher than in past times. The family of P-series smart cameras has now been widened with the new colour devices.

In 2015, important new management features of fieldbuses were introduced, for the communication with PLC, on the entire product range.

In the software development area, the first OCR-dedicated product was introduced; it is easy and intuitive to use and based on the family of P-series smart cameras.

The already undergoing development was completed in 2015. This led to the definition of a solution for the optical character recognition (OCR): IMPACT+ OCR.

The IMPACT+OCR device was launched on 29 September. This is the most rapid and innovative solution for inspections of variable data printing in the food industry.

The complete solution envisages a pre-configured combination of camera and dedicated software which facilitates the development of solutions aimed at monitoring variable data printing. The solution includes the P-Series compact smart camera and a graphics user interface which allows for the quick configuration of any type of OCR (Optical Character Recognition) app.

IMPACT+ OCR offers an easy and rapid inspection of variable data printing, with no need for special programming abilities of vision machine systems. The very intuitive software will guide the user in the configuration of the system, step-by-step. The key characteristics include multiple OCR readings, the ability to store various inspection proceedings in memory and a customizable operator interface.

Especially suited for OCR applications in the food industry, IMPACT+ OCR ensures effective results in the reading of batch numbers, checks on expiry dates and traceability of serial numbers. Combined with thermal transfer printers, IMPACT+ OCR ensures a high printing quality and increases safety and traceability of packaging processes of food and drinks.

Systems

On 29 May 2015, Datalogic signed an agreement with Royal Mail for the implementation of a new sorting out automated system in around 20 postal centres in the United Kingdom.

Royal mail is the most important postal company in the United Kingdom, able to deliver envelopes, letters and parcels to more than 29 million addresses. The new automatic sorting out systems will increase speed and efficiency of the process, while ensuring traceability of the parcels within the entire corporate network.

Through the Systems BU (with headquarter in Telford, Pennsylvania), Datalogic will supply turn-key solutions for the total value of around €29 million, including:

- planning, software, controls, management programme, management of sub-contractors, installation, servicing, training and support;
- automatic unloading of parcels;
- conveyor and introduction lines for the conveying of parcels;
- dimensions, weight and volume of parcels (DWS);
- system management and integration software.

In 2015, the Division benefited from the execution of the first tranche in the Royal Mail order, for an amount of around €4.2 million.

Social, political and trade union climate

The year 2015 was characterised by the continuing implementation of the important business renewal and strengthening strategy, as well as Group growth, strongly endorsed by the Group CEO through the identification of three key actions:

- focus on Customers and technological innovation;
- increase of market shares in markets with the largest growth potential;
- development of human resources.

Within the investment in environment and management of human resources, in 2015 the Group continued its investment in the sHaRe management platform, available to Group personnel, with the evaluation of performance and assignment of goals.

The definition and construction project of the Datalogic Company Culture started at end 2015. This led to the definition of 10 key values, which are fundamental to the behaviour expected for each single individual within the Group.

Customer orientation, as well as Innovation and Long-life expectancy were identified as the three key pillars of the organisation.

In 2015 as well, still striving to improve services to internal customers, the Company continued to hire new persons in the Human Resource Function, both in the Corporate and Regional Areas structures.

Datalogic also consistently implemented staff training initiatives. The Company took advantage of most of the resources available for the financed training, with a focus on: skill development in R&D, methodologies and knowledge of instruments used and project management. Moreover, a remarkable portion of training hours was dedicated to the fulfilment of regulatory obligations as regards security and health on workplace, as set forth in the Leg. Decree 81/08 and the 2011 Agreement between the central Government and Italian Regions. This year as well, attention was paid to the need for English courses.

As regards Industrial Relations, in 2015 negotiations started with Trade Unions for the renewal of the second level Agreement, and the agreement on the Production Bonus for 2015 and 2016 was renewed, for the Italian employees, based on the same growth and profitability targets established in the Group Budget.

Over 2015, organisational changes continued in some Corporate functions. Operations and Customer Administration, once duplicated and operating in each single Division, were classified as Corporate functions, in addition to Quality and Procurement, already included in the Corporate function in 2014. These changes will also allow to introduce, for these two corporate functions, uniform and global systems and processes for the management of activities worldwide.

The inception of an evolution process in the general structure of the Company was also announced, aimed at the achievement of an organisation structured with respect to Datalogic's main reference markets, called Industries (Retail, Transportation & Logistics, Factory Automation and Health Care).

The aforesaid contributed to reinforce the corporate spirit and the feeling of belonging.

Analysis of financial and capital data

The following table shows the main financial and equity items for the Datalogic Group as at 31 December 2015, compared with 31 December 2014.

(€/000)	31.12.2015	31.12.2014
Net intangible assets	56,547	57,027
Goodwill	183,020	164,412
Net tangible assets	68,384	57,157
Unconsolidated equity investments	6,607	5,289
Other non-current assets	49,288	42,348
Non-current capital	363,846	326,233
Net trade receivables from customers	68,765	70,184
Amounts due to suppliers	(101,711)	(92,167)
Inventories	69,477	62,416
Net Working Capital, trading	36,531	40,433
Other current assets	28,643	31,408
Other current liabilities and provisions for short term risks	(61,025)	(57,937)
Net Working Capital	4,149	13,904
Other M/L term liabilities	(26,773)	(24,766)
Employee severance indemnity	(6,814)	(7,201)
Provisions for risks	(15,187)	(11,161)
Net invested capital	319,221	297,009
Total Shareholders' Equity	(298,260)	(241,291)
Net Financial Position	(20,961)	(55,718)

Net Working Capital, trading as at 31 December 2015 amounted to €36,531 thousand, down compared €40,433 thousand as at 31 December 2014.

Net Working Capital as at 31 December 2015 amounted to €4,149 thousand (€13,904 thousand as at 31 December 2014). The decrease of €9,755 thousand compared to 31 December 2014, is mainly attributable to the increase in trade payables, which increased from €92,167 thousand at end 2014 to €101,711 thousand as at 31 December of this year, and to the increase in the item other payables, amounting to €3,088 thousand.

As at 31 December 2015, the net financial position is broken down as follows:

(€/000)	31.12.2015	31.12.2014
A. Cash and bank deposits	126,166	85,993
B. Other cash and cash equivalents	46	160
b1. Restricted cash deposit	46	160
C. Securities held for trading	361	361
c1. Short-term	0	0
c2. Long-term	361	361
D. Cash and equivalents (A) + (B) + (C)	126,573	86,514
E. Current financial receivables	0	3,234
F. Other current financial receivables	0	0
f1. Hedging transactions	0	0
G. Bank overdrafts	45	141
H. Current portion of non-current debt	32,973	74,699
I. Other current financial payables	6,355	1,135
i1. Hedging transactions	6	0
i2. Payables for leasing	260	247
i3. Current financial payables	6,089	888
J. Current financial debt (G) + (H) + (I)	39,373	75,975
K. Current financial debt, net (J) - (D) - (E) - (F)	(87,200)	(13,773)
L. Non-current bank borrowing	139,639	88,950
M. Other non-current financial assets	31,872	20,290
N. Other non-current liabilities	394	831
n1. Hedging transactions	115	262
n2. Payables for leasing	279	569
O. Non-current financial debt (L) - (M) + (N)	108,161	69,491
P. Net Financial Debt (K) + (O)	20,961	55,718

Net Financial Debt as at 31 December 2015 was negative by €20,961 thousand, an improvement of €34,757 thousand compared to 31 December 2014, (€55,718 thousand).

Note that the following transactions were carried out in the period:

- payment of dividends of €10,471 thousand,
- cash outflows for leaving incentives amounting to €2,542 thousand.

Investments were also made, net of disposals, amounting to €22,010 thousand.

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

(€/000)	31 December 2015		31 December 2014	
	Total Equity	Period results	Total Equity	Period results
Parent Company Shareholders' Equity and profit	250,417	27,474	223,915	23,647
Difference between consolidated companies' Net Equity and their carrying value in the Parent Company's financial statements; effect of equity-based valuation	108,261	76,703	79,786	60,159
Reversal of dividends		(63,097)		(51,890)
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	(11,826)	(244)	(14,115)	(1,499)
Reversal of write-downs and capital gains on Equity investments	6,121		6,121	
Sale of know-how	(7)		(7)	
Goodwill impairment	(1,395)		(1,395)	
Other	(1,133)	(324)	(801)	155
Deferred taxes	4,047	35	4,012	285
Group Shareholders' Equity	298,260	40,547	241,291	30,857

Ordinary shares and treasury shares

The item "Treasury shares", amounting to €4,488 thousand, includes capital gains/(losses) resulting from the sale of treasury shares, net of purchases and related charges (€6,941 thousand). In 2015, the Group purchased 82,517 treasury shares for a total amount of €829 thousand, accounted for excluding purchase costs (€2 thousand).

For these purchases, in accordance with Article 2357 of the Italian Civil Code, the Treasury share reserve, in the amount of €2,453 thousand, was made unavailable by using the Share premium reserve.

Financial Income/(Expenses)

(€/000)	31.12.2015	31.12.2014	Change
Financial Income/(Expenses)	(2,262)	(5,823)	3,561
Foreign exchange differences	3,087	357	2,730
Bank expenses	(3,304)	(2,643)	(661)
Other	944	355	589
Total Net Financial Income/(Expenses)	(1,535)	(7,754)	6,219

Financial Income was negative by €1,535 thousand, compared to a negative result of €7,754 thousand related to the same period of the previous year, mainly to:

- better results in the financial management attributable to the significant decrease in "Interest expenses on bank current accounts/loans" due to the entering of a new loan agreement with a pool of banks for the amount of €140 million and the redemption, at the same time, of previous loans amounting to €126 million. This transaction allowed for an increase in the average life of the financial debt and the reduction in the related charges.
- a more favourable performance of exchange rate differences, which had a positive increase of €2,730 thousand.

The "Bank expenses" item mainly includes:

- the portion pertaining to the upfront fees period, paid upon opening of long-term loans, in the amount of €1,428 thousand, of which €1,250 thousand are connected with the early redemption of some long-term loans (€996 thousand as at 31 December 2014);
- factoring costs, amounting to €839 thousand (€925 thousand in 2014), related to commissions without recourse.

The “Other” item includes dividends received by the Mandarin fund and the company Idec Corporation and Specialvideo, totalling €572 thousand.

Profits generated by companies carried at Equity were recognised in the amount of €174 thousand (compared with losses of €25 thousand as at 31 December 2014).

Exposure to various types of risk

The Datalogic Group is exposed to various types of corporate risk in carrying out its business. Financial risks (market risk, credit risk and liquidity risk) will be discussed more detail later on. The key corporate risks affecting the financial and economic situation of the Group are as follows:

- a) Staff skills: the Group’s business is closely related to the technical skills of its employees, especially in the areas of research and development. To limit this risk, the Group carries out actions with a view to increasing its ability to attract and maintain highly qualified personnel, including implementation of advanced human resources management tools (such as managerial training programmes) and a positive work environment.
- b) Protection of technology: the Group reference market is characterised by the design and production of high-tech products, with the resulting risk that the technologies adopted might be copied and used by other operators in the sector. With regard to this risk, the Group has made considerable investments in the area of intellectual property over several years, and today holds more than 1,200 patents (including patents granted and patents for which an application was filed).
- c) Difficult procurement: the Group is exposed to contained procurement risk thanks to a strategy whereby every component is sourced from several suppliers. In the few cases when components are sourced from a single supplier, the Group maintains adequate inventories of the critical components, in order to minimize the risks related to this situation.
- d) Competition: the Datalogic Group operates in a market that is extremely dynamic and potentially attractive for new operators with financial means greater than those of the Company. To mitigate the risk associated with these events, the Company maintains a high level of investment in Research & Development (around 9.0% of revenues as at 31 December 2015) and a large portfolio of patents which represents a significant barrier to the entry of new competitors. The Datalogic Group also has a strong commercial structure (direct presence in the key countries where the Group operates) and a solid network of commercial partners which makes it possible to ensure a high level of customer service and thus achieve a high degree of loyalty.

Financial risk management objectives and policies

In carrying out its business, the Datalogic Group is exposed to various financial risks: market risk, credit risk and liquidity risk.

Market risk is connected with the Group’s level of exposure to financial instruments that generate interest (**interest rate risk**) and due to transactions that generate cash flows in other currencies that fluctuate in value against the Euro (**exchange rate risk**).

The Group monitors each of the financial risks mentioned, duly intervening in order to minimise them, sometimes with hedging derivatives. The Parent Company manages most of the market and liquidity risks, whereas credit risks are managed by the Group’s operating units. For more information on financial risks and financial instruments, please refer to the relevant section in the Notes to the Accounts, which includes disclosure in accordance with IFRS 7.

Information on Company ownership/ Corporate governance report

Pursuant to and by the effects of article 123-bis, paragraph 3, of Legislative Decree 58 of 24 February 1998 (as subsequently amended), the Board of Directors of Datalogic S.p.A. has approved a report on corporate governance and Company ownership for the year ended 31 December 2015, separate from the management report, containing information pursuant to paragraphs 1 and 2 of article 123-bis above.

This report is available to the public on the Company's Internet site www.datalogic.com

Pursuant and by the effects of Art. 37, par. 2 of the Consob Regulation 16191/2007, it is worth noting that, in the meeting held on 7 May 2015, the Board of Directors deemed that the presumption as per Art. 2497-sexies of the Italian Civil Code does not apply as the subsidiary Datalogic is not subject to the direction and coordination of the Parent Company Hydra S.p.A.. This taking account of the fact that, in addition to the merely financial nature of Hydra, the following indexes (case law and academic processing), in the presence of which the exercise of that activity is possible, are not reported, namely:

- interlocking directorates between Parent Company and subsidiary;
- a major role of the Parent Company in the setting up of intercompany guarantee plans;
- a major role of the Parent Company in the setting up of strategic plans related to the entire Group;
- a major role of the Parent Company in the setting up of budgets related to the entire Group;
- a major role of the Parent Company in the setting up of risk organisation charts for Group companies;
- a major role of the Parent Company in the preparation of codes of conducts and policies which can be applied to the Group;
- an exchange of seconded personnel between Parent Company and subsidiary;
- the existence of a central decision-making structure as regards selection, training, hiring, organisation of workforce;
- the existence of contract relations between Parent Company and subsidiary, the conclusion and maintenance of which are conditional to the existence and maintenance of the decision-making capacity of the subsidiary;
- the existence of guidelines or directives "imposed" by the Parent Company on the planning of market strategies, as well as extraordinary financial transactions (acquisitions, disposals, etc.) carried out by the subsidiary;
- a central treasury service, or other centralised "financial assistance" functions held by the Parent Company;
- the subsidiary's faculty to carry out autonomous negotiations as regards relations with customers, suppliers, banks or other entities;
- the absence of autonomy and independence of the subsidiary's Board of Directors as regards decision-making.

Other information

Datalogic S.p.A. indirectly controls some companies established and governed by non-European Union countries and that have a relevant importance as per Article 36 of the Consob Regulation 16191/2007 on the market regulation ("Market Regulation").

Also pursuant to the aforesaid regulation, the Company has implemented in-house procedures to monitor the compliance with provisions set out by the Consob Regulations. In particular, the appropriate corporate management carry out a timing and periodical identification of relevant "extra-EU" countries and, with the collaboration of the companies involved, the collection of data and information is ensured, as well as the assessment of issues envisaged in the aforesaid Article 36.

It should be however stated that Datalogic is fully complying with provisions set out in Article 36 of the above-mentioned Consob Regulation 16191/2007, and that conditions envisaged therein are present.

The Company complied with the opt-out system set forth in Articles 70, paragraph 8, and 71, paragraph 1-bis, of the Issuer Regulation (implementation regulation of the Italian Consolidated Law on Finance (TUF), concerning the rules for issuers, adopted by Consob with Resolution 11971 of 14 May 1999, as amended later), by making use of the right to depart from the obligation to publish information documents required on the occasion of significant mergers, demergers, capital increase by non-cash contributions, acquisitions and sales.

Related parties

With Resolution no. 17221 of 12 March 2010, also pursuant and by the effects of article 2391-bis of the Italian Civil Code, Consob adopted the Regulation with provisions on transactions with related parties, then amended with Resolution no. 17389 dated 23 June 2010 ("Consob Rules").

In accordance with the Consob Rules, in order to ensure transparency, as well as substantive and procedural rectitude in transactions carried out by Datalogic with "related parties" pursuant to the aforesaid Consob Rules, on 4 November 2010, the Company approved a specific and structured procedure for transactions with related parties (last amendment on 24 July 2015), which can be found on the internet site www.datalogic.com.

Pursuant to Article 5, par. 8, of the Consob Regulation, it should be noted that, over the period 31 January 2015 to 31 December 2015, the Company's Board of Directors did not approve any relevant transaction, as set out by Article 3, par. 1, lett. b) of the Consob Regulation, or any transaction with minority related parties that had a significant impact on the Group's Equity position or profit/(loss).

Tax consolidation

The Parent Company Datalogic S.p.A. and other Italian subsidiaries fall within the scope of the "domestic tax consolidation" of Hydra S.p.A.. This permits the transfer of total net income or the tax loss of individual participant companies to the Parent Company, which calculates a single taxable income for the Group or a single tax loss carried forward, as the algebraic sum of the income and/or losses, and therefore files a single tax liability or credit with the Tax Authorities.

Law no. 190/2014, par. 37-45, as amended by Art. 5 of the Law Decree no. 3/2015 introduced in the Italian legislation the so-called «optional Patent box regime», which envisaged a facilitated taxation on income resulting from the use of some types of intangible assets by holders of corporate income who carry out some R&D activities.

Following this proceeding, the Parent Company Datalogic S.p.A. and the subsidiary Datalogic IP Tech S.r.l. adhered to this optional regime, the effects of which, in terms of facilitated taxation, while awaiting the definition of the implementing provisions thereof, have not been prudentially recognised in the financial statements ended 31 December 2015.

Outlook for current year and subsequent events

A growth in revenues, higher than general market growth, is expected in 2016, above all in the markets of Europe and North America, where the Group is expecting a consolidation of the competitive position and a double digit growth, respectively.

Our Customers' satisfaction is the centre of the value chain of the Datalogic Group. Striving to meet the Customers' needs and the cutting-edge technology of the products are the key drivers for the achievement of the Group growth targets which, in 2016, will witness a more canalised response to market needs, with special focus on the range of applications aimed at the retail, transport and logistics sectors.

The Group will continue to invest resolutely in Research and Development, and will benefit from the increase in margins, expected to be obtained mainly from projects aimed at streamlining production and operating costs, following the reorganisation and centralisation projects of activities and internal organisational functions.

Within this framework, we deem that both Datalogic Divisions are in a favourable position to seize the market opportunities thanks to the huge investments made in Research and Development and in the sales network, as well as go to market strategies aligned to the sectors of reference.

On 4 March, following the resignation of Mr. Sergio Borgheresi (Group CFO and Investor Relator at the date of approval of the annual financial statements as at 31 December 2015), the Company has already started the search for a new Group CFO and appointed Mr. Stefano Biordi as ad interim Group CFO of Datalogic.

The Board of Directors, upon favourable opinion of the Board of Statutory Auditors, has also assigned to Mr. Biordi the office (and related responsibilities) of manager in charge of the preparation of the Company's accounting documents. The office of Investor Relator was instead assigned to Mrs. Vincenza Colucci.

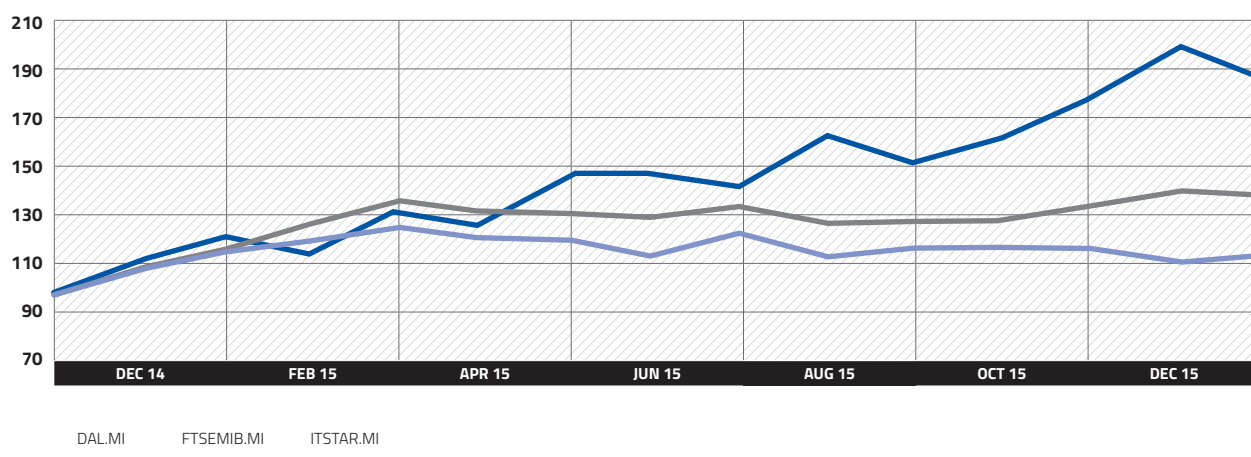
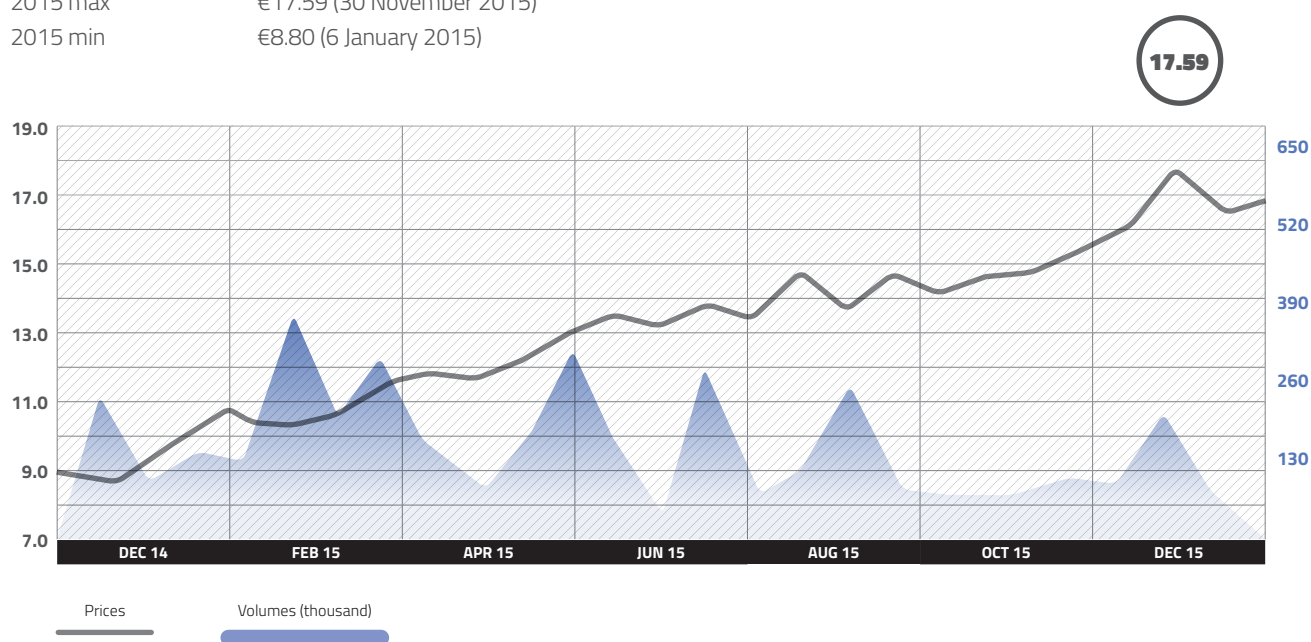
Stock market performance

Datalogic S.p.A. has been listed on the Borsa Italiana since 2001 - STAR segment of the MTA, Italy's screen-based stock market, which comprises medium-sized companies with market capitalisations of between €40 million and €1 billion, committed to meeting standards of excellence.

During 2015, the share reported a positive performance of 84.7%, and outperformed the shares belonging to the FTSE MIB by 72.7%. The security reached a maximum value of €17.59 per share on 30 November 2015 and a minimum value of €8.80 on 6 January 2015. The average daily volumes exchanged in 2015 were approximately 74,277 shares (substantially unchanged over the prior year).

STOCK EXCHANGE 2015

Segment	STAR - STAR - MTA
Bloomberg Code	DAL.IM
Reuters Code	DAL.MI
MKT Cap	€958.5 million as at 31 December 2015
Number of shares	58,446,491 (of which 274,610 treasury shares)
2015 max	€17.59 (30 November 2015)
2015 min	€8.80 (6 January 2015)



RELATIONS WITH INSTITUTIONAL INVESTORS AND SHAREHOLDERS

Datalogic actively strives to maintain an ongoing dialogue with Shareholders and institutional investors, periodically arranging meetings with representatives of the Italian and international financial community, including annual roadshows organised by Borsa Italiana for companies belonging to the STAR segment.

During 2015, the Company met over 160 institutional investors, up by 24% over the prior year, in “one to one, lunch meeting” and the following corporate events:

- London Roadshow Berenberg, 12 February
- Intermonte Investment Conference, 13 March
- Star Conference - Milan, 24-25 March
- Kepler Investment Conference - Milan, 11 June
- Equita Reverse Roadshow Germany – Bologna, 22 June
- Star Conference London, 2 October
- Venice Mediobanca, 27 November
- Conference Call on the financial results

Secondary locations

The Parent Company has no secondary locations.

Allocation of the year's earnings

To our Shareholders,

we believe that the management report, which accompanies the statutory year-end accounts of the Company and the Datalogic Group's consolidated year-end financial statements, provides exhaustive illustration of the performance and results achieved in 2015.

Since the financial statements of Datalogic S.p.A. show a net operating profit for the year of €27,473,742 the Board of Directors proposes to:

- allocate €161,490 to the legal reserve in order to adjust it to one fifth of the share capital, pursuant to Art. 2430 of the Italian Civil Code;
- allocate €3,438,277 of earnings to the reserve for unrealised gains on exchange, pursuant to Art. 2426 8-bis of the Italian Civil Code;
- distribute an ordinary unit dividend to Shareholders, gross of legal withholdings, of 25 cents per share with coupon detachment on 9 May 2016 (record date 10 May 2016) and payment from 11 May 2016, for a maximum amount of €14,611,623;
- carry forward the remainder of the year's earnings.

The Chairman of the Board of Directors
(Mr. Romano Volta)



Consolidated financial statement



Consolidated Statement of Financial Position

ASSETS (€/000)	Notes	31.12.2015	31.12.2014
A) Non current assets (1+2+3+4+5+6+7)		396,079	346,884
1) Tangible assets		68,384	57,157
Land	1	5,763	5,365
Buildings	1	32,299	24,698
Other assets	1	28,029	22,673
Assets in progress and payments on account	1	2,293	4,421
2) Intangible assets		239,567	221,439
Goodwill	2	183,020	164,412
Development costs	2	5,349	6,809
Other	2	47,829	49,031
Assets in progress and payments on account	2	3,369	1,187
3) Equity investments in associates	3	1,982	1,808
4) Financial assets		35,718	24,132
Equity investments	5	4,625	3,481
Securities	5	361	361
Other	5	30,732	20,290
5) Loans	5	1,140	
6) Trade and other receivables	7	1,929	1,721
7) Deferred tax assets	13	47,359	40,627
B) Current assets (8+9+10+11+12+13+14)		293,097	253,395
8) Inventories		69,477	62,416
Raw and ancillary materials and consumables	8	18,056	12,367
Work in progress and semi-finished products	8	24,409	21,896
Finished products and goods	8	27,012	28,153
9) Trade and other receivables	7	82,345	84,783
Trade receivables	7	68,765	70,184
trade receivables from third parties	7	67,309	68,894
trade receivables from associates	7	1,447	1,281
trade receivables from related parties	7	9	9
Other receivables - accrued income and prepaid expenses	7	13,580	14,599
of which with related parties		75	75
10) Tax receivables	9	15,063	16,809
of which to the Parent Company		7,383	8,719
11) Financial assets	5	0	3,234
Securities		0	0
Other		0	3,234
12) Loans		0	0
13) Financial assets - Derivative instruments	6	0	0
14) Cash and cash equivalents	10	126,212	86,153
Total assets (A+B)		689,176	600,279

Consolidated Statement of Financial Position

LIABILITIES (€/000)	Notes	31.12.2015	31.12.2014
A) Total Shareholders' Equity (1+2+3+4+5)	11	298,260	241,291
1) Share capital	11	146,659	147,490
2) Reserves	11	35,618	7,894
3) Profits/(Losses) of previous years	11	75,436	55,050
4) Group profit (loss) for the period/year	11	40,547	30,857
5) Minority interests	11	0	0
B) Non current liabilities (6+7+8+9+10+11+12)		188,807	132,909
6) Financial payables	12	139,918	89,519
7) Financial liabilities - Derivative instruments	6	115	262
8) Tax payables	9	52	37
9) Deferred tax liabilities	13	23,172	21,648
10) Post-employment benefits	14	6,814	7,201
11) Provisions for risks and charges	15	15,187	11,161
12) Other liabilities	16	3,549	3,081
C) Current liabilities (13+14+15+16+17)		202,109	226,079
13) Trade and other payables	16	143,818	130,879
Trade payables	16	101,711	92,167
trade payables to third parties	16	101,468	91,611
trade payables to Parent Company	16		207
trade payables to associates	16	84	76
trade receivables to related parties	16	159	273
Other payables – accrued liabilities and deferred income	16	42,107	38,712
14) Tax payables	9	10,577	10,785
of which to the Parent Company		4,781	23
15) Provisions for risks and charges	15	8,341	8,440
16) Financial liabilities - Derivative instruments	6	6	0
17) Financial payables	12	39,367	75,975
Total liabilities (A+B+C)		689,176	600,279

Consolidated Statement of Income

(€/000)	Notes	31.12.2015	31.12.2014
1) Total revenues	17	535,068	464,645
Revenues from sale of products		508,338	441,567
Revenues from services		26,730	23,078
of which non-recurring			99
of which with related parties		5,660	6,053
2) Cost of goods sold	18	286,691	237,170
of which non-recurring	18	241	1,069
of which with related parties		342	316
Gross Profit (1-2)		248,377	227,475
3) Other operating revenues	19	3,504	2,239
of which with related parties		8	7
4) R&D expenses	18	48,441	43,196
of which non-recurring	18	92	
of which amortisation, depreciation and write-downs pertaining to acquisitions		105	88
of which with related parties	18	4	9
5) Distribution expenses	18	102,093	89,324
of which non-recurring	18	998	1,119
of which with related parties		133	46
6) General and administrative expenses	18	46,361	46,501
of which non-recurring	18	1,233	1,950
of which amortisation, depreciation and write-downs pertaining to acquisitions	18	5,607	5,405
of which with related parties		926	1,093
7) Other operating expenses	18	2,041	3,785
of which non-recurring			1,579
of which with related parties	18	4	
Total operating costs		198,936	182,806
Operating result		52,945	46,908
8) Financial Income	20	37,617	26,831
of which with related parties		16	27
9) Financial expenses	20	39,152	34,585
Net financial income (expenses) (8-9)		(1,535)	(7,754)
10) Profits from associates	3	174	25
Profit/(Loss) before taxes from the operating assets		51,584	39,179
Income tax	21	11,037	8,322
Profit/(Loss) for the period		40,547	30,857
Basic earnings/(loss) per share (€)	22	0,6969	0,5306
Diluted earnings/(loss) per share (€)	22	0,6969	0,5306

Consolidated Statement of Comprehensive Income

(€/000)	Notes	31.12.2015	31.12.2014
Net profit/(loss) for the period		40,547	30,857
Other components of the Statement of Comprehensive Income:			
<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	98	90
of which tax effect		(43)	(34)
Profit/(Loss) due to translation of the accounts of foreign companies	11	19,466	15,431
Profit/(Loss) on exchange rate adjustments for financial assets available for sale	11	291	218
of which tax effect		77	(83)
Reserve for exchange rate adjustment	11	7,862	8,309
of which tax effect		(1,941)	(3,151)
Total other components of the Statement of Comprehensive Income which will be restated under profit/(loss) for the year		27,717	24,048
<i>Other components of the Statement of Comprehensive Income which will be restated under profit/(loss) for the year:</i>			
Actuarial (loss)/gain on defined-benefit plans			
of which tax effect		7	
Total other components of the Statement of Comprehensive Income which will be restated under profit/(loss) for the year		7	0
Total profit/(loss) of Comprehensive Income Statement		27,724	24,048
Total net profit/(loss) for the period		68,271	54,905
Attributable to:			
Parent Company Shareholders		68,271	54,905
Minority interests		0	0

Consolidated Statement of Cash Flow

(€/000)	Notes	31.12.2015	31.12.2014
Pre-tax profit		51,584	39,179
Depreciation and amortisation of tangible and intangible assets and write-downs	1, 2	18,239	16,917
Change in employee benefits reserve	14	(387)	152
Provision to the write-down reserve	18	34	505
Net financial expenses/(income) including exchange rate differences	20	1,535	7,754
Adjustments to value of financial assets	3	(174)	(25)
Cash flow from operations before changes in Working Capital		70,831	64,482
Change in trade receivables (net of provision)	7	1,385	(736)
Change in final inventories	8	(7,061)	(8,613)
Change in current assets	7	1,019	923
Change in other medium/long-term assets	7	(208)	23
Change in trade payables	16	9,544	7,455
Change in other current liabilities	16	3,395	2,684
Other medium/long-term liabilities	16	468	433
Change in provisions for risks and charges	15	3,927	5,156
Commercial foreign exchange gains/(losses)	20	(3,479)	(2,680)
Foreign exchange effect of Working Capital		(782)	(583)
Cash flow from operations after changes in Working Capital		79,039	68,544
Change in tax		(14,692)	(8,104)
Foreign exchange effect of tax		1,954	1,986
Interest paid and bank expenses	20	(4,622)	(8,111)
Cash flow generated from operations (A)		61,679	54,315
(Increase)/Decrease in intangible assets excluding exchange rate effect	2	(4,431)	(1,474)
(Increase)/Decrease in tangible assets excluding exchange rate effect	1	(17,579)	(11,206)
Change in unconsolidated Equity investments	5	(1,144)	188
Changes generated by investment activity (B)		(23,154)	(12,492)
Change in LT/ST financial receivables	5	(8,234)	(20,348)
Change in short-term and medium-/long-term financial debt	12, 6	13,746	(63,537)
Financial foreign exchange gains/(losses)	20	6,566	3,037
Purchase/sale of treasury shares	11	(831)	10,490
Change in reserves and exchange rate effect of financial assets/liabilities, Equity and tangible and intangible assets		968	(4,710)
Dividend payment	11	(10,471)	(9,351)
Cash flow generated (absorbed) by financial assets (C)		1,744	(84,419)
Net increase/(decrease) in available cash (A+B+C)	10	40,269	(42,596)
Net cash and cash equivalents at beginning of year (Note 10)	10	85,852	128,448
Net cash and cash equivalents at year end (Note 10)	10	126,121	85,852

Changes in Consolidated Shareholders' Equity

Description (€/000)	Share capital and capital reserves	Reserves of Statement of Comprehensive Income					
	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
01.01.2014	137,000	(280)	(12,729)	(2,767)	(378)	0	(16,154)
Allocation of earnings	0						0
Dividends			0				0
Translation reserve	0						0
Change in IAS reserve	0						0
Sale/purchase of treasury shares	10,490						0
Other changes							0
Profit/(Loss) as at 31.12.2014	0						0
Total other components of the Statement of Comprehensive Income		90	15,431	8,309		218	24,048
31.12.2014	147,490	(190)	2,702	5,542	(378)	218	7,894

Description (€/000)	Share capital and capital reserves	Reserves of Statement of Comprehensive Income					
	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
01.01.2015	147,490	(190)	2,702	5,542	(378)	218	7,894
Allocation of earnings	0						0
Dividends			0				0
Translation reserve	0						0
Change in IAS reserve	0						0
Sale/purchase of treasury shares	(831)						0
Other changes							0
Profit/(Loss) as at 31.12.2015	0						0
Total other components of the Statement of Comprehensive Income		98	19,466	7,862	7	291	27,724
31.12.2015	146,659	(92)	22,168	13,404	(371)	509	35,618

Retained earnings						
Earnings carried forward	Capital contribution reserve	Legal reserve	IAS reserve	Total	Profit for the year	Total Group Shareholders' Equity
23,466	958	4,388	8,683	37,495	26,906	185,247
26,559		347		26,906	(26,906)	0
(9,351)				(9,351)		(9,351)
				0		0
				0		0
				0		10,490
			0	0		0
				0	30,857	30,857
						24,048
40,674	958	4,735	8,683	55,050	30,857	241,291
Retained earnings						
Earnings carried forward	Capital contribution reserve	Legal reserve	IAS reserve	Total	Profit for the year	Total Group Shareholders' Equity
40,674	958	4,735	8,683	55,050	30,857	241,291
29,675		1,182		30,857	(30,857)	0
(10,471)				(10,471)		(10,471)
				0		0
				0		0
				0		(831)
				0		0
				0	40,547	40,547
0				0		27,724
59,878	958	5,917	8,683	75,436	40,547	298,260

Explanatory notes to the consolidated financial statements



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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 S.p.A. (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 (Bologna).

The Company is a subsidiary of Hydra S.p.A., which is also based in Bologna and is controlled by the Volta family.

These consolidated financial statements as at 31 December 2015 include the figures of the Parent Company and its subsidiaries (defined hereinafter as the "Group") and its minority interests in associates.

The publication of the Financial Statements ended 31 December 2015 of the Datalogic Group was authorised by resolution of the Board of Directors dated 4 March 2016.

Presentation and content of the Consolidated Financial Statements

In accordance with European Regulation 1606/2002, since 2005 the consolidated financial statements have been prepared in compliance with the international accounting standards (IAS/IFRS) issued by the IASB (International Accounting Standards Board), and endorsed by the European Union, pursuant to European Regulation 1725/2003 and subsequent amendments, with all the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), formerly the Standing Interpretations Committee ("SIC"), endorsed by the European Commission at the date of approval of the draft financial statements by the Board of Directors of the Parent Company and contained in the relative EU Regulations published at this date, and in compliance with the provisions of Consob Regulation 11971 of 14 May 1999 and subsequent amendments.

The consolidated financial statements for the year ended 31 December 2015 consist of Statement of Financial Position, Income Statement, Statement of Comprehensive Income, Statement of Changes in Shareholders' Equity, Cash Flow Statement and Explanatory Notes.

We specify that, in the Statement of Financial Position, assets and liabilities are classified according to the "current/non-current" criterion, with specific separation of assets and liabilities held for sale.

Current assets, which include cash and cash equivalents, are those set to be realised, sold or used during the Company's normal operational cycle or in the 12 months following the reporting date; current liabilities are those whose extinction is envisaged during the Company's normal operating cycle or in the 12 months after the reporting date.

The Income Statement reflects analysis of costs grouped by function, as this classification was deemed more meaningful for comprehension of the Group's business result.

The Statement of Comprehensive Income presents the components that determine gain/(loss) for the period and the costs and revenues reported directly under Shareholders' Equity for transactions other than those set up with Shareholders.

The Cash Flow Statement is presented using the indirect method.

The Statement of Changes in Shareholders' Equity analytically details the changes occurring in the financial year and in the previous financial year.

In preparing the consolidated financial statements, the historic cost principle has been adopted for all assets and liabilities except for some tangible assets in the "Land and buildings" category which were revalued on transition to IFRS, as described later in this document, and some financial assets available for sale (AFS) for which the fair value principle is applied.

Preparation of IFRS-compliant financial statements requires the use of some estimates. Reference should be made to the section describing the main estimates made in this set of consolidated financial statements.

The accounting standards were uniformly applied at all Group companies and for all periods presented.

These financial statements are drawn up in thousands of Euro, which is the Group's "functional" and "presentation" currency as envisaged by IAS 21, unless otherwise indicated.

Consolidation standards and policies

subsidiaries

The control is obtained when the Group, as defined in IFRS 10, is exposed, or has rights, to variable returns from its involvement with the investee and, at the same time, has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if the Group has:

power over the investee, i.e. the investor has existing rights that give it the ability to direct the investee's relevant activities; exposure, or rights, to variable returns from its involvement with the investee; the ability to use its power over the investee to affect the amount of the investor's returns.

In general, it is assumed that the majority of votes entails a control. To support this assumption, and when the Group holds less than the majority of votes (or similar rights), the Group considers all relevant facts and circumstances in order to define whether it controls the investees, including:

- agreements with holders of other voting rights;
- rights resulting from agreements;
- voting rights and potential voting rights of the Group.

The Group reconsiders whether it has the control on an investee if the facts and circumstances show that changes occurred in one or more of the three elements used for the definition of control. An investee is consolidated when the Group obtains its control and the consolidation ends when the Group loses control. Assets, liabilities, revenues and costs of the investee, which is acquired or sold during the year, are included in the consolidated financial statements at the date in which the Group obtains the control until the date in which the Group no longer exercises control on the entity.

In order to ensure consistency with the Group accounting policies, when necessary the financial statements of the investees are adequately adjusted. All assets and liabilities, Shareholders' Equity, revenues, costs and intercompany cash flows related to transactions between Group entities are entirely derecognised under consolidation.

Changes in Equity investments in an investee that do not entail the loss of control are recognised in Shareholders' Equity.

If the Group loses control in an investee, all related assets (including goodwill), liabilities, minority interests and other components in the Shareholders' Equity must be derecognised, while any possible profit or loss will be recognised in the Income Statement. The Equity interest possibly maintained must be recognised at fair value.

Reciprocal payables and receivables and cost and revenue transactions between consolidated companies and the effects of all significant transactions between them have been eliminated.

More specifically, profits not yet realised with third parties, stemming from infragroup transactions and those included, as at reporting date, in the measurement of inventories have been eliminated where they exist.

Company combinations are accounted for by using the acquisition method. The cost of an acquisition is measured as the sum of the consideration transferred, measured at fair value on the acquisition date and the amount of minority interests in the acquired company. For all business combinations, the Group assesses whether to measure the minority interests in the acquired company at fair value or as a proportion of the minority shareholdings in the net identifiable assets of the acquired company. The acquisition costs are written off in the year and recognised under administrative expenses.

When the Group acquires a business, it classifies or designates the financial assets acquired or the financial liabilities assumed according to the terms of the contract, the economic terms and conditions in the other pertinent conditions as at the acquisition date. This includes the verification of whether an incorporated derivative must be separated from the primary contract.

If the business combination is carried out in more than one step, the Equity investment previously held is recalculated at fair value at the acquisition date and any resulting profit or loss is recognised in the Income Statement.

Any contingent consideration, to be recognised, is measured by the purchaser at fair value on the acquisition date. The change in fair value of the potential amount stated as asset or liability, as financial instrument under the scope of IAS 39 Financial instruments: Recognition and Measurement, must be recognised in the Income Statement.

Goodwill is initially measured at the cost, which is the surplus of the consideration paid and the amount recognised for the minority interests as compared to the net identifiable assets acquired and the liabilities undertaken by the Group. If the fair value of the acquired net assets exceeds the aggregate amount paid, the Group assesses whether all assets acquired and liabilities undertaken have been correctly identified and then reviews the procedures used to determine the amounts to be recognised at the acquisition date. If the new measurement highlights a fair value of net assets acquired, which is higher than the amount paid, the difference (profit) is recognised in the Income Statement.

After initial recognition, goodwill is measured at cost, less any cumulative impairment losses. In impairment testing, goodwill acquired in a business combination is allocated, since the acquisition date, to each Group CGU, which is expected will benefit from synergies of the business combination, regardless of the fact that other assets or liabilities related to the acquired entity are allocated to those CGUs.

ASSOCIATES

Associates are companies in which the Group has significant influence but does not exercise control over operations. Significant influence is presumed to exist when the Group holds 20 to 50 percent of voting rights.

Our consolidated financial statements for the year as at 31 December 2015 include our share of the profits and losses of associates, recognised in Equity, from the date when significant influence over operations began until cessation of the same.

Under the Equity Method, the Equity investment in an associate is initially recognised at cost and the carrying value is increased or decreased to recognise the portion of the profits or losses of the investee that are realised after the acquisition. The goodwill concerning the associate is included in the carrying value of the investment and is not subject to amortisation, nor to an individual impairment test.

The Group's share of associates' post-acquisition profits or losses is recognised in the Income Statement, whereas its post-acquisition share of changes in reserves is recognised in reserves. Cumulative post-acquisition changes are included in the investment's carrying value.

Unrealised profits relating to transactions between the Group and its associates are eliminated in proportion to the Group's interests in such associates. Unrealised losses are also eliminated unless the loss is considered to represent impairment of the assets transferred. Accounting standards adopted by associates have been modified when necessary to ensure consistency with the policies adopted by the Group.

Upon losing significant influence over an associate, the Group measures and recognises the residual Equity investments at fair value. Any difference between the carrying value of the equity investments on the date that significant influence is lost, as well as the fair value of the residual Equity investments and the consideration received must be recognised in the Income Statement.

Accounting policies and standards applied

The accounting criteria used to prepare the Datalogic Group's consolidated financial statements for the year ended 31 December 2015 are described below. The accounting standards described have been consistently applied by all Group entities.

PROPERTY, PLANT AND EQUIPMENT (IAS 16)

Owned tangible assets are initially recognised at the cost of contribution, purchase, or in-house construction. The cost comprises all directly attributable costs necessary to make the asset available for use (including, when significant and in the presence of effective obligations, the present value of the estimated costs for decommissioning and removal of the asset and for reinstatement of the location), net of trade discounts and allowances.

Some tangible assets in the "Land and buildings" categories, in line with IAS 16 provisions, were measured at fair value (market value) as at 1 January 2004 (IFRS transition date) and this value was used as the deemed cost. Fair value was calculated based on evaluation expertises performed by independent external consultants. The fair value was determined according to appraisals made by independent external consultants. The cost of buildings is depreciated net of the residual value estimated as the realisation value obtainable via disposal at the end of the building's useful life.

Costs incurred after purchase are recognised in the asset's carrying value, or are recognised as a separate asset, only if it is thought likely that the future economic benefits associated with the asset will be enjoyed and the asset's cost can be reliably measured. Maintenance and repair costs or replacement costs that do not have the above characteristics are recognised in the Income Statement in the year in which they are borne.

Tangible assets are depreciated on a straight-line basis each year - starting from the time when the asset is available for use, or when it is potentially able to provide the economic benefits associated with it - according to economic/technical rates determined according to assets' residual possibility of use and taking into account the month when they became available for use in the first year of utilisation.

Land is considered to be an asset with an indefinite life and therefore not subject to depreciation.

The depreciation rates applied by the Group are as follows:

Asset category	Annual depreciation rates
Property:	
Buildings	2% - 3.3%
Land	0%
Plant and equipment:	
Automatic operating machines	20% - 14.29%
Furnaces and appurtenances	14%
Generic/specific production plant	20% - 10%
Other assets:	
Plant pertaining to buildings	8.33% - 10% - 6.67%
Lightweight constructions	6.67% - 4%
Production equipment & electronic instruments	20% - 10%
Moulds	20%
Electronic office machinery	33% - 20% - 10%
Office furniture and fittings	10% - 6.67% - 5%
Cars	25%
Freight vehicles	14%
Trade show & exhibition equipment	11% - 20%
Improvements to third-party assets	Contract duration

If, regardless of the depreciation already posted, enduring impairment of value emerges, the asset is written down; if the reasons for devaluation disappear in later years, the original value is reinstated. The residual value and useful life of assets are renewed at least at each year-end in order to assess any significant changes in value.

Gains and losses on disposals are calculated by comparing the selling price with net carrying value. The amount thus determined is recognised in the Income Statement.

ASSETS HELD UNDER FINANCE LEASE CONTRACTS (IAS 17)

The fixed assets under financial leases are those fixed assets for which the Group has assumed all the risks and benefits connected with the ownership of the asset. Such assets are measured at the lower of fair value and present value of lease instalments at the time of contract signature, net of cumulative depreciation and write-downs. Financial lease instalments are recorded as described in IAS 17; specifically, each instalment is divided into principal and interest. The sum of the portions of principal payable at the reporting date is recorded as a financial liability; the portions of interest are recorded in the Income Statement each year until full repayment of the liability.

INTANGIBLE ASSETS (IAS 38)

Intangible assets are recognised under assets in the Statement of Financial Position when it is likely that use of the asset will generate future economic benefits and when the asset's costs can be reliably calculated. They are initially recognised at the value of contribution or at acquisition or production cost, inclusive of any ancillary costs.

Gains and losses on disposals are calculated by comparing the selling price with net carrying value. The amount thus determined is recognised in the Income Statement.

Goodwill

Goodwill is initially valued at the cost which is the difference between the consideration paid and the amount recognised for the minority interests as compared to the net identifiable assets acquired and the liabilities assumed by the Group. If the consideration is less than the fair value of the net assets of the acquired subsidiary, the difference is recognised in the Income Statement. It is an intangible asset with an indefinite life.

After initial recognition, goodwill is measured at cost less any cumulative impairment losses.

Goodwill is allocated to the cash generating units (CGUs) and is tested for impairment annually, or more frequently if events or changes in circumstances suggest possible loss of value, pursuant to IAS 36 – “Impairment of Assets”.

If the goodwill has been allocated to a cash generating unit (CGU) and the entity disposes of part of this unit, the goodwill associated with the sold unit must be included in the carrying value of the asset when the profit or loss on disposal is determined. The goodwill associated with the disposed asset must be determined on the basis of the values relating to the disposed asset and the part of the CGU that was maintained.

Research and Development expenses

As required by IAS 38, research costs are entered in the Income Statement at the time when the costs are incurred.

Development costs for projects concerning significantly innovative products or processes are capitalised only if it is possible to demonstrate:

- the technical possibility of completing the intangible asset in such a way as to make it available for use or sale;
- the intention of completing the intangible assets for use or sale;
- the ability to use or sell the intangible asset;
- the ability to reliably measure the cost attributable to the intangible asset during its development;
- the availability of adequate technical, financial or other resources to complete the intangible asset's development and for its use or sale;
- how the intangible asset will generate probable future economic benefits.

In the absence of any one of the above requirements, the costs in question are fully recognised in the Income Statement at the time when they are borne.

Development costs have a finite useful life and are capitalised and amortised on a straight-line basis from the start of the product's commercial production for a period equal to the useful life of the products to which they relate, estimated to be five years.

Other intangible assets

Other intangible assets consist of:

- software acquired under licence, valued at purchase cost;
- specific intangible assets purchased as part of acquisitions that have been identified and recognised at fair value at acquisition date according to the purchase method of accounting mentioned above;
- a licence agreement arranged during the course of the fourth quarter 2010 and then renewed upon expiration.

These assets are considered to be intangible assets of finite duration and are amortised over their presumable useful life (see the next table).

Amortisation

Intangible assets of finite duration are systematically amortised according to their projected future usefulness, so that the net value at the reporting date corresponds to their residual usefulness or to the amount recoverable according to corporate business plans. Amortisation starts when the asset is available for use.

The useful life for each category is detailed below:

Description	Useful Life - years
Goodwill	Indefinite useful life
Development costs	5
Other intangible assets:	
- Software licences (other than SAP licences)	3/5
- Patents (formerly PSC)	20
- Customers (formerly PSC)	10
- Trademarks	3/10
- "Service agreement" (formerly PSC)	4
- Know-how (Laservall)	7
- Commercial structure (Laservall)	10
- Commercial structure (Informatics)	10
- Patents (Evolution Robotics Retail Inc.)	10
- "Trade Secret" (Evolution Robotics Retail Inc.)	10
- Patents (former Accu Sort inc)	10
- "Trade Secret" (former Accu Sort inc)	10
- SAP licences	10
- User licences	Contract duration

Intangible assets with an indefinite useful life are not amortised but tested to identify any impairment of value annually, or more frequently when there is evidence that the asset may have suffered impairment.

IMPAIRMENT (IAS 36)

Tangible and intangible assets are tested for impairment in the presence of specific indicators of loss of value, and at least annually for intangible assets with an indefinite life and goodwill.

The aim of this impairment test is to ensure that tangible and intangible assets are not carried at a value exceeding their recoverable value, consisting of the higher between their fair value and selling costs and their value in use.

Value in use is calculated based on the future cash flows that are expected to originate from the asset or CGU (Cash Generating Unit) to which the asset belongs. Cash flows are discounted to present value using a discount rate reflecting the market's current estimate of the time value of money and of the risks specific to the asset or CGU to which presumable realisation value refers.

Given their autonomous ability to generate cash flows, the Group's CGUs are defined as being the individual consolidated companies.

If the recoverable value of the asset or CGU, to which it belongs, is less than the net carrying value, the asset in question is written down to reflect its impairment, with recognition of the latter in the Income Statement for the period.

Impairment losses relating to CGUs are allocated firstly to goodwill and, for the remaining amount, to the other assets on a proportional basis.

If the reasons causing it cease to exist, impairment is reversed within the limits of the amount of what would have been the book value, net of amortisation of the historical cost, if no impairment had been recognised.

Any reinstatements of value are recognised in the Income Statement. In the case of goodwill, impairment value is never reversed.

FINANCIAL ASSETS (IAS 39)

In accordance with IAS 39, the Group classifies its financial assets in the following categories:

Financial assets at fair value with contra entry in the Income Statement: these are financial assets acquired primarily with the intention of making a profit from short-term price fluctuations and designated as such from the outset; they are recognised at fair value and any changes during the period are recognised in the Income Statement. Within the Group this category includes securities classified among current assets.

Loans and receivables: they are financial assets other than derivatives with a fixed or calculable payment flow and which are not listed in an active market. They are recognised according to the amortised cost criterion using the effective interest rate method. They are classified as "current assets", apart from those due after 12 months, which are classified as non-current assets. Within the Group this category includes trade receivables, other receivables and cash.

Available for sale financial assets: these are financial assets other than derivatives, which are not classified in other categories; they are valued at fair value and related changes are entered in an Equity reserve. They are classified under non-current assets, unless they are intended to be sold within 12 months. Within the Group this category includes investments in other companies and securities.

The fair value of listed securities is based on current market prices. If a financial asset's market is not active, the Group establishes fair value by using recent transactions taking place close to balance sheet date or by referring to other instruments of substantially the same kind or using discounted cash-flow (DCF) models.

In some circumstances, the Group does not have sufficient information to calculate the fair value of these financial assets. In this case, they are maintained at cost.

A financial asset (or, where applicable, the portion of a financial asset or part of a group of similar financial assets) is removed from the financial statements when:

- the rights to receive the cash flows from the asset have been extinguished;
- the Group has transferred the right to receive cash flows from the asset or has assumed the contractual obligation to pay them to a third party in their entirety and without delay and:
 - (a) has transferred essentially all the risks and benefits of ownership of the financial asset or
 - (b) has not transferred or essentially held all the risks and benefits of the asset, but has transferred control of the asset.

Financial hedging instruments: the Group holds derivative financial instruments to hedge exposure to foreign exchange or interest rate risk. In accordance with the rules of the Risk Policy approved by the Board of Directors, the Group does not have any speculative financial instruments. Consistently with the approach established by IAS 39, hedging instruments are accounted for using the hedge-accounting approach if all the following conditions are met:

- at the inception of a hedge, there is formal documentation of the hedging relationship, of the entity's risk management objectives, and of the strategy for undertaking the hedge;
- the hedge is expected to be highly effective in offsetting changes in fair value (fair value hedge) or in cash flows (Cash Flow Hedge) attributable to the risk hedged;
- for Cash Flow Hedges, an expected transaction that is hedged must be highly probable and feature exposure to changes in cash flows that could ultimately affect profit or loss;
- the hedge's effectiveness can be reliably assessed, i.e. the fair value or cash values of the item hedged and the hedging instrument's fair value can be reliably measured;
- the hedge has been assessed on the basis of a recurrent criterion and is considered highly effective throughout the derivative's life.

The basis of measurement of hedging instruments is their fair value on the designated date.

The fair value of currency derivatives is calculated in relation to their intrinsic value and their time value.

At each annual reporting date, hedging instruments are tested for effectiveness to see whether the hedge qualifies as an effective hedge and is therefore eligible for hedge accounting.

The fair value of hedging instruments is set out in Note 6, while movements in the Cash Flow Hedge reserve are shown in Note 11.

When financial instruments qualify for hedge accounting, the following accounting treatment is applied:

Fair value hedge – If a financial derivative is designated as a hedge for exposure to the changes in fair value of an asset or liability attributable to a particular risk that may affect the Income Statement, profit, or loss, deriving from subsequent valuations of the hedge's fair value, is recognised in the Income Statement. The profit or loss on the hedged item, attributable to the risk covered, changes the carrying value of that item and is recognised in the Income Statement.

Cash flow hedge – If a financial derivative is designated as a hedge for exposure to the variability of future cash flows of an asset or liability, or of an expected, highly probable transaction that may affect profit and loss, the changes in the hedge's fair value are recognised in Equity for the effective portion of the hedge (intrinsic value), while the part relating to time value and any ineffective portion (over-hedging) is recognised in the Income Statement.

If a hedge or hedging relationship has ended but the hedged transaction has not yet taken place, cumulative profits and losses recognised thus far in Equity are recognised in the Income Statement when the related transaction takes place. If the hedged transaction is no longer considered probable, the still unrealised profits and losses suspended in Equity are immediately recognised in the Income Statement.

If hedge accounting cannot be applied, gains and losses arising from fair-value measurement of the financial derivative are immediately recognised in the Income Statement.

INVENTORIES (IAS 2)

Inventories are measured at the lower of cost and net realisable value. Cost is calculated using the weighted average cost method. Finished product, semi-finished product and raw material costs include the cost of raw materials, direct labour, and other production costs that are directly and indirectly allocable (in this case on the basis of normal production capacity). Net realisable value is the estimated selling price in the normal course of business, less any selling costs.

TRADE RECEIVABLES (IAS 32, 39)

Trade receivables are amounts due from customers following the sale of products and services.

Receivables are initially recognised at fair value and subsequently at amortised cost – using the effective interest rate method – net of related impairment losses. Short term payables are not discounted, since the effect of discounting the cash flows is not significant.

The estimated impairment of receivables is recognised when it becomes evident that the past-due receivable cannot be recovered, due to financial difficulties of the customer that might lead to its bankruptcy or financial restructuring.

CASH AND CASH EQUIVALENTS (IAS 32 AND 39)

Cash and cash equivalents comprise cash on hand, bank and post office deposits, and short-term financial investments (maturity of three months or less after purchase date) that are highly liquid, readily convertible into cash and are subject to insignificant risk of changes in value.

Current-account overdrafts and advances on invoices subject to collection are deducted from cash only for the purposes of the Cash Flow Statement.

SHAREHOLDERS' EQUITY

Share capital consists of the ordinary shares outstanding, which are posted at par value.

Costs relating to the issue of new shares or options are classified in Equity (net of associated tax benefit relating to them) as a deduction from the proceeds of the issuance of such instruments.

In the case of buyback of treasury shares, the price paid, inclusive of any directly attributable accessory costs, is deducted from the Group's Shareholders' Equity until such shares are cancelled, re-issued, or sold, as required by IAS 32. When treasury shares are resold or re-issued, the proceeds, net of any directly attributable accessory costs and related tax effect, are posted as Group Shareholders' Equity.

Consequently, no profit or loss is entered in the Consolidated Income Statement at the time of purchase, sale or cancellation of treasury shares.

INTEREST-BEARING FINANCIAL LIABILITIES (IAS 32 AND 39)

Interest-bearing financial liabilities are initially recorded at fair value, net of ancillary costs.

After initial recognition, interest-bearing financial liabilities are measured at amortised cost using the effective interest rate method.

A financial obligation is written off when the obligation underlying the liability has been extinguished or annulled or fulfilled.

If an existing financial liability is replaced by another one from the same lender, under conditions that are essentially different, or if the terms and conditions of an existing liability are essentially amended, this change or amendment will be treated as a reversal of the original liability or the recognition of a new liability, with recognition in income of any differences involving the carrying values.

LIABILITIES FOR EMPLOYEE BENEFITS (IAS 19)

Post-employment benefits are calculated based on programmes that, depending on their characteristics, are either "defined-contribution programmes" or "defined-benefit programmes".

Employee benefits substantially consist of accrued provision for severance indemnities of the Group's Italian companies and of retirement provisions.

Italian Law no. 296 of 27 December 2006 ("2007 National Budget Law") and subsequent decrees and regulations enacted during 2007 introduced – as part of overall reform of the Italian pension system – significant changes regarding the ultimate use of the portions of severance-indemnity provision accruing.

Until 31 December 2006, severance indemnity provision came within the scope of post-employment defined-benefit plans and was measured in accordance with IAS 19, by independent actuaries, using the projected unit credit method.

Actuarial gains and losses as at 1 January 2004 – the date of transition to IFRSs – were recognised in specific Equity reserved. Actuarial gains and losses after that date are recognised in the Income Statement on an accrual accounting basis, i.e. not using the "corridor" method envisaged by IAS 19.

Following the reform of supplemental pensions, employees can allocate the new severance indemnity provision accruing to supplemental pension systems, or opt to keep it in the company (in the case of companies with less than 50 employees) or to transfer them to the INPS – the state pension and welfare agency (in the case of companies with more than 50 employees).

Based on these rules, and also basing itself on the generally accepted interpretation, the Group decided that:

- for the portion of severance indemnities accruing up to 31 December 2006, the provision in question constituted a defined-benefit plan, to be valued according to the actuarial rules, but no longer including the component relating to future salary increases. The difference resulting from the new calculation in relation to the previous one was treated as curtailment as defined by IAS 19.109 and consequently entered in the Income Statement for the year ended 31 December 2007;
- subsequent portions of severance indemnities accruing, both in the case of opting for supplemental pension planning and in the case of allocation to the central treasury fund c/o the INPS, come within the scope of defined-contribution plans, thus excluding – in calculating the cost for the year – components relating to actuarial estimates.

PROVISIONS FOR RISKS AND CHARGES (IAS 37)

Provisions for risks and charges are set aside to cover liabilities whose amount or due date are uncertain and that must be recognised on the statement of financial position when the following conditions are satisfied at the same time:

- the entity has a present obligation (legal or constructive), i.e. under way as at the reporting date, arising from a past event;
- it is probable that economic resources will have to be used to fulfil the obligation;
- the amount needed to fulfil the obligation can be reliably estimated.
- risks, for which materialisation of a liability is only contingent, are disclosed in the notes to accounts, in the section commenting on provisions, without provision being made.

In the case of events that are only remote, i.e. events that have very little likelihood of occurrence, no provision made and no additional or supplementary disclosure is provided.

Provisions are recognised at the value representing the best estimate of the amount the entity would pay to settle the obligation, or to transfer it to third parties, at the reporting date. If the time value of money is material, provisions are calculated by discounting expected future cash flows at a pre-tax discount rate reflecting the market's current evaluation of the cost of money over time.

When discounting to present value is performed, the increase in the provision due to the passage of time is recognised as finance expense.

The Group established restructuring provisions if there exists an implicit restructuring obligation and a formal plan for the restructuring that created in interested third parties the reasonable expectation that the company will carry out the restructuring or because it has begun its realisation or because it has already communicated its main aspects to interested third parties.

INCOME TAXES (IAS 12)

Income taxes include current and deferred taxes. Income taxes are generally recognised in the Income Statement, except when they relate to items entered directly in Equity, in which case the tax effect is recognised directly in Equity.

Current income taxes are the taxes that are expected to be paid, calculated by applying to taxable income the tax rate in force at the reporting date and adjustments to taxes related to prior periods.

Deferred taxes are calculated using the liability method applied to temporary differences between the amount of assets and liabilities in the consolidated financial statements and the corresponding amounts recognised for tax purposes, except as follows:

- deferred tax liabilities derive from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, when the transaction itself occurs, does not affect the balance sheet profits or the profits or losses calculated for tax purposes;
- the reversal of taxable temporary differences associated with Equity investments in subsidiaries, associates or joint ventures, may be controlled and will probably not occur in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences and tax credits and losses and can be brought forward, to the extent that the existence of adequate future taxable profits will exist against which the usage of the deductible temporary differences and the tax credits and losses brought forward can be used, except in cases where:

the deferred tax assets connected to the deductible temporary differences arise from initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction itself, does not affect the balance sheet result or the profit or loss for tax purposes;

there are taxable temporary differences associated with Equity investments in subsidiaries, associates and joint ventures and deferred tax assets are recognised only to the extent that the deductible temporary differences will be reversed in the foreseeable future and that there are adequate taxable profits against which the temporary differences can be used.

Deferred taxes are calculated at the tax rate expected to be in force at the time when the asset is sold or the liability is redeemed.

Deferred tax assets are recognised only if it is probable that sufficient taxable income will be generated in subsequent years to realise them.

The Parent Company Datalogic S.p.A. and numerous Italian subsidiaries fall within the scope of the “domestic tax consolidation” of Hydra S.p.A.. This permits the transfer of total net income or the tax loss of individual participant companies to the Parent Company, which calculates a single taxable income for the Group or a single tax loss carried forward, as the algebraic sum of the income and/or losses, and therefore files a single tax liability or credit with the Tax Authorities.

TRADE AND OTHER PAYABLES (IAS 32 AND 39)

Trade and other payables are measured at cost, which represents their discharge value.

Short-term payables are not discounted, since the effect of discounting the cash flows is not significant.

REVENUE RECOGNITION (IAS 18)

Revenues include the fair value of the amount collected or collectable from the sale of goods or rendering of services within the scope of the Company’s characteristic business activity. Revenues are disclosed net of VAT, returns, discounts and reductions and after eliminating Group intercompany sales.

Sale of goods

Revenues from the sale of goods are recognised only when all the following conditions are met:

- most of the risks and rewards of ownership of the goods have been transferred to the buyer;
- effective control over the goods sold and continuing managerial involvement to the degree usually associated with ownership have ceased;
- the amount of revenues can be reliably measured;
- it is probable that the economic benefits associated with the transaction will flow to the entity;
- the costs incurred or to be incurred in respect of the transaction can be reliably measured.

Rendering of services

Revenues arising from a transaction for the rendering of services is recognised only when the results of the transaction can be reliably estimated, based on the stage of completion of the transaction at the reporting date. The results of a transaction can be reliably measured when all the following conditions are met:

- the amount of revenues can be reliably measured;
- it is probable that the economic benefits of the transaction will flow to the entity;
- the stage of completion at the reporting date can be reliably measured;
- the costs incurred, or to be incurred, to complete the transaction can be reliably measured.

Revenues relating to dividends, interest and royalties are respectively recognised as follows:

- **dividends**, when the right is established to receive dividend payment (with a receivable recognised in the statement of financial position when distribution is resolved);
- **interest**, with application of the effective interest rate method (IAS 39);
- **royalties**, on an accrual basis in accordance with the underlying contractual agreement.

GOVERNMENT GRANTS (IAS 20)

Government grants are recognised – regardless of the existence of a formal grant resolution – when there is reasonable certainty that the company will comply with any conditions attached to the grant and therefore that the grant will be received.

Government grants receivable as compensation for costs already incurred or to provide immediate financial support to the recipient company with no future related costs, are recognised as income in the period in which they become receivable.

RENTAL AND OPERATING LEASE COSTS (IAS 17)

Lease contracts in which the lessor substantially preserves all the risks and rewards of ownership are classified as operating leases and related fees are charged to the Income Statement on a straight-line basis according to the contract’s duration.

DIVIDENDS DISTRIBUTED (IAS 1 AND 10)

Dividends are recognised when shareholders have the right to receive payment. This normally corresponds to the date of the annual General Shareholder Meeting that approves dividend distribution.

The dividends distributable to Group Shareholders are recognised as an Equity movement in the year when they are approved by the Shareholders’ Meeting.

EARNINGS PER SHARE - EPS (IAS 33)

Basic

Basic EPS is calculated by dividing the Group's profit by the weighted average number of ordinary shares outstanding during the year, excluding treasury shares.

Diluted

Diluted EPS is calculated by dividing the Group's profit by the weighted average number of ordinary shares outstanding during the year, excluding treasury shares. For the purposes of calculation of diluted EPS, the weighted average number of outstanding shares is determined assuming translation of all potential shares with a dilutive effect, and the Group's net profit is adjusted for the post-tax effects of translation.

TREATMENT OF FOREIGN CURRENCY ITEMS (IAS 21)

Functional presentation currency

The items shown in the financial statements of each Group entity are shown in the currency of the economic environment in which the entity operates, i.e. in its functional currency. The consolidated financial statements are presented in Euro, the Euro being the Parent Company's functional presentation currency.

Transactions and balances

Foreign currency transactions are initially converted to Euro at the exchange rate existing on the transaction date.

At the reporting date, foreign-currency monetary assets and liabilities are converted at the exchange rate in force on that date. The exchange differences are recognised in the Income Statement.

Foreign-currency non-monetary items measured at cost are converted using the exchange rate in force on the transaction date.

Non-monetary items recognised at fair value are converted using the exchange rate in force when carrying value is calculated.

Foreign exchange gains and losses arising from the collection of foreign currency receivables or payment of foreign currency payables are recognised in the Income Statement.

Translation of foreign currency financial statements

The assets and liabilities of Group companies with functional currencies other than the Euro are calculated as follows:

- assets and liabilities are converted using the exchange rate in force on balance sheet date;
- costs and revenues are converted using the period's average exchange date.

The exchange differences deriving from the conversion were recognised in the Statement of Comprehensive Income. In the event of disposal of a foreign Equity investment, cumulative foreign exchange differences recognised in the Equity reserve are recycled to the Income Statement.

Goodwill and fair value adjustment of assets and liabilities acquired as part of a foreign business combination are considered as assets and liabilities converted into euro at the exchange rate in force on balance sheet date.

The exchange rates recorded by the Italian Foreign Exchange Bureau and used for translation into Euro of the foreign companies' financial statements are as follows:

Currency (ISO Code)	Quantity of currency/1 Euro			
	2015 Final exchange rate	2015 Average exchange rate	2014 Final exchange rate	2014 Average exchange rate
US Dollar (USD)	1.0887	1.1095	1.2141	1.3285
British Pound Sterling (GBP)	0.7340	0.7258	0.7789	0.8061
Swedish Krona (SEK)	9.1895	9.3535	9.3930	9.0985
Singapore Dollar (SGD)	1.5417	1.5255	1.6058	1.6823
Japanese Yen (JPY)	131.0700	134.3140	145.2300	140.3061
Australian Dollar (AUD)	1.4897	1.4777	1.4829	1.4719
Hong Kong Dollar (HKD)	8.4376	8.6014	9.4170	10.3025
Chinese Renminbi (CNY)	7.0608	6.9733	7.5358	8.1857
Real (BRL)	4.3117	3.7004	3.2207	3.1211
Mexican Pesos (MXN)	18.9145	17.6157	17.8679	17.6550
Hungarian Forint (HUF)	315.9800	309.9956	315.5400	308.7061

SEGMENT REPORTING (IFRS 8)

Operating segments are identified based on the internal statements used by senior management in order to allocate resources and evaluate results (internal reporting for performance analysis).

ADOPTION OF THE PRINCIPLE OF CONTINUITY OF VALUES FOR THE ACCOUNTING OF BUSINESS COMBINATIONS UNDER COMMON CONTROL (IAS 8)

Business combinations under common control are excluded from the application field of IFRS 3. In the absence of a reference to a specific IFRS standard or interpretation that specifically applies to a transaction, it is worth recalling that IAS 1.13 requires, in general terms, that the financial statements give a reliable and relevant disclosure of the effects of transactions, other events and conditions in compliance with definitions and reporting criteria provided for by the IFRS Framework for assets, liabilities, income and expenses and that IAS 1.15 sets out that companies, in compliance with the hierarchy set out by IAS 8, shall select the accounting criteria suited to achieve the general target of a reliable and relevant disclosure. Given the specificity of these transactions and the fact that IFRS Standards do not consider them specifically, the Company's management deemed that the most suited accounting principle should refer to the general policies set forth by IAS 8. As clearly shown in IAS 8.11, the IAS/IFRS criteria may be defined as a "closed" system. Therefore, the solution to the issue of transactions under common control shall be found at first instance within the IFRS standards. A derogation related, for example, to a system of national standards or segment accounting treatments might therefore be inappropriate. In particular, IAS 8.10 standard sets out that, in the absence of an IFRS standard or interpretation that specifically applies to a transaction, other event or condition, management must use its judgement in developing and applying an accounting policy that results in information that is:

- (a) relevant as to the economic decisions by users;
- (b) reliable, so that the financial statements:
 - (I) give a true vision of the entity's financial position, financial performance and cash flows;
 - (II) reflect the economic substance of transactions, other events and conditions, and not merely the legal form;
 - (III) are neutral, i.e. without prejudices;
 - (IV) are prudent;
 - (V) relate to all relevant issues.

In making that judgement, management must refer to, and consider the applicability of, the following sources in descending order:

- (a) the requirements and guidance in standards and interpretations dealing with similar or related issues;
- (b) the definitions, recognition criteria and measurement concepts for assets, liabilities, income and expenses in the Framework.

In expressing the aforementioned judgement, management may also consider the most recent pronouncements of other standard-setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and

accepted sector practices, to the extent that these do not conflict with the above-mentioned sources. In finding an accounting policy within the conceptual framework and meeting the criteria set out by IAS 8.10, the key element is represented by the fact that the accounting policy selected to disclose transactions “under common control” must reflect their economic substance, independently from their juridical form. The presence or absence of “economic substance”, therefore, seems to be the key element for the selection of an accounting policy.

As shown also in the Assirevi OPI 1 document on the “Accounting treatment of ‘business combinations of entities under common control’”, the economic substance must be a generation of added value for the entirety of the parties involved (such as higher income, cost-saving, realisation of synergies) which results in significant changes in cash flows, before and after the transaction of transferred assets. The application of the value continuity principle results in the disclosure, in the statement of financial position, of amounts equal to those that would have been disclosed if the companies under business combination had always been combined together. Net assets of the acquired entity and the acquiring entity have therefore been measured at the carrying values which were disclosed in the related accounts before the transaction in question.

LONG-TERM CONSTRUCTION CONTRACTS (IAS 11)

A construction contract, as defined by IAS 11 (“Long-term construction contracts”), is a contract specifically negotiated for the construction of an asset or a group of strictly linked or interrelated assets as regards their design, technology and function or their final use. The costs of a construction contract are recognised in the year in which they are borne. Revenues are recognised in proportion to the stage of completion of this contract at balance-sheet date, when the result can be estimated reliably.

When the outcome of a contract cannot be estimated reliably, revenues should be recognised only to the extent that contract costs incurred are expected to be recoverable. When total contract costs are likely to exceed the total contract revenues, the total expected loss should be recognised immediately as an expense.

The contract revenues are recognised in proportion to the stage of completion of contract activity, based on the cost-to-cost method, which provides for the proportion between contract costs incurred for the works performed till the reference date and the total expected contract costs.

Disclosure of contract works in the Statement of Financial Position is as follows:

- the amount due from customers for contract works should be shown as an asset, under item trade receivables and other short-term assets, when incurred costs, added with margins recognised (less losses), exceed the advance payments received;
- the amount due to customers for contract work should be shown as a liability, under item trade payables and other short-term liabilities when advance payments received exceed costs incurred added with margins recognised (less losses);

Amendments, new standards and interpretations

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED AS OF 1 JANUARY 2015

The accounting standards adopted for preparation of the consolidated financial statements conform to those used for the preparation of the consolidated financial statements for the period ended 31 December 2014, except for the adoption on 1 January 2015 of the new standards, amendments and interpretations.

The Group adopted some accounting standards and amendments that are applied for annual periods beginning on or after 1 January 2015. The nature and effect of these changes are described hereunder, pursuant to requirements set forth in IAS 8.

However, the above had no impact on the Group’s consolidated financial statements. The nature and impact of any new principle/amendment are specified hereunder:

▪ IFRS 2 – Share-based Payments

This improvement is applied prospectively and clarifies various issues connected with the definition of conditions, related to the achievement of results or services rendered, which are considered as vesting conditions. Clarifications are consistent with the modalities with which the Group has identified, in the previous periods, the conditions related to the achievement of results or services rendered and that are considered as vesting conditions. Moreover, the Group granted no share-based bonuses; therefore, these improvements had no effect on the Group’s financial statements or accounting criteria.

Within the annual project of improvement 2010-2012, IASB issued the following amendments to the accounting standards already effective since 1 July 2014 and that had no significant impact on the Group.

■ IFRS 8 – Operating Segments

The amendment is applicable retrospectively and clarifies the following:

an entity is required to disclose measurements made by the management in applying the aggregation criteria envisaged in paragraph 12 of IFRS 8, including a brief description of the operating segments which were aggregated, as well as the economic characteristics (e.g. sales or gross profit) used to determine whether the segments are “similar”. The reconciliation between segment-related assets and total assets must be disclosed only if the reconciliation is submitted to the operating chief decision maker, as required for segment-related liabilities.

■ IAS 16 – Property, Plant and Equipment and IAS 38 Intangible Assets

The amendment is applied retrospectively and clarifies that, in IAS 16 and IAS 38, an asset can be revalued based on observable data both adjusting the gross carrying value of the asset to the market value, and determining the market value of the carrying value and adjusting the gross carrying value on a *pro rata* basis so that the resulting carrying value is equal to the market value. Moreover, accumulated amortisation represents the difference between gross value and carrying value of an asset. This amendment had no impact on the revaluation adjustments accounted for by the Group in the current financial year.

■ IAS 24 – Related Party Disclosures

The amendment is applied retrospectively and clarifies that a management entity (an entity which supplies services related to managers with strategic responsibilities) is a related party, subject to disclosure on related parties. Moreover, an entity which uses a management entity should disclose the cost borne for the management services.

Within the annual plan of IFRS improvements – 2011–2013, IASB issued some amendments to some accounting standards, which were already effective on 1 July 2014 and that had no significant impact on the Group.

■ IFRS 13 – Measurement at fair value

The amendment is applicable prospectively and clarifies that the portfolio exception envisaged by IFRS 13 can be applied not only to financial assets and liabilities, but also to other contracts within the scope of IAS 39. The Group does not apply the portfolio exception as envisaged by IFRS 13.

The Group has not provided for an early adoption of any standard, interpretation or improvement that has been issued but is not yet effective.

Standards issued which are not yet in force

Following are the standards which, on the date that the Group consolidated financial statements were prepared, had already been issued but were not yet in force.

■ IFRS 9 – Financial Instruments

In July 2014, IASB issued the final version of IFRS 9 Financial Instruments, which reflects all the project steps related to financial instruments and supersedes IAS 39 “Financial Instruments: Recognition and Measurement”, as well as all previous versions of IFRS 9. The standard introduces new requirements for the classification, measurement, impairment and hedge accounting. IFRS 9 is effective to annual periods beginning on or after 1 January 2018. Early application is permitted. The standard shall be applied retrospectively, although the supply of comparative information is not mandatory. The early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the first-time adoption is before 1 February 2015.

■ IFRS 15 – Revenue from Contracts with Customers

The IFRS standard was issued in May 2014 and provides a five-step new model to be applied to all contracts with customers. According to IFRS 15, revenue should be recognised for an amount corresponding to the right in payment the entity believes to have against the sale of goods or services to customers. This standard envisages a more structured approach in recognising and measuring revenue.

The new principle is applicable to all entities and will replace all current requirements included in IFRS on recognition of revenues. The standard is effective for annual periods beginning on or after 1 January 2017, with fully retrospective or modified application. Early application is permitted. The Group is currently evaluating the impact of IFRS 15 and is taking account of

clarifications issued by IASB in the exposure draft issued in July 2015. The Group will evaluate any further development, while expecting to apply the new standard at the mandatory effective date.

- **Amendments to IFRS 11 – Joint Arrangements: Accounting for Acquisitions of Interests**

The amendments to IFRS 11 envisage that a joint operator, who reports the acquisition of an interest in a joint control agreement in which the activity of the joint operation constitutes a business, should apply the principles as defined in IFRS 3 on the basis of the business combinations guidance. The amendments clarify that, in the event a joint control is maintained, the interest previously held in a joint-control agreement shall not be re-measured upon the acquisition of another interest in the same joint control agreement. Moreover, for clarification purposes, the following was excluded from the scope of the IFRS 11. Amendments are not applicable when the parties in a joint control, including the entity that prepares the financial statements, are subject to the mutual control of the same ultimate controlling entity.

Amendments are applicable to both the acquisition of the initial interest in a joint-control agreement, and the acquisition of any further interest in the same joint control agreement. Amendments must be applied prospectively to annual periods beginning on or after 1 January 2016. Early application is permitted. No impact resulting from the application of these amendments is expected on the Group.

- **Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation**

These amendments clarify the principle, included in IAS 16 and IAS 38, that revenues reflect a model of economic benefits generated by the management of a business (in which the asset is embodied), rather than the consumption of the economic benefits when an asset is used. As a result, a method based on revenues cannot be used for depreciation of real estate properties, plant and machinery and could be used only in very restricted circumstances when amortising intangible assets. Amendments must be applied prospectively to annual periods beginning on or after 1 January 2016. Early application is permitted. No impact on the Group is expected while applying these amendments, given that the Group does not use revenue-based methods for the amortisation/depreciation of non-current assets.

- **Amendments to IAS 27: Equity Method in Separate Financial Statements**

The amendments will reinstate the Equity Method as an accounting option for Equity investments in subsidiaries, joint ventures and associates in an entity's separate financial statements. Entities that are already applying the IFRS standards and elect to modify the accounting principles by adopting the Equity Method to their separate financial statements should apply the amendment retrospectively. In the event of first-time adoption of IFRSs, the entity that elects to adopt the Equity Methods in the separate financial statements should apply this standard at the transition date to IFRS. Amendments are effective for annual periods beginning on or after 1 January 2016. Early application is permitted. No impact on the Group's financial statements is expected for the application of these amendments.

- **Amendments to IAS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

Amendments are related to the conflict between IFRS 10 and IAS 28, with reference to the loss in control of an investee, which is sold or transferred to an associated company or a joint venture. Amendments clarify that profit or loss resulting from the sale or transfer of assets representing a business, as defined by IFRS 3, between an investor and its associated company or joint venture, must be entirely recognised. Any profit or loss, resulting from the sale or transfer of assets, which do not represent a business, is however recognised only within the limits of the portion held by third-party investors in the associated company or joint venture. These amendments must be applied prospectively and will be in force for annual periods beginning on or after 1 January 2016. Early application is permitted. These amendments are not expected to have any impact on the Group.

2012-2014 ANNUAL IMPROVEMENT CYCLE

These amendments are effective for annual periods beginning on 1 January 2016 or later. They include the following:

- **IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations**

Assets (or disposal group) are generally disposed of through the sale, or the distribution to Shareholders. This amendment clarifies that the change from either disposal methods should not be considered as a new plan to sell, but rather the continuation of the original one. Therefore, there is no discontinuation in the application of requirements of IFRS 5. This amendment shall be applied prospectively.

■ IFRS 7 – Financial Instruments: Disclosures

(i) Servicing contracts

The amendment clarifies that a servicing contract envisaging a remuneration can entail a continuing involvement of a financial asset. The entity shall define the type of remuneration and of agreement based on the guidance contained in the IFRS 7 on the continuing involvement, in order to evaluate whether a clarification is required. The definition of what type of servicing contract represents a continuing involvement must be made retrospectively. In any case, the information required shall not be disclosed for annual periods before the first-time application date of this amendment.

(ii) Applicability of amendments to IFRS 7 to condensed interim financial statements.

The amendment clarifies that disclosure requirements on remuneration are not applied to condensed interim financial statements, unless this disclosure constitutes a significant updating of information given in the most recent annual financial statements. This amendment shall be applied retrospectively.

■ IAS 19 – Employee Benefits

The amendment clarifies that the deep market of high quality corporate bonds should be determined on a currency basis (currency in which the bond is issued), rather than on a country basis (in which the benefits are to be paid). When there is no deep market for high quality corporate bond in that currency, government bonds should be used to establish the discount rate. This amendment shall be applied prospectively.

■ IAS 34 – Interim Financial Reporting

The amendment clarifies that disclosures required in the interim financial statements should be included either in the interim financial statements or by cross-reference between the interim financial statements and the section of the interim financial report where disclosure is included (e.g. the Management Report or the risk oversight report on risks).

Information supplied in the interim financial report must be available to the reader in the same terms and timing as the interim financial statements. This amendment shall be applied retrospectively.

No impact on the Group is expected as regards these amendments.

■ Amendments to IAS 1 – Disclosure Initiative

Amendments to IAS 1 Disclosure of Accounting Policies intends to clarify, rather than significantly modify, some already existing requirements to IAS 1. The amendments clarify:

- the requirement of materiality in IAS 1;
- the fact that specific lines in the statements of profit/(loss) for the year or other components in the Statement of Comprehensive Income or in the Statement of Financial Position may be unbundled;
- that entities can disclose the Notes to the financial statements in a flexible way;
- that the portion of other components in the Statement of Comprehensive Income, related to associated companies and joint ventures and accounted for by using the Equity method, must be disclosed in aggregate in one single line, and classified under items that will not be subsequently reclassified in the Income Statements.

Moreover, amendments clarify the requirements that are applied when sub-totals are disclosed in the statements of profit/(loss) for the year or other components are disclosed in the Statement of Comprehensive Income or Statement of Financial Position. Amendments are effective for annual periods beginning on or after 1 January 2016. Early application is permitted. No impact on the Group is expected as regards these amendments.

■ Amendments to IFRS 10, IFRS 12 and IAS 28 – Investment Entities: Applying the Consolidation Exception

These amendments concern issues which arose in the application of the exception related to the investment entities as per IFRS 10. Amendments to IFRS 10 clarify that the exemption to the presentation of the consolidation financial statements is applied to the Parent Company, which is the subsidiary of an investment entity, when the investment entity measures all its subsidiaries at fair value.

Moreover, amendments to IFRS 10 clarify that a subsidiary of an investment entity must be consolidated only if it is not an investment entity in itself and supplies support services to the investment entity. All the other subsidiaries of an investment entity are measured at fair value. Amendments to IAS 28 permit that, in application of the Equity Method, the investor maintains the measurement at fair value applied by associated companies or joint ventures of an investment entity also in the measurement of its Equity investments in subsidiaries. These amendments must be applied retrospectively and will be

in force for annual periods beginning on or after 1 January 2016. Early application is permitted. No impact on the Group is expected as regards these amendments.

Use of estimates

Preparation of IFRS-compliant consolidated financial statements and of the relevant notes requires directors to apply accounting principles and methodologies that, in some cases, are based on valuations and estimates, which in turn are based on historic experience and assumptions considered reasonable and realistic based on circumstances at any given time. The application of such estimates and assumptions affects the amounts reported in financial statements, i.e. the statement of financial position, Income Statement, and Cash Flow Statement, as well as the information disclosed. The ultimate actual amounts of accounting items, for which these estimates and assumptions have been used, might be different from those reported in the financial statements due to the uncertainty characterising the assumptions and conditions on which estimates are based.

Below we list the accounting items that, more than others, require greater subjectivity on the part of directors in developing estimates and for which any change in conditions underlying assumptions made could have a significant impact on the Group's consolidated financial statements.

- non-current assets;
- development costs;
- inventories write-down;
- deferred tax assets;
- provisions for doubtful accounts;
- employee benefits;
- provisions for risks and charges.

Estimates and assumptions are reviewed regularly and the effects of every change are immediately reflected in the Income Statement. The measurement criteria of the estimate items are described in the related Notes, to which reference is made.

Financial risk management

RISK FACTORS

The Group is exposed to various types of financial risks in the course of its business, including:

- **market risk**, specifically:
 - a) foreign exchange risk, relating to operations in currency areas other than that of the functional currency;
 - b) interest rate risk, relating to the Group's exposure to financial instruments that generate interest.
- **credit risk**, deriving from trade transactions or from financing activities;
- **liquidity risk**, relating to availability of financial resources and access to the credit market

The Group is not exposed to any price risk, as it does not hold significant quantities of listed securities in its portfolio, nor is it otherwise exposed to risk deriving from the performance of commodities traded on the financial markets.

Financial risk management is an integral part of management of the Datalogic Group's business activities. Market and liquidity risk is managed on a centralised basis by the Parent Company.

According to the Parent Company's directives, the Group uses derivative contracts relating to underlying financial assets or liabilities or future transactions. More specifically, management of these risks is centralised in the Central Treasury Dept., which has the task of assessing risks and performing related hedging. The Central Treasury Dept. operates directly on the market, possibly also on behalf of subsidiary and investee companies.

Credit risk is managed by the Group's operating units.

MARKET RISK

a) Foreign exchange risk

Datalogic operates in the international environment and is exposed to translation and transaction exchange risk.

Translation risk relates to the conversion into Euro during consolidation of items in the individual financial statements of companies outside the Eurozone. The key currencies are the US Dollar, the Australian Dollar and the British Pound.

Transaction risk relates to trade transactions (foreign currency receivables/payables) and financial transactions (foreign currency borrowings or loans) of Group companies in currencies other than their functional currency.

The key currency is the US Dollar (for companies in the Eurozone).

To permit full understanding of the foreign exchange risk on the Group's consolidated financial statements, we have analysed the sensitivity of foreign currency accounting items to changes in exchange rates. The variability parameters applied were identified among the exchange rate changes considered reasonably possible, with all other variables remaining equal.

The following table shows the results of the analysis as at 31 December 2015:

USD	Carrying value	Portion exposed to exchange rate risk	+ 10%	+ 5%	+ 1%	-1%	-5%	-10%
Exchange rates		1.0887	1.1976	1.1431	1.0996	1.0778	1.0343	0.9798
Financial assets								
Cash and cash equivalents	126,212	40,573	(3,688)	(1,932)	(402)	410	2,135	4,508
Trade and other receivables	84,274	38,622	(3,511)	(1,839)	(382)	390	2,033	4,291
Financial assets and loans	1,140							
Income-Statement impact			(7,200)	(3,771)	(784)	800	4,168	8,799
Financial liabilities								
Loans	179,285	1,867	170	89	18	(19)	(98)	(207)
Trade and other payables	147,367	84,284	7,662	4,014	834	(851)	(4,436)	(9,365)
Income-Statement impact			7,832	4,102	853	(870)	(4,534)	(9,572)
Income-Statement impact, net			632	331	69	(70)	(366)	(773)

b) Interest rate risk

The Datalogic Group is exposed to interest rate risk associated both with the availability of cash and with outstanding loans. The aim of interest rate risk management is to limit and stabilise payable flows caused by interest paid mainly on medium-term debt in order to achieve a tight match between the underlying and the hedging instrument.

With regard to medium/long-term loans, as at 31 December 2015, Datalogic had interest rate swaps in place with financial counterparties of premier standing, for a notional total of around €6 million. These derivatives permit the hedging of about 4% of total bank borrowings against the risk of a rise in interest rates, synthetically transforming variable-rate loans into fixed-rate loans.

In order to fully understand the potential effects of fluctuations in interest rates to which the Group is exposed, we analysed the accounting items most at risk, assuming a change of 10 basis points in the Euribor and of 10 basis points in the USD Libor. The analysis was based on reasonable assumptions. Below we show the results as at 31 December 2015:

Items exposed to interest rate risk with impact on the Income Statement before taxes:

Euribor (€/000)	Carrying value	Of which exposed to exchange rate risk	10bp	-10bp
Financial assets			Profit/(Loss)	Profit/(Loss)
Cash and cash equivalents	126,212	76,294	76	(76)
Financial assets and loans	1,140			
Income-Statement impact			76	(76)
Financial liabilities			Profit/(Loss)	Profit/(Loss)
Loans	39,872	10,692	(11)	11
0% Floor loans	139,413	139,413	(139)	
Income-Statement impact			(150)	11
Total increases/(decreases)			(74)	(65)

USD Libor	Carrying value	Of which exposed to exchange rate risk	10bp	-10bp
Financial assets			Profit/(Loss)	Profit/(Loss)
Cash and cash equivalents	126,212	40,573	41	(41)
Financial assets and loans	1,140	0		
Income-Statement impact			41	(41)
Financial liabilities			Profit/(Loss)	Profit/(Loss)
Loans	39,872	1,867	(2)	2
Income-Statement impact			(2)	2
Total increases/(decreases)			39	(39)

Items exposed to interest rate risk with impact on the Equity before taxes:

Euribor	Carrying value	of which exposed to exchange rate risk	10bp	-10bp
Financial liabilities			Profit/(Loss)	Profit/(Loss)
Derivative instruments	7,875	7,875	8	(8)

Credit risk

The Group is exposed to credit risk associated with trade transactions. The two operating divisions have therefore planned risk protection measures in order to keep the amounts outstanding to a minimum, i.e. a specific check on receivables due, management of client credit-line limits and gathering of financial information on companies with higher exposure. A large part of Datalogic's business is conveyed on a network of known clients/distributors, with whom, statistically, no problems connected with credit recoverability have been encountered. In any case, there are no significant concentrations of the risk and it is therefore not considered relevant to provide detailed, quantitative information. Clients requesting deferred conditions of payment are subjected to screening procedures concerning their creditworthiness grade (degree of solvency) and an analysis of the specific deal. If they are significant, trade receivables are subjected to individual impairment testing.

The Group protects itself against credit risk also through the subscription of a factoring contract without recourse. As at 31 December 2015, the trade receivables assigned to factoring amounted to €26,180 thousand (compared to €20,827 thousand at end 2014).

The maximum exposure to credit risk on the balance sheet date is the carrying amount of each class of financial asset presented in Note 4.

Liquidity risk

The Datalogic Group's liquidity risk is minimised by specific central management by the Parent Company. Bank indebtedness and the management of liquidity are handled centrally via a series of instruments aimed at optimizing the management of financial resources, by primarily using automatic mechanisms as the cash pooling. The Parent Company manages and negotiates medium/long-term financing and credit lines to meet the Group's requirements. Specifically, Datalogic S.p.A., as Parent Company, has cash credit lines available for future requirements and to the benefit of the Group. Centralised negotiation of credit lines and loans on the one hand and centralised management of the Group's cash resources on the other have made it possible to reduce the costs of short-term indebtedness and obtain higher interest income.

We also report that, as at 31 December 2015, the Group's Liquidity Reserve – which includes committed but undrawn credit lines of €186 million – is considered largely sufficient to meet commitments existing as at balance-sheet date.

The following table details the financial liabilities and derivative financial liabilities settled on a net basis by the Group, grouping them according to residual contractual maturity as at balance sheet date. The amounts shown are contractual cash flows not discounted to present value.

The following table shows financial liabilities by maturity:

(€/000)	31 December 2015		
	0 - 1 year	1 - 5 years	> 5 years
Loans	32,973	139,287	352
Other	80		
Bank overdrafts	45		
Payables for leasing	260	279	
Payables to factoring companies	6,009		
Financial derivatives (IRS)	6	115	
Trade and other payables	143,818	3,549	
Total	183,191	143,230	352

Capital risk management

The Group manages capital with the intention of protecting its own continuity and optimising shareholder value, maintaining an optimum capital structure while reducing its cost.

In line with sector practice, the Group monitors capital based on the gearing ratio. This indicator is calculated as a ratio between net indebtedness (see Note 10) and total capital.

(€/000)	31.12.2015	31.12.2014
Net indebtedness (A)	20,961	55,718
Shareholders' Equity (B)	298,260	241,291
Total capital [(A)+(B)]=C	319,221	297,009
"Gearing ratio" (A)/(C)	6.57%	18.76%

Segment information

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. It includes the manual reader product lines (HHR), fixed readers, mobile computers (MC), self-scan solutions and cashier technologies.

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, mainly couriers, areas. It includes product lines related to: fixed bar code readers using imager and laser technology, the photoelectric sensors and equipment for industrial automation and security, smart remote cameras and software for artificial vision, industrial laser markers.

Informatics – This company, which is headquartered in the United States, sells and distributes products and solutions for the management of inventories and mobile assets tailored for 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 as at 31 December 2015 and 31 December 2014 are as follows:

(€/000)	ADC		Industrial Automation		Informatics		Corporate		Adjustments		Total Group	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
External sales	361,635	308,197	146,050	130,254	27,383	26,124	0	0	0	(29)	535,068	464,546
Intersegment sales	2,331	1,510	34	47	0	0	36,451	24,918	(38,816)	(26,475)	0	0
Total sales	363,966	309,707	146,084	130,301	27,383	26,124	36,451	24,918	(38,816)	(26,504)	535,068	464,546
Ordinary operating result (Divisional EBITANR)	73,630	67,428	6,108	5,424	(223)	1,098	5,179	(5,745)	(23,473)	(10,186)	61,221	58,019
% of revenues	20.23%	21.77%	4.18%	4.16%	(0.81)%	4.20%	14.21%	(23.06)%	60.47%	38.43%	11.44%	12.49%
Operating result (Divisional EBIT)	49,589	56,074	(678)	(974)	(343)	(1,472)	4,693	(6,535)	(316)	(185)	52,945	46,908
% of revenues	13.62%	18.11%	(0.46)%	(0.75)%	(1.25)%	(5.63)%	12.87%	(26.23)%	0.81%	0.70%	9.90%	10.10%
Financial Income (expenses)	(6,947)	(7,796)	(1,640)	(1,602)	(289)	(118)	27,744	24,895	(20,229)	(23,108)	(1,361)	(7,729)
Fiscal income (expenses)	(7,724)	(9,793)	803	575	256	479	(4,406)	378	34	39	(11,037)	(8,322)
Amortisation, depreciation and write-downs	(10,714)	(9,343)	(4,903)	(4,549)	(329)	(778)	(2,304)	(2,281)	11	34	(18,239)	(16,917)
Divisional EBITDA	81,199	74,144	8,564	7,709	(14)	1,274	7,483	(3,464)	(23,484)	(10,220)	73,748	69,443
% of revenues	22.31%	23.94%	5.86%	5.92%	(0.05)%	4.88%	20.53%	(13.90)%	60.50%	38.56%	13.78%	14.95%
R&D expenses	(39,027)	(30,176)	(17,942)	(14,670)	(1,180)	(764)	(13,596)	(13,395)	23,501	15,897	(48,244)	(43,108)
% of revenues	(10.72)%	(9.74)%	(12.28)%	(11.26)%	(4.31)%	(2.92)%	(37.30)%	(53.76)%	(60.54)%	(59.98)%	(9.02)%	(9.28)%

Costs for 2014 were reclassified under various items to tender them consistent with figures related to 2015. For the details, see the annex to the financial statements.

For the purposes of a better disclosure of operating results for each single division, the Management deemed it appropriate to highlight the Divisional EBITDA as monitoring KPI of the financial performance of the various operating segments in line with data that are periodically reviewed by the top management, for a decision making on resources to be allocated to the segments and the evaluation of the results obtained by the same.

Reconciliation between **EBITDA, EBITANR and Profit/(Loss) before tax** is as follows:

(€/000)	31.12.2015	31.12.2014 Restated
EBITDA (*)	73,748	69,443
Depreciation and write-downs of Tangible assets	(7,812)	(7,199)
Amortisation and write-downs of Intangible assets	(4,715)	(4,225)
EBITANR (*)	61,221	58,019
Non-recurring costs and revenues	(2,564)	(5,618)
Depreciation & amortisation due to acquisitions	(5,712)	(5,493)
EBIT (Operating Result)	52,945	46,908
Financial Income	37,617	26,831
Financial expenses	(39,152)	(34,585)
Profits from associates	174	25
Pre-tax profit/(loss)	51,584	39,179

* as regards the definition of the above-mentioned economic indicators, reference is made to the definition included in the Management report.

The statement of financial position information relating to operating sectors as at 31 December 2015 compared with the information as at 31 December 2014 is as follows:

(€/000)	ADC		Industrial Automation		Informatics		Corporate		Adjustments		Total Group	
	31.12.15	31.12.14	31.12.15	31.12.14	31.12.15	31.12.14	31.12.15	31.12.14	31.12.15	31.12.14	31.12.15	31.12.14
Total Assets	644,360	587,938	302,179	226,237	24,604	21,423	782,593	677,215	(1,064,560)	(912,534)	689,176	600,279
Non-current assets	159,226	148,927	99,247	85,149	15,270	12,967	33,635	30,756	573	797	307,951	278,596
Tangible	19,226	17,787	18,671	10,734	2,711	2,568	27,806	26,098	(30)	(30)	68,384	57,157
Intangible	140,000	131,140	80,576	74,415	12,559	10,399	5,829	4,658	603	827	239,567	221,439
Equity investments in associates	76,241	69,287	6,387	6,213	-	-	155,190	155,190	(235,836)	(228,882)	1,982	1,808
Total Liabilities	423,679	398,989	245,880	173,420	7,245	5,504	541,641	463,614	(827,529)	(682,539)	390,916	358,988

Sector information by region as at 31 December 2015 and 31 December 2014 breaks down as follows:

(€/000)	31.12.2015	31.12.2014	Change
Revenues per geographic area			
Revenues in Italy	45,798	44,489	2.9%
Revenues in Europe	222,735	199,484	11.7%
Revenues in North America	161,063	132,644	21.4%
Revenues in Asia & Pacific	71,490	57,327	24.7%
Revenues in Rest of the World	33,982	30,602	11.0%
Total revenues	535,068	464,546	15.2%

(€/000)	31.12.2015	31.12.2014	Adjustments 31.12.2015	Adjustments 31.12.2014	Consolidated 31.12.2015	Consolidated 31.12.2014	Change
Non-current assets							
Italy	381,456	394,815			381,456	394,815	(3.4)%
Europe	35,062	26,152			35,062	26,152	34.1%
North America	392,696	354,370			392,696	354,370	10.8%
Rest of the World	16,198	13,446			16,198	13,446	20.5%
Eliminations and adjustments			(429,333)	(441,899)	(429,333)	(441,899)	(2.8)%
Total	825,412	788,783	(429,333)	(441,899)	396,079	346,884	14.2%

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 31 December 2015 are as follows:

Company	Registered office	Share capital	Total Shareholders' Equity (€/000)	Profit/Loss for the period (€/000)	% Ownership
Datalogic S.p.A.	Bologna - Italy	Euro	30,392,175	250,417	27,474
Datalogic Real Estate France Sa	Paris - France	Euro	2,227,500	3,517	(14)
Datalogic Real Estate Germany Gmbh	Erkenbrechtsweiler - Germany	Euro	1,025,000	1,515	(117)
Datalogic Real Estate UK Ltd	Redbourn - England	GBP	3,500,000	5,064	(64)
Datalogic IP Tech S.r.l.	Bologna - Italy	Euro	65,677	(945)	750
Informatics Inc.	Plano Texas - USA	\$USA	9,996,000	17,359	(376)
Datalogic Automation S.r.l.	Monte San Pietro (BO) - Italy	Euro	10,000,000	15,088	9,491
Datalogic Automation Inc.	Telford, USA	\$USA	6,009,352	34,556	(11,527)
Datalogic Automation PTY Ltd	Mount Waverley (Melbourne) - Australia	\$AUD	3,188,118	(154)	76
Datalogic Automation Asia Limited	Hong-Kong - China	HKD	7,000,000	(449)	(4)
Datalogic (Shenzhen) Trading Business China	Shenzhen - China	CNY	2,136,696	1,023	227
Datalogic Hungary kft	Fonyod - Hungary	HUF	3,000,000	879	119
Datalogic ADC S.r.l.	Bologna - Italy	Euro	10,000	175,877	41,164
Datalogic Mobile Asia	Hong-Kong - China	HKD	100,000	113	18
Datalogic Slovakia Sro	Trnava - Slovakia	Euro	66,388	10,124	10,051
Datalogic Holdings Inc.	Eugene OR - USA	\$USA	100	91,597	(1,703)
Datalogic ADC Inc.	Eugene OR - USA	\$USA	11	95,673	3,997
Datalogic ADC do Brasil	Sao Paulo - Brazil	R\$	159,525	(1,261)	(1,714)
Datalogic ADC Mexico	Colonia Cuauhtemoc - Mexico	\$USA	-	28	30
Datalogic Scanning Eastern Europe Gmbh	Darmstadt - Germany	Euro	25,000	4,320	844
Datalogic ADC PTY	Sidney - Australia	\$AUD	2	1,175	140
Datalogic Vietnam Llc	Vietnam	USD	3,000,000	28,583	24,493
Datalogic ADC Singapore	Singapore	SGD	100,000	756	274

The following companies were consolidated at Equity as at 31 December 2015:

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	3,812	348

The following companies were consolidated at cost as at 31 December 2015:

Company	Registered office	Share capital	Total Shareholders' Equity (€/000)	Profit/Loss for the period (€/000)	% Ownership
Datasensor Gmbh	Otterfing - Germany	Euro	150,000	0	(3)
Datalogic Automation AB (*)	Malmö - Sweden	KRS	100,000	486	155
Specialvideo S.r.l. (**)	Imola - Italy	Euro	10,000	268	146
CAEN RFID S.r.l. (**)	Viareggio - Italy	Euro	119,000	550	55

(*) Annual financial statements as at 30 June 2015.

(**) Financial statements as at 31 December 2014.

Change in scope of consolidation

With deed signed on 13 January 2015, the company Datalogic ADC Ltd was merged into the Parent Company Datalogic ADC S.r.l. This transaction caused no changes in the scope of consolidation.

It is worth noting that two new branches of ADC S.r.l. were recorded:

on 19 August 2015 in South Africa;

on 18 December 2015 in Poland.

Information on Statement of Financial Position

Note 1. Tangible assets

Details of movements as at 31 December 2015 and 31 December 2014 are as follows:

(€/000)	31.12.2015	31.12.2014	Change
Land	5,763	5,365	398
Buildings	32,299	24,698	7,601
Other assets	28,029	22,673	5,356
Assets in progress and payments on account	2,293	4,421	(2,128)
Total	68,384	57,157	11,227

Details of movements as at 31 December 2014 and 31 December 2015 are as follows:

(€/000)	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)
Net opening value as at 01.01.2014	5,223	24,528	19,822	1,755	51,328
Increases 31.12.2014					
Investments		125	7,976	3,249	11,350
Total	0	125	7,976	3,249	11,350
Decreases 31.12.2014					
Disposals, historical cost			(5,737)	0	(5,737)
Disposals, accum. depreciation			5,579		5,579
Depreciation		(529)	(6,670)		(7,199)
Total	0	(529)	(6,828)	0	(7,357)
Reclass. & other changes 31.12.2014					
Incoming transfers at historical cost		(215)	878	(654)	9
(Outgoing transfers, accum. depreciation)		107	(102)		5
Diff. exchange in historical cost	142	820	3,395	71	4,428
Diff. exchange in accum. depreciation		(138)	(2,468)		(2,606)
Total	142	574	1,703	(583)	1,836
Historical cost	5,365	29,059	111,188	4,421	150,033
Accumulated depreciation	0	(4,361)	(88,515)	0	(92,876)
Net closing value as at 31.12.2014	5,365	24,698	22,673	4,421	57,157
Increases as at 31.12.2015					
Investments	259	4,653	11,384	2,461	18,757
Total	259	4,653	11,384	2,461	18,757
Decreases as at 31.12.2015					
Disposals, historical cost			(1,616)	(433)	(2,049)
Write-down			(29)		(29)
Disposals, accum. depreciation			1,531		1,531
Depreciation		(562)	(7,221)		(7,783)
Total	0	(562)	(7,335)	(433)	(8,330)
Reclass. & other changes 31.12.2015					
Incoming transfers at historical cost		2,978	304	(4,336)	(1,054)
(Outgoing transfers, accum. depreciation)		13	381		394
Exch. Change in historical cost	139	661	2,963	180	3,943
Exch. Change in accum. depreciation		(142)	(2,341)		(2,483)
Total	139	3,510	1,307	(4,156)	800
Historical cost	5,763	37,351	124,223	2,293	169,630
Accumulated depreciation	0	(5,052)	(96,194)	0	(101,246)
Net closing value as at 31.12.2015	5,763	32,299	28,029	2,293	68,384

The increase in item "Buildings" (€4,653 thousand) is primarily related to the new plant in Hungary, amounting to €3,104 thousand (€5,951 thousand of total investment) and for restructuring works on buildings owned by the Group (€1,469 thousand).

The "Other assets" item as at 31 December 2015 mainly includes the following categories: Plant and machinery (€8,489 thousand), Trade and industrial equipment (€9,306 thousand), Office furniture and machines (€6,513 thousand), General plants (€2,053 thousand), Motor vehicles (€165 thousand), and Maintenance on third-party assets (€1,247 thousand).

This item increased by €11,384 thousand mainly due to:

- investments for the building of new production lines (€3,605 thousand),
- investments related to purchases of Office furniture and machines (€2,376 thousand),
- purchase of moulds (€1,300 thousand),
- ameliorations on third-party assets (€775 thousand).

Disposals are mainly related to the decommissioning of already obsolete, and entirely depreciated, assets.

The balance of "Assets in progress and payments on account", equal to €2,293 thousand, consists of €740 thousand for ameliorations to buildings owned by the Group and, for the remaining portion, to down payments for equipment, instruments and moulds for normal production activities.

NOTE 2. INTANGIBLE ASSETS

Details of movements as at 31 December 2015 and 31 December 2014 are as follows:

(€/000)	31.12.2015	31.12.2014	Change
Goodwill	183,020	164,412	18,608
Development costs	5,349	6,809	(1,460)
Others	47,829	49,031	(1,202)
Assets in progress and payments on account	3,369	1,187	2,182
Total	239,567	221,439	18,128

Details of movements as at 31 December 2015 and 31 December 2014 are as follows:

(€/000)	Goodwill	Development costs	Others	Assets in progress and payments on account	Total
Historical cost	145,092	13,782	116,666	2,226	277,766
Accumulated amortisation	0	(7,443)	(66,173)	0	(73,616)
Net opening value as at 01.01.2014	145,092	6,339	50,493	2,226	204,150
Increases 31.12.2014					
Investments		33	719	730	1,482
Total	0	33	719	730	1,482
Decreases 31.12.2014					
Disposals, historical cost		(230)	(425)	0	(655)
Disposals, accum. amortisation		230	425		655
Amortisation		(1,865)	(7,853)		(9,718)
Total	0	(1,865)	(7,853)	0	(9,718)
Reclass. & other changes 31.12.2014					
Incoming transfers		1,722	39	(1,769)	(8)
(Outgoing transfers)					0
Diff. exchange in historical cost	19,320	710	10,709		30,739
Diff. exchange in accum. amortisation		(130)	(5,076)		(5,206)
Total	19,320	2,302	5,672	(1,769)	25,525
Historical cost	164,412	16,017	127,708	1,187	309,324
Accumulated amortisation	0	(9,208)	(78,677)	0	(87,885)
Net closing value as at 31.12.2014	164,412	6,809	49,031	1,187	221,439

(€/000)	Goodwill	Development costs	Others	Assets in progress and payments on account	Total
Historical cost	164,412	16,017	127,708	1,187	309,324
Accumulated amortisation	0	(9,208)	(78,677)	0	(87,885)
Net opening value as at 01.01.2015	164,412	6,809	49,031	1,187	221,439
Increases 31.12.15					
Investments			1,517	2,493	4,010
Total	0	0	1,517	2,493	4,010
Decreases 31.12.15					
Disposals, historical cost	0		(21)	(45)	(66)
Disposals, accum. amortisation			4		4
Amortisation		(1,956)	(8,471)		(10,427)
Write-downs					0
Total	0	(1,956)	(8,488)	(45)	(10,489)
Reclass. & other changes 31.12.15					
Incoming transfers			786		786
(Outgoing transfers)			(24)	(279)	(303)
Diff. in Change in historical cost	18,608	675	10,226	13	29,522
Diff. in Change in accum. amortisation		(179)	(5,219)		(5,398)
Total	18,608	496	5,769	(266)	24,607
Historical cost	183,020	16,692	140,192	3,369	343,273
Accumulated amortisation	0	(11,343)	(92,363)	0	(103,706)
Net closing value at 31.12.15	183,020	5,349	47,829	3,369	239,567

“Goodwill”, totalling €183,020 thousand, consisted of the following items:

(€/000)	31.12.2015	31.12.2014	Change
CGU ADC	105,829	95,445	10,384
CGU IA	63,366	56,284	7,082
CGU Informatics	13,825	12,683	1,142
Total	183,020	164,412	18,608

Changes in item “Goodwill”, compared to 31 December 2015, is mainly attributable to translation differences, as most of the goodwill is expressed in US Dollars.

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 2015, 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 31 December 2015.

The cash flows of the individual CGUs have been taken from their respective 2016 Budgets and forward-looking plans prepared by Management. These plans represent the best estimate of foreseeable operating performance, based on business strategies and growth indicators in the sector to which the Group belongs and in its reference markets.

The assumptions used for the purposes of impairment, and the consequent results, have been approved by the Datalogic S.p.A. Audit and Risk Management Committee, Remuneration and Appointments Committee and the Board of Directors of each Company, for the related Goodwill.

Based on use of an Unlevered approach, we have used, through the discounted cash flow method, Unlevered Free Cash Flows from Operations (FCFO) as detailed below:

=	EBIT
-	Taxes on EBIT
=	NOPLAT (Net operating profit after taxes)
+	Depreciation and amortisation
-	Capital expenditures
+/-	Change in provisions
+/-	Change in Working Capital
+/-	Change in other assets – liabilities
=	Unlevered free cash flows from operations (FCFO)

To expected flows for the period 2016–2020, which are explicitly forecast, the flow relating to Perpetuity – representing Terminal value – is added.

This is calculated using a long-term growth rate (G) of 2%, which represents the long-term expectations for the industrial sector to which we belong.

The discount rate, consisting of the weighted average cost of invested capital (WACC), is estimated before tax and based on the financial structure of the sector to which the Datalogic Group belongs.

The WACC used – ranging from 8.76% to 10.14% depending on the goodwill measured – reflects the return opportunity for all capital contributions, for whichever reason they are made.

In the table below we provide the goodwill reallocated according to the new structure of the operating sectors and the breakdown of the growth assumptions made in the forecast plans and the discount rates used:

(€/000)	CGU ADC	CGU IA	Informatics
Goodwill at acquisition date	105,829	63,366	13,825
Weighted average cost of capital (WACC)	10.07%	10.14%	8.76%
Long-term growth rate (G)	2%	2%	2%

CGU ADC

Goodwill attributed to CGU ADC results from acquisitions of the PSC Group occurred in 2005, of the subsidiary EVO Inc. occurred in 2010 and of IDWARE S.r.l., occurred in 1998. The recoverable value of the ADC CGU was determined based on the calculation of the value in use, in which projected cash flows, resulting from the plan approved by the Board of Directors, have been used. The discount rate before taxes applied to projected cash flows is 10.07% (2014: 10.52%) and cash flows over five years have been inferred based on 2.0% growth rate (in line with 2014), which is prudentially lower than the growth rate expected in reference markets.

During testing for impairment, goodwill of CGU ADC confirmed its carrying value.

CGU IA

Goodwill attributed to CGU ADC results from acquisitions of the Laservall Group, occurred in 2004, of INFRA S.r.l., occurred in 2004, of PPT Vision Inc., occurred in 2011 and of Accu-Sort System Inc., occurred in 2012. The recoverable value of the ADC CGU was determined based on the calculation of the value in use, in which projected cash flows, resulting from the plan approved by the Board of Directors, have been used. The discount rate before taxes applied to projected cash flows is 10.14% (2014: 10.38%) and cash flows over five years have been inferred based on 2.0% growth rate (in line with 2014), which is prudentially lower than the growth rate expected in reference markets.

During testing for impairment, goodwill of CGU IA confirmed its carrying value.

CGU INFORMATICS

Goodwill attributed to CGU Informatics results from acquisitions made by Informatics Inc. in 2005. The recoverable value of the CGU Informatics was determined based on the calculation of the value in use, in which projected cash flows, resulting from

the plan approved by the Board of Directors, have been used. The discount rate before taxes applied to projected cash flows is 8.76% (in line with 2014) and cash flows over five years have been inferred based on 2.0% growth rate (in line with 2014), which is prudentially lower than the growth rate expected in reference markets. During testing for impairment, goodwill of CGU Informatics confirmed its carrying value.

Sensitivity to changes in assumptions

The calculation of value in use for selected CGUs is related to the following assumptions:

- gross profit;
- discount rates;
- growth rate used to calculate cash flows after the forecast period.

Gross Profit – Gross Profit is based on the average of amounts obtained in years before the beginning of the budget period. These values are increased in the budget period, in relation to improvements to efficiency. A decrease in demand might lead to a reduction in gross profit, and related decrease in value.

Discount rates – Discount rates reflect the market estimate of risks specific to each CGU, taking account of the time value of money and the risks specific to underlying assets, which are not already included in the cash flow estimates. The calculation of the discount rate is based on the Group specific circumstance and its operating sectors, and it results from its weighted average cost of the capital (WACC).

Estimates of growth rates – The rates are based on sector studies published. The management acknowledges that the rapidity in technological development and the possible entry of new actors in the market may have a significant impact on the growth rate.

As regards the measurement of the value in use of the aforementioned CGUs, the management deems that a change in the previous key assumptions so that a carrying value of the units would be lower than their recoverable value would not reasonably occur, also by reason of the fact that the differentials between the recoverable values of CGUs and the corresponding carrying values are highly positive as at 31 December 2015, especially for ADC and Informatics CGUs.

There is no external indicator to justify a loss in value of consolidated assets, either belonging to the CGUs used for testing impairment or represented by the residual portion of assets, that is the facilities belonging to Datalogic S.p.A., whose carrying value is lower than the fair value resulting from current market prices.

“Development costs”, which amount to €5,349 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.

The **“Others”** item, which amounts to €47,829 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:

(€/000)	31.12.2015	31.12.2014	Useful life
Acquisition of the PSC group (on 30 November 2006)	18,582	18,959	
Patents	18,582	18,329	20
Trademark	0	320	10
Client portfolio	0	310	10
Acquisition of Informatics Inc. (on 28 February 2005)	0	110	
Commercial structure	0	110	10
Acquisition of Evolution Robotics Retail Inc. (on 01 July 2010)	2,895	3,173	
Patents	482	529	10
Trade secrets	2,413	2,644	10
Acquisition of Accu-Sort Inc. (on 20 January 2012)	15,734	16,288	
Patents	9,305	9,656	10
Trade secrets	6,429	6,632	10
Licence agreement	5,800	6,492	5-15
Others	4,818	4,009	
Total other intangible assets	47,829	49,031	

The “Others” item mainly consists of software licences.

NOTE 3. EQUITY INVESTMENTS IN ASSOCIATES

Equity investments owned by the Group as at 31 December 2015 were as follows:

(€/000)	31.12.2014	Increases	Decreases	Foreign exch. diff.	Share of profit	31.12.2015
Associates						
Laservall Asia Co. Ltd	1,732				174	1,906
Datalogic Automation AB	2					2
Specialvideo S.r.l.	29					29
Datasensor GMBH	45					45
Total associates	1,808	0	0	0	174	1,982
Total	1,808	0	0	0	174	1,982

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:

31.12.2014 (€/000)	Loans and receivables	Financial assets at fair value charged to the Income Statement	Available for sale	Total
Non-current financial assets	1,721	20,290	3,842	25,853
Financial assets - Equity investments (5)			3,481	3,481
Financial assets - Securities (5)			361	361
Financial assets - Other (5)		20,290		20,290
Other receivables (7)	1,721			1,721
Current financial assets	172,805	0	0	172,805
Trade receivables from third parties (7)	68,894			68,894
Other receivables from third parties (7)	14,524			14,524
Financial assets - Other (5)	3,234			3,234
Cash and cash equivalents (10)	86,153			86,153
Total	174,526	20,290	3,842	198,658

31.12.2015 (€/000)	Loans and receivables	Financial assets at fair value charged to the Income Statement	Available for sale	Total
Non-current financial assets	3,069	30,732	4,986	38,787
Financial assets - Equity investments (5)			4,625	4,625
Financial assets - Securities			361	361
Financial assets - Loans	1,140			1,140
Financial assets - Other		30,732		30,732
Other receivables (7)	1,929			1,929
Current financial assets	207,026	0	0	207,026
Trade receivables from third parties (7)	67,309			67,309
Other receivables from third parties (7)	13,505			13,505
Financial assets - Other (5)	0			0
Financial assets - Securities (5)	0			0
Cash and cash equivalents (10)	126,212			126,212
Total	210,095	30,732	4,986	245,813

31.12.2014 (€/000)	Derivatives	Other financial liabilities	Total
Non-current financial liabilities	262	92,600	92,862
Financial payables (12)		89,519	89,519
Financial liabilities - Derivative instruments (6)	262		262
Other payables (16)		3,081	3,081
Current financial liabilities	0	206,298	206,298
Trade payables to third parties (16)		91,611	91,611
Other payables (16)		38,712	38,712
Short-term financial payables (12)		75,975	75,975
Total	262	298,898	299,160

31.12.2015 (€/000)	Derivatives	Other financial liabilities	Total
Non-current financial liabilities	115	143,467	143,582
Financial payables (12)		139,918	139,918
Financial liabilities - Derivative instruments (6)	115		115
Other payables (16)		3,549	3,549
Current financial liabilities	6	183,097	183,103
Trade payables to third parties (16)		101,468	101,468
Other payables (16)		42,107	42,107
Financial liabilities - Derivative instruments (6)	6		6
Short-term financial payables (12)		39,367	39,367
Total	121	326,409	326,530

FAIR VALUE – HIERARCHY

The Group measures at fair value all financial instruments such as derivatives and financial assets at each annual reporting date. The Group uses measurement methods that are appropriate for the situation, and for which data available to measure fair value are sufficient, while maximising the use of relevant inputs observable and limiting the use of non-observable inputs.

All assets and liabilities measured or recognised at fair value are classified based on a fair value hierarchy, as provided for by IFRS 13, and described hereunder:

Level 1 - listed prices (not adjusted) in active markets for identical assets or liabilities the entity of which is identifiable at the measurement date;

Level 2 - input data other than listed prices included in Level 1 which can be observed, either directly or indirectly for the asset or liability to be measured;

Level 3 - the valuation techniques for which input data cannot be observed for the asset or liability to be measured.

31.12.2015 (€/000)	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets - Equity Investments (5)	3,998		627	4,625
Financial assets - LT securities (5)	361			361
Financial assets - Other LTs (5)	9,919	20,813		30,732
Financial assets - Other (5)			0	0
Financial assets - Loans	0		1,140	1,140
Financial assets - ST Derivative instruments (6)				0
Total Assets measured at fair value	14,278	20,813	1,767	36,858
Liabilities measured at fair value				
Financial liabilities - LT derivative instruments (6)		115		115
Financial liabilities - ST derivative instruments (6)		6		6
Total Liabilities measured at fair value	0	121	0	121

As regards assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers between hierarchy level occurred while revising the classification (based in lower level inputs, which is significant for the purposes of a thorough fair value measurement) at each annual reporting date.

NOTE 5. AVAILABLE-FOR-SALE FINANCIAL ASSETS AND LOANS

Available-for-sale financial assets include the following items:

(€/000)	31.12.2015	31.12.2014	Change
Other Equity investments	4,625	3,481	1,144
Long-term government bonds	361	361	0
Other long-term financial assets	30,732	20,290	10,442
Total other long-term financial assets	35,718	24,132	11,586
Long-term loans	1,140	0	1,140
Other short-term financial assets		3,234	(3,234)
Total financial assets	36,858	27,366	9,492

The “Other LT financial assets” item consists of an investment of corporate liquidity in two insurance policies subscribed in May and July 2014, and a mutual investment fund subscribed in August 2015.

As at 31 December 2015, Equity investments held by the Group in other companies were as follows:

(€/000)	31.12.2014	Increases	Decreases	Adjustment to fair value	Adjustment on exchange rates	31.12.2015
Listed Equity investments	3,394			214	390	3,998
Unlisted Equity investments	87	568	(28)	0	0	627
Total Equity investments	3,481	568	(28)	214	390	4,625

The amount of the “Listed Equity investments” item is represented by the 1.2% investment of share capital in the Japanese company Idec Corporation listed on the Tokyo Stock Exchange.

The change in “Unlisted Equity investments” item is due to the acquisition of 20% in CAEN RFID S.r.l., a company based in Tuscany, and leader in the RFID-Radiofrequency Identification technology in the Ultra High Frequency (UHF) range.

The purchase of 127 shares and the sale of 199 shares (at par) in the Mandarin Fund, a Private Equity fund that mainly invests in Italian and Chinese small and medium-sized companies, are worth noting.

It should be highlighted that the Parent Company holds a minority interest in the Alien Technology Corporation, which was written down completely as at 31 December 2010.

NOTE 6. FINANCIAL DERIVATIVES

(€/000)	31.12.2015		31.12.2014	
	Assets	Liabilities	Assets	Liabilities
Financial instruments measured at fair value and recognised in the Statement of Comprehensive Income				
Interest rate derivatives - LT Cash Flow Hedges	0	115	0	262
Interest rate derivatives - ST Cash Flow Hedges	0	6	0	0
Total	0	121	0	262

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 €121 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 31 December 2015, the notional principal of interest swaps totalled €7,875 thousand (€14,625 thousand as at 31 December 2014).

CURRENCY DERIVATIVES

As at 31 December 2015, the Group had no active forward contracts for exchange rate risk.

NOTE 7. TRADE AND OTHER RECEIVABLES

TRADE AND OTHER RECEIVABLES

(€/000)	31.12.2015	31.12.2014	Change
Third-party trade receivables	68,492	70,529	(2,037)
Less provision for doubtful receivables	1,183	1,635	(452)
Net third-party trade receivables	67,309	68,894	(1,585)
Receivables from associates	1,456	1,290	166
Laservall Asia	541	487	54
Aczon	9	9	0
Datasensor GMBH	88	141	(53)
Specialvideo S.r.l.	1	24	(23)
Datalogic Automation AB	817	629	188
Total Trade receivables	68,765	70,184	(1,419)
Other receivables - current accrued income and prepaid expenses	13,580	14,599	(1,019)
Other receivables - non-current accrued income and prepaid expenses	1,929	1,721	208
Total other receivables - accrued income and prepaid expenses	15,509	16,320	(811)
Less non-current portion	1,929	1,721	208
Trade and other receivables - current portion	82,345	84,783	(2,438)

TRADE RECEIVABLES

"Trade receivables falling due within 12 months" as at 31 December 2015, equal to €68,765 thousand, decreased as at 31 December 2014 by €1,419 thousand but, net of the exchange rate effect, they would have decreased by €4,625 thousand.

As at 31 December 2015, trade receivables assigned to the factoring amounted to €26,180 thousand (compared to €20,827 thousand at end 2014).

Receivables from associates arise from commercial transactions carried out at arm's length conditions.

As at 31 December 2015 the breakdown of the item by due date is as follows:

(€/000)	31.12.2015	31.12.2014
Not yet due	56,778	52,581
Past due by 30 days	8,130	10,673
Past due by 30 - 60 days	1,826	3,663
Past due by more than 60 days	574	1,977
Total	67,309	68,894

The following table shows the breakdown of trade receivables by currency:

Currency	31.12.2015	31.12.2014
Euro	25,716	29,599
US Dollar (USD)	35,495	35,554
British Pound Sterling (GBP)	2,512	748
Australian Dollar (AUD)	1,024	1,059
Canadian Dollar (CAD)	128	406
Japanese Yen (JPY)	1,024	660
Danish Krone (DKK)	3	3
Swedish Krona (SEK)	455	453
Chinese Renminbi (CNY)	87	13
Vietnam Dong (VND)	224	70
Brazilian Real (BRL)	643	329
Total	67,309	68,894

Customer trade receivables are posted net of doubtful debt provision totalling €1,183 thousand (€1,635 thousand as at 31 December 2014).

Changes in accrued doubtful debt provision during the period were as follows:

(€/000)	2015	2014
As at 1 January	1,635	2,259
Exchange-rate change	5	37
Provision to the write-down reserve	218	804
Unused and reversed amounts	(184)	(418)
Reclassifications	(32)	
Receivables reversed as considered uncollectable in the year	(459)	(1,047)
As at 31 December	1,183	1,635

Other receivables - accrued income and prepaid expenses

The detail of the item "Other receivables - accrued income and prepaid expenses" is as shown below:

(€/000)	31.12.2015	31.12.2014	Change
Other short-term receivables	2,848	1,943	905
Other long-term receivables	1,929	1,721	208
VAT receivables	8,369	9,727	(1,358)
Accrued income and prepaid expenses	2,363	2,929	(566)
Total	15,509	16,320	(811)

NOTE 8. INVENTORIES

(€/000)	31.12.2015	31.12.2014	Change
Raw and ancillary materials and consumables	18,056	12,367	5,689
Work in progress and semi-finished products	24,409	21,896	2,513
Finished products and goods	27,012	28,153	(1,141)
Total	69,477	62,416	7,061

The increase in Inventories, net of the exchange rate effect, would result equal to €2,942 thousand.

Inventories are shown net of an obsolescence provision that, as at 31 December 2015, amounted to €7,167 thousand (€8,548 thousand as at 31 December 2014). The movements of this provision as at 31 December of each year is shown hereunder:

(€/000)	31.12.2015	31.12.2014
1 January	8,548	9,118
Exchange-rate change	581	683
Allocations	2,644	1,866
Release for scrap and other utilisations	(4,606)	(3,119)
31 December	7,167	8,548

NOTE 9. TAX RECEIVABLES AND TAX PAYABLES

As at 31 December 2015, "Tax receivables" amounted to €15,063 thousand, down by €1,746 thousand (€16,809 thousand as at 31 December 2014). The receivables for IRES tax from the Parent Company Hydra are classified under this item. This amount is due to the tax consolidation and totals €7,383 thousand, down by €1,336 thousand (€8,719 thousand as at 31 December 2014).

As at 31 December 2015, "Tax payables" amounted to €10,577 thousand, down by €208 thousand (€10,785 thousand as at 31 December 2014). The payables for IRES tax due to the Parent Company Hydra are classified under this item. This amount is due to the tax consolidation and as at 31 December 2015, totalled €4,781 thousand. As at 31 December 2014 it amounted to €23 thousand.

NOTE 10. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are broken down as follows for the purposes of the Cash Flow Statement:

(€/000)	31.12.2015	31.12.2014	Change
Cash and cash equivalents shown on financial statements	126,212	86,153	40,059
Restricted cash	(46)	(160)	114
Current account overdrafts	(45)	(141)	96
Cash and cash equivalents for statement	126,121	85,852	40,269

According to the requirements of Consob Communication no. 15519 of 28 July 2006, the Group's Financial Position is reported in the following table:

(€/000)	31.12.2015	31.12.2014
A. Cash and bank deposits	126,166	85,993
B. Other cash and cash equivalents	46	160
b1. Restricted cash deposit	46	160
C. Securities held for trading	361	361
c1. Short-term	0	0
c2. Long-term	361	361
D. Cash and equivalents (A) + (B) + (C)	126,573	86,514
E. Current financial receivables	0	3,234
F. Other current financial receivables	0	0
f1. Hedging transactions	0	0
G. Bank overdrafts	45	141
H. Current portion of non-current debt	32,973	74,699
I. Other current financial payables	6,355	1,135
i1. Hedging transactions	6	0
i2. Payables for leasing	260	247
i3. Current financial payables	6,089	888
J. Current financial debt (G) + (H) + (I)	39,373	75,975
K. Current financial debt, net (J) - (D) - (E) - (F)	(87,200)	(13,773)
L. Non-current bank borrowing	139,639	88,950
M. Other non-current financial assets	31,872	20,290
N. Other non-current liabilities	394	831
n1. Hedging transactions	115	262
n2. Payables for leasing	279	569
O. Non-current financial debt (L) - (M) + (N)	108,161	69,491
P. Net Financial Debt (K) + (O)	20,961	55,718

Net Financial Debt as at 31 December 2015 was negative by €20,961 thousand, an improvement of €34,757 thousand compared to 31 December 2014, (when it was negative by €55,718 thousand).

Note that the following transactions were carried out in the period:

- purchase of treasury shares (no. 82,517), which generated a negative cash flow amounting to €831 thousand,
- cash outflows for leaving incentives amounting to €2,542 thousand,
- payment of dividends of €10,471 thousand.

Investments were also made, net of disposals, amounting to €22,010 thousand. This amount includes €9,811 thousand related to new investments and restructuring of buildings, as well as the building of new production lines. The related cash outflows for the period amounted to €6,262 thousand.

Information on Shareholders' Equity and Statement of financial position

NOTE 11. SHAREHOLDERS' EQUITY

The detail of Equity accounts is shown below, while changes in Equity are reported in the specific statement:

(€/000)	31.12.2015	31.12.2014
Share capital	30,392	30,392
Extraordinary share-cancellation reserve	2,813	2,813
Treasury shares held in portfolio	4,488	5,319
Treasury share reserve	2,453	1,624
Share premium reserve	106,513	107,342
Share capital and capital reserves	146,659	147,490
Cash-flow hedge reserve	(92)	(190)
Translation reserve	22,168	2,702
Reserve for exchange rate adjustment	13,404	5,542
Actuarial gains/(losses) reserve	(371)	(378)
Held-for-sale financial assets reserve	509	218
Other reserves	35,618	7,894
Retained earnings	75,436	55,050
Earnings carried forward	59,878	40,674
Capital contribution reserve	958	958
Legal reserve	5,917	4,735
IAS reserve	8,683	8,683
Profit for the year	40,547	30,857
Total Group Shareholders' Equity	298,260	241,291

SHARE CAPITAL

Movements in Share Capital as at 31 December 2014 and 31 December 2015 are reported below:

(€/000)	Number of shares	Share Capital	Extraordinary share-cancellation reserve	Share premium reserve	Treasury shares	Treasury share reserve	Total
01.01.2014	57,053,258	30,392	2,813	100,863	(5,171)	8,103	137,000
Purchase of treasury shares	(219,943)			(1,842)	(1,842)	1,842	(1,842)
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					(458)		(458)
31.12.2014	58,254,398	30,392	2,813	107,342	5,319	1,624	147,490

(€/000)	Number of shares	Share Capital	Extraordinary share-cancellation reserve	Treasury shares held in portfolio	Treasury share reserve	Share premium reserve	Total
01.01.2015	58,254,398	30,392	2,813	5,319	1,624	107,342	147,490
Purchase of treasury shares	(82,517)			(829)	829	(829)	(829)
Costs for the purchase/sale of treasury shares				(2)			(2)
31.12.2015	58,171,881	30,392	2,813	4,488	2,453	106,513	146,659

Extraordinary share-cancellation reserve

The Extraordinary Shareholders' Meeting of Datalogic S.p.A., held on 20 February 2008, approved a reduction of share capital through the cancellation of 5,409,981 treasury shares (equal to 8.472% of the share capital), owned by the Company. When these shares were cancelled, as resolved by the Extraordinary Shareholders' Meeting, a share-cancellation reserve was set aside for the amount of €2,813 thousand, through the use of the share premium reserve. Therefore, this reserve remained classified under item "Share capital".

Ordinary shares

As at 31 December 2015, the total number of ordinary shares was 58,446,491, including 274,610 held as treasury shares, making the number of shares in circulation at that date 58,171,881. The shares have a nominal unit value of €0.52 and are fully paid up.

Treasury shares

The item "Treasury shares", amounting to €4,488 thousand, includes capital gains/(losses) resulting from the sale of treasury shares, net of purchases and related charges (€6,941 thousand). In 2015, the Group purchased 82,517 treasury shares for a total amount of €829 thousand, accounted for excluding purchase costs (€2 thousand).

For these purchases, in accordance with Article 2357 of the Italian Civil Code, the Treasury share reserve, in the amount of €2,453 thousand, was made unavailable by using the Share premium reserve.

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 €121 thousand) and amounts are shown net of the tax effect (€29 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 granted to some Group companies by the Parent Company Datalogic S.p.A. and Datalogic Holdings Inc.. For these loans no regulation and/or a defined reimbursement plan are 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.

RETAINED EARNINGS

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 28 April 2015, the Ordinary Shareholders' Meeting of Datalogic S.p.A. decided to distribute an ordinary dividend of €0.18 per share (€0.16 in 2014). The overall dividends began to be paid starting from 13 May 2015 and had been paid in full by 31 December.

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

(€/000)	31 December 2015		31 December 2014	
	Total Equity	Period results	Total Equity	Period results
Parent Company Shareholders' Equity and profit	250,417	27,474	223,915	23,647
Difference between consolidated companies' Shareholders' Equity and their carrying value in the Parent Company's financial statements; effect of equity-based valuation	108,261	76,703	79,786	60,159
Reversal of dividends		(63,097)		(51,890)
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	(11,826)	(244)	(14,115)	(1,499)
Reversal of write-downs and capital gains on Equity investments	6,121		6,121	
Sale of know-how	(7)		(7)	
Goodwill impairment	(1,395)		(1,395)	
Other	(1,133)	(324)	(801)	155
Deferred taxes	4,047	35	4,012	285
Group Shareholders' Equity	298,260	40,547	241,291	30,857

NOTE 12. SHORT/LONG-TERM BORROWINGS AND FINANCIAL LIABILITIES

The breakdown of the item, divided by short/long-term classification, is shown in the following table:

(€/000)	31.12.2015	31.12.2014	Change
Long-term financial payables	139,918	89,519	50,399
Short-term financial payables	39,367	75,975	(36,608)
Total financial payables	179,285	165,494	13,791

The breakdown of this item is as detailed below:

(€/000)	31.12.2015	31.12.2014	Change
Bank loans	172,612	163,649	8,963
Other	80	0	80
Payables to factoring companies	6,009	888	5,121
Payables for leasing	539	816	(277)
Bank overdrafts (ordinary current accounts)	45	141	(96)
Total financial payables	179,285	165,494	13,791

The breakdown of changes in the "Bank loans" item as at 31 December 2015 and 31 December 2014 is shown below:

(€/000)	2015	2014
1 January	163,649	227,674
Foreign exchange differences	930	1,754
Increases	139,277	20,454
Repayments	(125,263)	(46,235)
Decreases for loan repayments	(5,981)	(39,998)
31 December	172,612	163,649

On 24 February 2015, Datalogic S.p.A. signed a loan agreement with a pool of banks for the amount of €140 million and re-deemed at the same time, previous loans amounting to €126 million.

This transaction allowed for an increase in the average life of the financial debt and the reduction in the related charges.

The breakdown of the "Bank loans" item by maturity is as follows:

(€/000)	31.12.2015	31.12.2014
Variable rate	151,332	142,167
Due < 1 year	12,815	54,499
Due > 1 year	138,517	87,668
Fixed rate	21,280	21,482
Due < 1 year	20,158	20,201
Due > 1 year	770	729
Due > 5 year	352	552
Total financial payables	172,612	163,649

The breakdown of the "Bank loans" item by currency is as follows:

Valuta	31.12.2015	31.12.2014
Euro	172,612	150,935
US Dollar (USD)	-	12,714
Total	172,612	163,649

The fair value of the loans (current and non-current) coincides substantially with their book value.

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:

Banca	Company	Currency	Outstanding debt	Covenant		Frequency	Reference statements
Mediobanca	1 Datalogic S.p.A.	Euro	12,000,000	Ebitda/OFN	PFN/Ebitda	semi-annual	Datalogic Group
Club Deal	2 Datalogic S.p.A.	Euro	140,000,000	Ebitda/OFN	PFN/Ebitda	semi-annual	Datalogic Group

Key: PFN = Net Financial Position; OFN= Net Financial Expenses.

As at 31 December 2015 all covenants were respected.

Financial leases

(€/000)	31 December 2015		31 December 2014	
	Minimum payments	Current value of payments	Minimum payments	Current value of payments
Within the year	280	260	303	247
After one year but within 5 years	285	279	581	569
> 5 years				
Total minimum payments	565	539	885	816
Less interest expenses	(26)		(69)	
Current value of lease costs	539	539	816	816

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.

In provisioning deferred tax assets, each single Group company critically assessed the existence of future recoverability assumptions of these assets, based on updated strategic plans, complete with related tax plans.

Below we show the main items forming deferred tax assets and deferred tax liabilities and changes in them during the year.

Deferred tax assets (€/000)	Losses and receivables on taxes paid abroad	Adjustment on exchange rates	Depreciation and Amortisation	Asset write- downs	Provisions	Operations deriving from acquisitions	Others	IP redemption	Consolidation adjustments	Total
01.01.2015	15,191	2,434	306	520	9,804	2,769	302	7,221	2,080	40,627
Opening restatement	151	(151)	(126)			501	31			406
01.01.2015 Reclassified	15,342	2,283	180	520	9,804	3,270	333	7,221	2,080	41,033
Provisioned in (released from) Income Statement	6,240	580	(129)	(14)	484	(1,194)	(241)	(2,491)	(680)	2,555
Provisioned in (released from) Shareholders' Equity		234					(43)		368	559
Exchange rate differences	1,875	95	31		754	295	5		61	3,116
Reclassifications	432	2	9		1	3	(92)		(259)	96
31.12.2015	23,889	3,194	91	506	11,043	2,374	(38)	4,730	1,570	47,359

Deferred tax liabilities (€/000)	Reserve for provision losses	Adjustment on exchange rates	Depreciation and Amortisation	Provisions	Operations deriving from acquisitions	Others	IAS Reserves	Consolidation adjustments	Total
01.01.2015	16	4,018	4,510	1,577	9,505	1,522	315	185	21,648
Opening restatement			429		403	(426)			406
01.01.2015 Reclassified	16	4,018	4,939	1,577	9,908	1,096	315	185	22,054
Provisioned in (released from) Income Statement		598	(1,185)	(284)	(1,369)	(54)		(341)	(2,635)
Provisioned in (released from) Shareholders' Equity		2,490				(30)			2,460
Exchange rate differences			295	60	1,008	(6)			1,357
Reclassifications			57	(74)		(47)			(64)
31.12.2015	16	7,106	4,106	1,279	9,547	959	315	(156)	23,172

NOTE 14. POST-EMPLOYMENT BENEFITS

The breakdown of changes in the "Post-employment benefits" item as at 31 December 2015 and 31 December 2014 is shown below:

(€/000)	2015	2014
1 January	7,201	7,049
Amount allocated in the period	1,451	1,710
Uses	(1,183)	(838)
Other movements	(45)	93
Social security receivables for the employee severance indemnity reserve	(610)	(813)
31 December	6,814	7,201

NOTE 15. PROVISIONS FOR RISKS AND CHARGES

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

(€/000)	31.12.2015	31.12.2014	Change
Short-term provisions for risks and charges	8,341	8,440	(99)
Long-term provisions for risks and charges	15,187	11,161	4,026
Total	23,528	19,601	3,927

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

(€/000)	31.12.2014	Increases	(Uses) and (Releases)	Transfers	Foreign	31.12.2015
Product warranty provision	9,130	719	(774)		700	9,775
Provision for management incentive scheme	4,906	3,535				8,441
"Stock rotation" provision	2,557	116			192	2,865
Other	3,008	484	(936)	(266)	157	2,447
Total Provisions for risks and charges	19,601	4,854	(1,710)	(266)	1,049	23,528

The **“Product warranty provision”** covers the estimated cost of repairing products sold as up to 31 December 2015 and covered by periodical warranty; it amounts to €9,775 thousand (of which €6,372 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.

The **“Stock rotation provision”**, equal to €2,865 thousand, is related to the ADC Group and Informatics;

The **“Other”** item mainly comprises:

- €1,534 thousand for a possible tax liability related to a company outside the Group;
- €314 thousand for agent termination indemnities;
- €162 thousand for a pending tax dispute related to some Italian companies;
- €266 thousand for legal dispute.

NOTE 16. TRADE AND OTHER PAYABLES

This table shows the details of trade and other payables:

(€/000)	31.12.2015	31.12.2014	Change
Trade payables due within 12 months	101,468	91,611	9,857
Third-party trade payables	101,468	91,611	9,857
Payables to associates	84	76	8
Laservall Asia Co. Ltf	82	72	10
Datalogic Automation AB	2	4	(2)
Payables to the Parent Company	0	207	(207)
Hydra S.p.A.	0	207	(207)
Payables to subsidiaries	0	0	0
Payables to related parties	159	273	(114)
Total trade payables	101,711	92,167	9,544
Other payables – current accrued liabilities and deferred income	42,107	38,712	3,395
Other payables – non-current accrued liabilities and deferred income	3,549	3,081	468
Total other payables – accrued liabilities and deferred income	45,656	41,793	3,863
Less non-current portion	3,549	3,081	468
Current portion	143,818	130,879	12,939

The increase in trade payables, equal to €9,544 thousand, is attributable, in the amount of €5,844 thousand, to the exchange rate effect.

OTHER PAYABLES – ACCRUED LIABILITIES AND DEFERRED INCOME

The detailed breakdown of this item is as follows:

(€/000)	31.12.2015	31.12.2014	Change
Other long-term payables	3,549	3,081	468
Other short-term payables:	21,398	20,621	777
Payables to employees	14,790	14,440	350
Payables to pension and social security agencies	4,813	4,400	413
Directors' remuneration payable	341	430	(89)
Other payables	1,454	1,351	103
VAT liabilities	1,868	1,413	455
Accrued liabilities and deferred income	18,841	16,678	2,163
Total	45,656	41,793	3,863

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 €49 thousand for early retirement incentives related to the reorganisation occurred in 2014 (€1,369 thousand as at 31 December 2014) and €872 thousand related to costs for 2015.

Information on the Income Statement

NOTE 17. REVENUES

(€/000)	31.12.2015	31.12.2014	Change
Revenues from sale of products	508,338	441,468	66,870
Revenues from services	26,730	23,078	3,652
Total revenues (net of non-recurring revenues)	535,068	464,546	70,522
Non-recurring revenues	0	99	(99)
Total revenues	535,068	464,645	70,423

Revenues earned from sales of goods and services increased by 15.2% compared to the same period of the previous year (5.9% at constant exchange rates).

The following table shows the breakdown of revenues per geographical areas:

(€/000)	31.12.2015	31.12.2014	Change
Revenues in Italy	45,798	44,489	1,309
Revenues in Europe	222,735	199,484	23,251
Revenues in North America	161,063	132,644	28,419
Revenues in Asia & Pacific	71,490	57,327	14,163
Revenues in Rest of the World	33,982	30,602	3,380
Total revenues	535,068	464,546	70,522

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.

(€/000)	31.12.2015	31.12.2014 Restated	Change
Total cost of goods sold (1)	286,691	237,170	49,521
of which non-recurring	241	1,069	(828)
Total operating costs (2)	198,936	182,806	16,130
Research and Development expenses	48,441	43,196	5,245
of which non-recurring	92	0	92
of which amortisation, depreciation pertaining to acquisitions	105	88	17
Distribution expenses	102,093	89,324	12,769
of which non-recurring	998	1,119	(121)
General and administrative expenses	46,361	46,501	(140)
of which non-recurring	1,233	1,950	(717)
of which amortisation, depreciation pertaining to acquisitions	5,607	5,405	202
Other operating costs	2,041	3,785	(1,744)
of which non-recurring	0	1,579	(1,579)
Total (1+2)	485,627	419,976	65,651
of which non-recurring costs	2,564	5,717	(3,153)
of which amortisation, depreciation pertaining to acquisitions	5,712	5,493	219

The item Non-Recurring costs as at 31 December 2015 shows a balance of €2,564 thousand.

The breakdown of this item is as follows:

Item (€/000)	Amount	Type of cost
1) "Cost of goods sold"	241	early retirement incentives
Total	241	
2) "R&D expenses"	92	early retirement incentives
Total	92	
3) "Distribution expenses"	688	early retirement incentives
3) "Distribution expenses"	310	commissions
Total	998	
4) "General and administrative expenses"	825	early retirement incentives
4) "General and administrative expenses"	408	consulting
Total	1,233	
Total non-recurring costs	2,564	

These costs mainly resulted from early retirement incentives and consultancy services related to an internal Group reorganisation, as well as to consultancy related to Mergers and Acquisitions.

The amortisation from acquisitions (equal to €5,712 thousand) mainly included under "General and administrative expenses" (€5,607) are comprised of:

(€/000)	31.12.2015	31.12.2014	Change
Acquisition of the PSC group (on 30 November 2006)	2,513	2,099	414
Acquisition of Laservall S.p.A. (on 27 August 2004)	0	221	(221)
Acquisition of Informatics Inc. (on 28 February 2005)	120	602	(482)
Acquisition of Evolution Robotics Retail Inc. (on 1 July 2010)	631	527	104
Acquisition of Accu-Sort Systems Inc. (on 20 January 2012)	2,448	2,044	404
Total	5,712	5,493	219

TOTAL COST OF GOODS SOLD (1)

This item increased by 20.88% compared to the same period in 2015. At constant Euro/Dollar exchange rates and net of non-recurring costs, the percentage increase would have been of 7.7%.

TOTAL OPERATING COSTS (2)

The operating costs, excluding non-recurring costs and the amortisation inherent in the acquisitions, increased by 10.56% from €172,665 thousand to €190,901 thousand. At constant exchange rates and less extraordinary costs, a remarkably lower increase is noted (+2.31%), mainly attributable to distribution and R&D expenses.

In particular:

- **"R&D expenses"** amounted to €48,441 thousand and increased by €5,136 thousand, net of non-recurring costs, compared to the same period of the previous year (+€1,115 thousand, at constant exchange rates and net of non-recurring costs). This increase is primarily attributable to the increase in payroll & employee benefits, as well as increased expenses for technical advisory services.
- **"Distribution expenses"** amounted to €102,093 thousand and, net of non-recurring costs, increased by €12,890 thousand with respect to the comparison period. Based on the analysis at constant exchange rates, and net of non-recurring costs, a net increase of €4,997 thousand (+5.67%) is reported, determined by an increase in payroll & employee benefits (+€4,053 thousand) and an increase in costs for travel and accommodation (+€584 thousand) as well as an increase in costs for meetings (+€548 thousand) and consultancy services (+€200 thousand).
- **"General and administrative expenses"** amounted to €46,361 thousand. This item, net of non-recurring costs, increased by €375 thousand, compared to the same period of the previous year, while, at constant exchange rates, and net of non-recurring costs reported a decrease of €1,837 thousand compared to the same period of the previous year. At constant exchange rates, and net of non-recurring costs, a decrease is primarily attributable to operating costs (decrease of around €1,900 thousand), especially attributable to consultancy expenses.

The detailed breakdown of item “Other operating costs” is as follows:

(€/000)	31.12.2015	31.12.2014	Change
Capital losses on assets	69	39	30
Contingent liabilities	193	78	115
Provisions for doubtful accounts	34	505	(471)
Allocation to the risk reserve	21	1,689	(1,668)
of which non-recurring	0	1,579	(1,579)
Non-income taxes	1,389	1,230	159
Cost charge backs	309	197	112
Other	26	47	(21)
Total	2,041	3,785	(1,744)

BREAKDOWN OF COSTS BY TYPE

The following table provides the details of total costs (cost of goods sold and total operating costs) by type, for the main items:

(€/000)	31.12.2015	31.12.2014	Change
Purchases	208,894	175,422	33,471
Inventory change	(4,310)	(11,165)	7,039
Payroll & employee benefits	156,394	138,511	17,798
Amortisation, depreciation and write-downs	18,239	16,918	1,321
Goods receipt & shipment	18,018	15,820	2,198
Technical, legal and tax advisory services	9,902	9,434	468
Marketing expenses	9,677	9,290	387
Travel & accommodation	9,299	7,986	1,313
Building expenses	6,599	5,883	717
Repairs	5,514	5,387	127
Material collected from the warehouse	4,893	4,906	(13)
EDP expenses	3,758	3,471	287
Vehicle expenses	3,379	3,595	(216)
Subcontracted work	3,354	2,720	634
Royalties	2,735	2,353	382
Consumables	2,612	2,365	247
Telephone expenses	2,540	2,205	335
Commissions	2,074	1,487	587
Utilities	1,967	1,840	127
Sundry service costs	1,719	1,931	(212)
Meeting expenses	1,717	1,089	628
Directors' remuneration	1,439	1,783	(344)
Quality certification expenses	1,410	1,461	(51)
Accounts certification expenses	1,114	1,177	(63)
Insurance	1,094	1,001	93
Expenses for plant and machinery and other assets	1,030	763	267
Entertainment expenses	981	1,015	(34)
Training courses for employees	529	428	101
Stationery and printings	362	450	(88)
R&D materials	360	678	(318)
Other	8,334	9,772	(1,442)
Total cost of goods sold and operating costs	485,627	419,976	65,651

The increase in item "Travel & accommodation" is primarily related to a higher attendance to exhibitions. At constant exchange rate, the increase is remarkably lower (+€400 thousand).

The increase in item "Meeting expenses" (+€480 thousand, at constant exchange rate), is primarily attributable to important meetings of the sales force.

The item "Marketing expenses", equal to €9,677 thousand, increased by €387 thousand compared to the same period of 2014, while shows a decrease at constant exchange rates (around -€600 thousand), mainly due to the decrease in Marketing co-participation expenses with trade partners and in advertising expenses, which offsets the increase in costs for exhibitions.

The item "Technical, legal and tax advisory services", equal to €9,902 thousand (of which €408 thousand are non-recurring), increased with respect to the previous year; nevertheless, this increase is attributable to the exchange rate effect. At constant exchange rates, in fact, this item shows a decrease. At constant exchange rates, technical consulting services linked to R&D projects show an increase.

The item "Commissions", equal to €2,074 thousand, includes €310 thousand of non-recurring costs, related to a legal dispute still outstanding.

The increase in item "Building expenses" is primarily due to the exchange rate effect; at constant exchange rates, the increase is limited to €259 thousand.

The increase in item "Subcontracted work" is primarily due to the exchange rate effect (+Euro 189 thousand at constant exchange rates).

The "Other" item mainly consists of several costs all of which are lower than €150 thousand.

The detailed breakdown of payroll & employee benefits is as follows:

(€/000)	31.12.2015	31.12.2014	Change
Wages and salaries	121,520	105,409	16,111
Social security charges	21,662	20,205	1,457
Employee severance indemnities	1,544	1,508	36
Retirement and similar benefits	1,350	1,361	(11)
Medium/long-term managerial incentive plan	3,535	2,091	1,444
Other costs	4,927	3,725	1,202
Early retirement incentives	1,856	4,212	(2,356)
Total	156,394	138,511	17,883

The "Wages and salaries" item, equal to €121,520 thousand, includes "Sales commissions and incentives" of €14,917 thousand (€13,762 thousand at constant exchange rates and €12,545 thousand as at 31 December 2014). The increase, at constant exchange rates, in item "Wages and salaries" (equal to €5,493 thousand) is primarily related to increased in-house R&D activities and the hiring of personnel in the commercial sector.

The "Early retirement incentives" item, equal to €1,856 thousand, includes costs, totalling €1,846 thousand, stated under item "Non-recurring costs and revenues" and result from the re-organisation activities internal to the Group.

NOTE 19. OTHER OPERATING REVENUES

The detailed breakdown of this item is as follows:

(€/000)	31.12.2015	31.12.2014	Change
Miscellaneous income and revenues	1,838	878	960
Rents	69	73	(4)
Capital gains on asset disposals	67	79	(12)
Contingent assets	630	79	551
Grants to Research and Development expenses	823	1,066	(243)
Other	77	64	13
Total	3,504	2,239	1,265

The item "Miscellaneous" income and revenues mainly includes revenues for self-manufactured equipment and reimbursements from employees for the use of vehicles for the pertaining portion.

The increase in item "Contingent assets" is primarily attributable to some insurance repayments, as well as repayments for the use of payment services with debit cards.

NOTE 20. NET FINANCIAL INCOME (EXPENSES)

(€/000)	31.12.2015	31.12.2014	Change
Financial Income/(expenses)	(2,262)	(5,823)	3,561
Foreign exchange differences	3,087	357	2,730
Bank expenses	(3,304)	(2,643)	(661)
Other	944	355	589
Total Net Financial Income (expenses)	(1,535)	(7,754)	6,219

Financial Income was negative by €1,535 thousand, compared to a negative result of €7,754 thousand related to the same period of the previous year, mainly to:

- better results in the financial management attributable to the significant decrease in "Interest expenses on bank current accounts/loans" due to the entering of a new loan agreement with a pool of banks for the amount of €140 million and the redemption, at the same time, of previous loans amounting to €126 million. This transaction allowed for an increase in the average life of the financial debt and the reduction in the related charges;
- a more favourable performance of exchange rate differences, which had a positive increase of €2,730 thousand.

The "Bank expenses" item mainly includes:

- the portion pertaining to the upfront fees period, paid upon opening of long-term loans, in the amount of €1,428 thousand, of which €1,250 thousand are connected with the early redemption of some long-term loans (€996 thousand as at 31 December 2014);
- factoring costs, amounting to €839 thousand (€925 thousand in 2014), related to commissions without recourse.

The "Other" item includes dividends received by the Mandarin fund and the company Idec Corporation and Specialvideo, totalling €572 thousand.

Profits generated by companies carried at Equity were recognised in the amount of €174 thousand (compared with losses of €25 thousand as at 31 December 2014).

NOTE 21. TAXES

(€/000)	31.12.2015	31.12.2014	Change
Income tax	13,549	7,297	6,252
Substitute tax	2,678	1,074	1,604
Deferred taxes	(5,190)	(49)	(5,141)
Total	11,037	8,322	2,715

The average tax rate comes to 21.4% (21.2% as at 31 December 2014).

The reconciliation for 2015 of the nominal tax rate set out in Italian law and the effective rate in the consolidated financial statements is as follows:

(€/000)	2015
Nominal tax rate under Italian law	(27.50)%
Regional tax	(3.50)%
Non-deductible expenses for IRES	(1.00)%
Other effects	(0.60)%
Tax on dividend distribution	(1.30)%
Recoverable tax losses related to subsidiaries	(0.20)%
Cumulative effect of different tax rates applied in foreign countries	11.40%
Effect of the change in rate of IRES tax, lt. comp.	(0.60)%
Labour cost benefit - IRAP tax	1.90%
Consolidated effective tax rate	(21.40)%

NOTE 22. EARNINGS/LOSS PER SHARE

EARNINGS/LOSS PER SHARE

(€/000)	31.12.2015	31.12.2014
Group earnings/(loss) for the period	40,547,000	30,857,000
Average number of shares	58,179,970	58,154,176
Earnings/(Loss) per share	0.6969	0.5306

EPS as at 31 December 2015 was calculated by dividing Group net profit of €40,547 thousand (Group net profit of €30,857 thousand as at 31 December 2014) by the average number of ordinary shares outstanding as at 31 December 2015, equal to 58,179,970 shares (58,154,176 as at 31 December 2014).

Notice of Auditing firm's fees

Pursuant to article 149-duodecies of the Issuer Regulation, implementing Legislative Decree 58 of 24 February 1998, the following is the summary schedule of fees pertaining to the year 2015 provided by the independent auditors.

The table below shows the fees for the audit activity and other services, mainly including due diligence and integration processes following acquisitions and the Group reorganisation.

(€/000)	2015
Fees for services supplied by the Auditing Firm to the Parent Company and to the subsidiaries	
Datalogic S.p.A. - auditing	162
Italian subsidiaries - auditing	240
Foreign subsidiaries - auditing	415
Total auditing	817
Non-auditing services	11
Total	828

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 Procedure for Transactions with Related Parties approved by the Board of Directors on 4 November 2010 (finally amended on 24 July 2015), and that is available on the Company’s internet site www.datalogic.com.

The Parent Company of the Datalogic Group is Hydra S.p.A..

Infragroup transactions are executed as part of the ordinary operations and at arm’s length conditions. Furthermore, there are other relationships with related parties, always carried out as part of the ordinary operations and at arm’s length conditions, 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.

Pursuant to Article 5, par. 8, of the Consob Regulations, it should be noted that, over the period 1 January 2015 to 31 December 2015, the Company’s Board of Directors did not approve any relevant transaction, as set out by Article 3, par. 1, lett. b) of the Consob Regulations, or any transaction with minority related parties that had a significant impact on the Group’s equity position or profit/(loss).

Related parties (€/000)	Hydra S.p.A. (Parent Company)	Hydra Immobiliare and Aczon	Non- consolidated Automation Group companies	Studio Associato Caruso	Natural person	Laservall Asia Co. Ltd	Total 30.12.15
	Parent Company	company controlled by Chairman of BoD	associates	company controlled by a company Body member	Close relative of a Director	associated company	
Equity investments	0	0	76	0	0	1,906	1,982
IA Group			76			1,906	1,982
Trade receivables - accrued income and prepaid expenses	0	84	906	0	0	541	1,531
IA Group	0	84	754	0	0	541	1,379
ADC Group			152				152
Receivables pursuant to tax consolidation	7,383	0	0	0	0	0	7,383
Datalogic IPTech S.r.l.	6,786						6,786
Datalogic S.p.A.	597						597
Liabilities pursuant to tax consolidation	4,781	0	0	0	0	0	4,781
Datalogic ADC	2,525						2,525
Datalogic Automation S.r.l.	2,256						2,256
Trade payables	0	12	2	147	0	82	243
Datalogic S.p.A.		1		94			95
Datalogic IPTech S.r.l.				9			9
ADC S.r.l.		7		23			30
Automation Group		4	2	21		82	109
Financial payables	0	0	0	0	0	0	0
Sales / service expenses	0	659	75	335	5	335	1,409
Datalogic S.p.A.		71		188			259
Datalogic IPTech S.r.l.				19			19
ADC Group		89	12	84	5		190
Automation Group		499	63	44		335	941
Commercial revenues	0	7	3,376	0	0	2,285	5,668
ADC Group			217				217
Automation Group		7	3,159			2,285	5,451
Financial Income	0	0	16	0	0	0	16
Datalogic Automation S.r.l.			16				16
Profits from associates	0	0	0	0	0	174	174
Automation Group						174	174

Number of employees

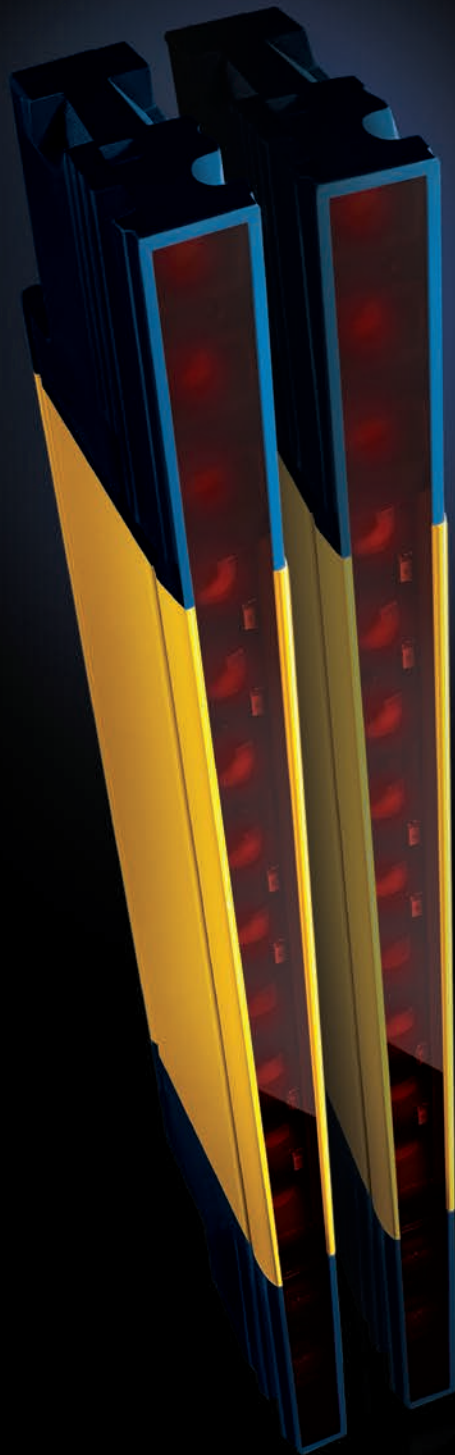
	31.12.2015	31.12.2014	Change
Industrial Automation Group	824	799	25
Automatic Data Capture Group	1,503	1,456	47
Corporate Group	137	116	21
Informatics	103	99	4
Total	2,567	2,470	97

The Chairman of the Board of Directors
(Mr. Romano Volta)





Parent Company financial statements



Statement of Financial Position

ASSETS (€/000)	Notes	31.12.2015	31.12.2014
A) Non-current assets (1+2+3+4+5+6+7+8)		236,494	236,347
1) Tangible assets	1	21,588	21,584
Land	1	2,466	2,466
Buildings	1	15,766	15,468
Other assets	1	3,356	3,396
Assets in progress and payments on account	1		254
2) Intangible assets	2	2,570	2,414
Goodwill			
Development costs	2		
Others	2	2,570	2,414
3) Equity investments in affiliates	3	174,599	174,599
4) Financial assets	5	35,717	24,132
Equity investments	5	4,624	3,481
Securities	5	361	361
Commercial foreign exchange differences	5	30,732	20,290
5) Loans to subsidiaries	9	0	11,484
6) Trade and other receivables	7	172	173
7) Deferred tax assets	13	1,848	1,961
B) Current assets (9+10+11+12+13+14+15)		355,752	308,757
8) Inventories		0	0
Raw and ancillary materials and consumables			
Work in progress and semi-finished products			
Finished products and goods			
9) Commissioned work in progress		0	0
10) Trade and other receivables	7	9,285	6,691
Trade receivables	7	8,333	5,923
due within 12 months	7	15	13
after 12 months			
receivables from affiliates			
receivables from subsidiaries	7	8,318	5,910
receivables from the Parent Company	7		
receivables from related parties			
Other receivables - accrued income and prepaid expenses	7	952	768
of which other receivables from subsidiaries	7		
11) Tax receivables	8	1,803	3,728
of which to the Parent Company	8	597	2,249
12) Financial assets	5	0	0
Securities	5		
13) Loans to subsidiaries	9	268,200	244,737
	9	268,200	244,737
14) Financial assets - Derivative instruments	6	0	0
15) Cash and cash equivalents	10	76,464	53,601
Total assets (A+B)		592,246	545,104

Statement of Financial Position

LIABILITIES (€/000)	Notes	31.12.2015	31.12.2014
A) Total Shareholders' Equity (1+2+3+4+5)	11	250,417	223,915
1) Share capital	11	146,659	147,490
Share capital	11	30,392	30,392
Treasury shares	11	4,488	5,319
Share premium reserve	11	109,326	110,155
Treasury share reserve	11	2,453	1,624
2) Reserves	11	504	108
Employee severance indemnity discounting reserves	11	88	80
Consolidation reserve	11		
Translation reserve/(Loss)	11		
Cash-flow hedge reserve	11	(92)	(190)
Valuation reserve for financial assets held for sale	11	508	218
3) Retained earnings/losses		75,780	52,670
Profits /(Losses) of previous years	11	28,631	16,637
Merger surplus reserve of Datalogic Real Estate		204	204
Capital contribution reserve, not subject to taxation	11	958	958
Commercial foreign exchange differences	11	5,917	4,735
Temporary reserve for exchange rate adjustment	11	16,443	6,509
Capital contribution reserve	11	15,204	15,204
IAS transition reserve	11	8,423	8,423
Interest and bank expenses		27,474	23,647
B) Non-current liabilities (6+7+8+9+10+11)	12	150,968	97,101
5) Financial payables	12	138,789	88,225
of which with related parties			
Raw and ancillary materials and consumables			
6) Financial liabilities - Derivative instruments (*)	6	114	262
7) Tax payables		0	0
8) Deferred tax liabilities	13	8,469	5,659
9) Post-employment benefits	14	527	593
10) Provisions for risks and charges	15	3,069	2,362
11) Other liabilities		0	0
C) Current liabilities (12+13+14+15+16)		190,861	224,088
12) Trade and other payables	16	8,909	7,596
Trade payables	16	3,239	4,073
due within 12 months	16	2,856	3,645
after 12 months			
payables to subsidiaries	16	382	219
payables to the Parent Company		1	207
payables to related parties	16		2
Other payables – accrued liabilities and deferred income	16	5,670	3,523
other payables from subsidiaries		2,440	134
13) Tax payables	17	447	431
14) Provisions for risks and charges		77	114
15) Financial liabilities - Derivative instruments	6	6	0
16) Short-term financial payables	12	181,422	215,947
of which to related parties		148,274	141,209
Total liabilities (A+B+C)		592,246	545,104

Statement of Income

(€/000)	Notes	31.12.2015	31.12.2014
1) Total revenues	18	21,427	18,390
Revenues from sale of products	18		
Revenues from services	18	21,427	18,390
2) Cost of goods sold	19	1,681	46
Gross Profit (1-2)		19,746	18,344
3) Other operating revenues	20	607	740
4) R&D expenses	19	430	1,357
5) Distribution expenses	19	814	396
6) General and administrative expenses	19	16,538	17,437
of which non-recurring costs		486	790
7) Other operating expenses	19	204	299
Total operating costs (4+5+6+7)		17,986	19,489
Commercial foreign exchange differences		2,367	(405)
8) Financial Income	21	43,059	40,982
9) Financial expenses	21	15,038	15,879
Net financial income (expenses) (8-9)		28,021	25,103
Pre-tax Profit/(Loss)		30,388	24,698
Taxes	22	2,914	1,051
Net Profit/(Loss) for the period		27,474	23,647

Statement of Comprehensive Income

(€/000)	Notes	31.12.2015	31.12.2014
Net Profit/(Loss) for the period		27,474	23,647
Other components of the Statement of Comprehensive Income:			
Profit/(loss) on Cash Flow Hedges	11	98	71
of which tax effect		(43)	(27)
Adjustment on exchange rates	11	9,934	9,757
of which tax effect		(2,723)	(3,701)
Profit/(Loss) on exchange rate adjustments for financial assets available for sale	11	290	218
of which tax effect		76	(83)
Total other components of the Statement of Comprehensive Income which will be restated under profit/(loss) for the year		10,322	10,046
Actuarial gains/(losses) on defined-benefit plans	11	8	0
of which tax effect		8	0
Total other components of the Statement of Comprehensive Income which will be restated under profit/(loss) for the year		8	0
Commercial foreign exchange differences		10,330	10,046
Comprehensive Net Profit/(Loss) for the period		37,804	33,693

Statement of Cash Flow

(€/000)	Notes	31.12.2015	31.12.2014
Pre-tax profit		30,388	24,698
Depreciation of tangible assets and amortisation of intangible assets	1, 2	1,672	1,558
Change in employee benefits reserve	14	(66)	(190)
Provision to the write-down reserve			
Net financial expenses/(income) including exchange rate differences	21	(28,021)	(25,103)
Adjustments to value of financial assets			
Cash flow from operations before changes in Working Capital		3,973	963
Change in trade receivables (net of provisions)	7	(2,410)	(1,693)
Change in final inventories		-	-
Change in other current assets	7	(184)	59
Other medium-/long-term assets	5	(10,441)	(20,291)
Change in trade payables	16	(834)	39
Change in other current liabilities	16	2,147	(1,994)
Other medium-/long-term liabilities		-	-
Change in provisions for risks and charges	15	670	1,967
Commercial foreign exchange differences		-	-
		(7,079)	(20,950)
Change in tax	13, 17, 22	1,950	3,284
Foreign exchange effect of tax			-
Interest and bank expenses	21	3,393	(1,127)
Cash flow generated from operations (A)		(1,736)	(18,793)
(Increase)/Decrease in intangible assets	1	(852)	(358)
Raw and ancillary materials and consumables	2	(980)	(696)
Change in Equity investments	5	(540)	188
Changes generated by investment activity (B)		(2,372)	(866)
Change in LT/ST financial assets and liabilities	9	(12,582)	(24,745)
Change in short-term and medium/long-term financial payables	12, 6	15,897	(33,297)
Financial foreign exchange differences		3,619	2,806
Purchase of treasury shares	11	(831)	10,490
Changes in reserves	11	10,330	10,046
Collection/(Payment) of dividends	21, 11	10,538	14,073
Cash flow generated (absorbed) by financial assets (C)		26,971	(20,627)
Net increase (decrease) in available cash (A+B+C)		22,863	(40,286)
Net cash and cash equivalents at beginning of period	10	53,601	93,887
Net cash and cash equivalents at end of period	10	76,464	53,601

Changes in Shareholders' Equity

Description (€/000)	Share capital	Treasury shares	Total share capital	Other reservers			
				Cash-flow hedge reserve	Valuation reserve for financial assets held for sale	Severance indemnity discounting reserves	Total other reserves
01.01.2014	30,392	106,608	137,000	(261)	-	80	(181)
Allocation of earnings			-				-
Dividends							
Increase in share capital			-				-
Translation reserve			-				-
Change in IAS reserve			-				-
Sale/purchase of treasury shares		10,490	10,490				-
Cash flow hedge adjustment			-	71			71
Severance indemnity provision adjustment							-
Capital contribution reserve	-		-				-
Cancellation of treasury shares		-	-				-
Other movements			-		218		218
Profit/(Loss) as at 31.12.14			-				-
31.12.2014	30,392	117,098	147,490	(190)	218	80	108

Description (€/000)	Share capital	Treasury shares	Total share capital	Other reservers			
				Cash-flow hedge reserve	Valuation reserve for financial assets held for sale	Severance indemnity discounting reserves	Total other reserves
01.01.2015	30,392	117,098	147,490	(190)	218	80	108
Allocation of earnings			-				-
Dividends							
Increase in share capital			-				-
Translation reserve			-				-
Change in IAS reserve			-				-
Sale/purchase of treasury shares		(831)	(831)				-
Cash flow hedge adjustment			-	98			98
Severance indemnity provision adjustment							-
Capital contribution reserve	-		-				-
Cancellation of treasury shares		-	-				-
Other movements			-		290	8	298
Profit/(Loss) as at 31.12.15			-				-
31.12.2015	30,392	116,267	146,659	(92)	508	88	504

Profits of previous years							Profit for the year	Total Shareholders' Equity
Earnings carried forward	Merger surplus	Capital contribution reserve	Legal reserve	Reserve for exchange rate adjustment	IAS reserve	Total		
34,618	204	958	4,389	(3,248)	8,423	45,344	6,921	189,084
6,575			346			6,921	(6,921)	-
(9,352)						(9,352)		(9,352)
						-		-
						-		-
						-		-
-						-		10,490
						-		71
						-		-
						-		-
-						-		-
				9,757		9,757		9,975
						-	23,647	23,647
31,841	204	958	4,735	6,509	8,423	52,670	23,647	223,915

Profits of previous years							Profit for the year	Total Shareholders' Equity
Earnings carried forward	Merger surplus	Capital contribution reserve	Legal reserve	Reserve for exchange rate adjustment	IAS reserve	Total		
31,841	204	958	4,735	6,509	8,423	52,670	23,647	223,915
22,465			1,182			23,647	(23,647)	-
(10,471)						(10,471)		(10,471)
						-		-
						-		-
						-		-
-						-		(831)
						-		98
						-		-
						-		-
-						-		-
				9,934		9,934		10,232
						-	27,474	27,474
43,835	204	958	5,917	16,443	8,423	75,780	27,474	250,417



Explanatory notes to the Parent Company financial statements



Introduction

Datalogic S.p.A. (hereinafter “Datalogic” or the “Company”) is a joint-stock company listed on the STAR segment of Borsa Italiana, with its registered office at via Candini, 2 Lippo di Calderara di Reno (Bo).

The Company is a subsidiary of Hydra S.p.A., also based in Bologna and controlled by the Volta family. These financial statements were prepared by the Board of Directors on 4 March 2016.

Presentation and content of the financial statements

The Company's financial statements have been prepared in compliance with the international accounting standards (IAS/IFRS) issued by the IASB (International Accounting Standards Board) and endorsed by the European Union, pursuant to European Regulation 1725/2003 and subsequent amendments, with all the interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”), formerly the Standing Interpretations Committee (“SIC”), endorsed by the European Commission at the date of approval of the draft financial statements by the Board of Directors and contained in the relative EU Regulations published at this date, and in compliance with the provisions of Consob Regulation 11971 of 14 May 1999 and subsequent amendments.

The financial statements for the year ended 31 December 2015 consist of the Statement of Financial Position, Income Statement, Statement of Comprehensive Income, Statement of Changes in Shareholders' Equity, Cash Flow Statement and Explanatory Notes. We specify that, in the Statement of Financial Position, assets and liabilities are classified according to the “current/non-current” criterion, with specific separation of assets and liabilities held for sale.

Current assets, which include cash and cash equivalents, are those set to be realised, sold or used during the Company's normal operational cycle or in the 12 months following the reporting date; current liabilities are those whose extinction is envisaged during the company's normal operating cycle or in the 12 months after the reporting date.

The Income Statement reflects analysis of costs grouped by function as this classification was deemed more meaningful for comprehension of the Company's business result.

The Statement of Comprehensive Income presents the components that determine gain/(loss) for the period and the costs and revenues reported directly under Shareholders' Equity for transactions other than those set up with shareholders.

The Cash Flow Statement is presented using the indirect method.

The statement of changes in Shareholders' Equity analytically details the changes occurring in the financial year and in the previous financial year.

In preparing the financial statements, the historic cost principle has been adopted for all assets and liabilities except for some tangible assets in the “land and buildings” category, which were revalued on transition to IFRS, as described later in this document, and some financial assets available for sale (AFS) for which the fair value principle is applied.

Preparation of IFRS-compliant financial statements requires the use of some estimates. Reference should be made to the section describing the main estimates made in these financial statements.

These financial statements are drawn up in thousands of Euro, which is the Group's “functional” and “presentation” currency as envisaged by IAS 21, unless otherwise indicated.

Accounting policies and standards applied

Below we indicate the policies adopted for preparation of the Company's financial statements as at 31 December 2015.

PROPERTY, PLANT AND EQUIPMENT (IAS 16)

Owned tangible assets are initially recognised at the cost of contribution, purchase, or in-house construction. The cost comprises all directly attributable costs necessary to make the asset available for use (including, when significant and in the presence of effective obligations, the present value of the estimated costs for decommissioning and removal of the asset and for reinstatement of the location), net of trade discounts and allowances.

Some tangible assets belonging to the Land and Buildings categories, in line with IAS 16 provisions, were measured at fair value (market value) as at 31 January 2004 (IFRS transition date) and this value was used as the deemed cost. As allowed by IFRS 1, fair value has been calculated on the basis of valuation appraisals performed by independent external consultants. The cost of buildings is depreciated net of the residual value estimated as the realisation value obtainable via disposal at the end of the building's useful life.

Costs incurred after purchase (maintenance and repair costs and replacement costs) are recognised in the asset's carrying value, or are recognised as a separate asset, only if it is thought likely that the future economic benefits associated with the asset will be enjoyed and the asset's cost can be reliably measured. Maintenance and repair costs or replacement costs that do not have the above characteristics are recognised in the Income Statement in the year in which they are borne.

Tangible assets are depreciated on a straight-line basis each year - starting from the time when the asset is available for use, or when it is potentially able to provide the economic benefits associated with it - according to economic/technical rates determined according to assets' residual possibility of use and taking into account the month when they became available for use in the first year of utilisation.

Land is considered to be an asset with an indefinite life and therefore not subject to depreciation.

The depreciation rates applied are as follows:

Asset category	Annual depreciation rates
Property	
Buildings	2% - 3.3%
Land	0%
Plant and equipment:	
Automatic operating machines	20% - 14.29%
Furnaces and appurtenances	14%
Generic/specific production plant	20% - 10%
Other assets:	
Plant pertaining to buildings	8.33% - 10% - 6.67%
Lightweight constructions	10% - 6.67% - 4%
Production equipment & electronic instruments	20% - 10%
Moulds	20%
Electronic office machinery	33% - 20% - 10%
Office furniture and fittings	10% - 6.67% - 5%
Cars	25%
Freight vehicles	14%
Trade show & exhibition equipment	11% - 20%
Improvements to third-party assets	Contract duration

If, regardless of the depreciation already posted, enduring impairment of value emerges, the asset is written down; if the reasons for devaluation disappear in later years, the original value is reinstated. The residual value and useful life of assets are renewed at least at each year-end in order to assess any significant changes in value.

Gains and losses on disposals are calculated by comparing the selling price with net carrying value. The amount thus determined is recognised in the Income Statement.

ASSETS HELD UNDER FINANCE LEASE CONTRACTS (IAS 17)

Assets held under finance lease contracts are those non-current assets for which the Company has assumed all the risks and benefits connected with ownership of the asset. Such assets are measured at the lower of fair value and present value of lease instalments at the time of contract signature, net of cumulative depreciation and write-downs. Financial lease instalments are recorded as described in IAS 17; specifically, each instalment is subdivided into principal and interest. The sum of the portions of principal payable at the reporting date is recorded as a financial liability; the portions of interest are recorded in the Income Statement each year until full repayment of the liability.

INTANGIBLE ASSETS (IAS 38)

Intangible assets are recognised under assets in the Statement of Financial Position when it is likely that use of the asset will generate future economic benefits and when the asset's costs can be reliably calculated. They are initially recognised at the value of contribution or at acquisition or production cost, inclusive of any ancillary costs.

Gains and losses on disposals are calculated by comparing the selling price with net carrying value. The amount thus determined is recognised in the Income Statement.

RESEARCH AND DEVELOPMENT EXPENSES

As required by IAS 38, research costs are entered in the Income Statement at the time when the costs are incurred.

Development costs for projects concerning significantly innovative products or processes are capitalised only if it is possible to demonstrate:

- the technical possibility of completing the intangible asset in such a way as to make it available for use or sale;
- the intention of completing the intangible assets for use or sale;
- the ability to use or sell the intangible asset;
- the ability to reliably measure the cost attributable to the intangible asset during its development;
- the availability of adequate technical, financial or other resources to complete the intangible asset's development and for its use or sale;
- how the intangible asset will generate probable future economic benefits.

In the absence even of just one of the above requirements the costs in question are fully recognised in the Income Statement when they are borne.

Development costs have a finite useful life and are capitalised and amortised on a straight-line basis from the start of the product's commercial production for a period equal to the useful life of the products to which they relate, estimated to be five years.

OTHER INTANGIBLE ASSETS

Other intangible assets mainly consist of software used under licence, valued at purchase cost.

These assets are considered to be intangible assets of finite duration and are amortised over their presumable useful life (see the next table).

AMORTISATION AND DEPRECIATION

Intangible assets of finite duration are systematically amortised according to their projected future usefulness, so that the net value at the reporting date corresponds to their residual usefulness or to the amount recoverable according to corporate business plans. Amortisation starts when the asset is available for use.

The useful life for each category is detailed below:

Description	Useful Life - years
Goodwill	Indefinite useful life
Development costs	5
Other intangible assets:	
- Software licences (other than SAP licences)	3/5
- Trademarks	3
- Know-how	7
- SAP licences	10
- User licences	Contract duration

Intangible assets with an indefinite useful life are not amortised but tested to identify any impairment of value annually, or more frequently when there is evidence that the asset may have suffered impairment.

IMPAIRMENT (IAS 36)

Tangible and intangible assets are tested for impairment in the presence of specific indicators of loss of value, and at least annually for intangible assets with an indefinite life and goodwill.

The aim of this impairment test is to ensure that tangible and intangible assets are not carried at a value exceeding their recoverable value, consisting of the higher between their fair value and selling costs and their value in use.

Value in use is calculated based on the future cash flows that are expected to originate from the asset or CGU (Cash Generating Unit) to which the asset belongs. Cash flows are discounted to present value using a discount rate reflecting the market's current estimate of the time value of money and of the risks specific to the asset or CGU to which presumable realisation value refers.

Given their autonomous ability to generate cash flows, the Group's CGUs are defined as being the individual consolidated companies.

If the recoverable value of the asset or CGU to which it belongs is less than the net carrying value, the asset in question is written down to reflect its impairment, with recognition of the latter in the Income Statement for the period.

Impairment losses relating to CGUs are allocated firstly to goodwill and, for the remaining amount, to the other assets on a proportional basis.

If the reasons causing it cease to exist, impairment is reversed within the limits of the amount of what would have been the book value, net of amortisation of the historical cost, if no impairment had been recognised.

Any reinstatements of value are recognised in the Income Statement. In the case of goodwill, impairment value is never reversed.

CALCULATION OF PRESUMED RECOVERABLE VALUE

The presumed recoverable value of non-financial assets is equal to the higher between the net sales price and value in use. Value in use is determined based on expected cash flows related to assets, discounted at a rate that takes into account the market value of interest rates and specific risks of assets to which the estimated realisation value refers.

REVERSAL OF IMPAIRMENT LOSSES

If the reasons causing it cease to exist, impairment is reversed within the limits of the amount of what would have been the book value, net of amortisation of the historical cost, if no impairment had been recognised.

Any reinstatements of value are recognised in the Income Statement. In the case of goodwill, impairment value is never reversed.

EQUITY INVESTMENTS IN AFFILIATES

Equity investments in subsidiaries, included in the consolidated financial statements, are disclosed based on IAS 27, by using the cost method, net of impairments.

EQUITY INVESTMENTS IN ASSOCIATES

Equity investments are classified under non-current assets and are valued at Equity, pursuant to IAS 28. The portion of profits or losses resulting from the application of this method is indicated in a specific item of the Income Statement.

OTHER EQUITY INVESTMENTS

Equity investments in other companies are classified as available-for-sale financial instruments, according to the definition established in IAS 39, although the Company has not expressed an intention to sell these investments, and they are valued at fair value on the reporting date.

FINANCIAL ASSETS (IAS 39)

In accordance with IAS 39, the Company classifies its financial assets in the following categories:

Financial assets at fair value with contra entry in the Income Statement: these are financial assets acquired primarily with the intention of making a profit from short-term price fluctuations and designated as such from the outset; they are recognised at fair value and any changes during the period are recognised in the Income Statement. Within the Group this category includes securities classified among current assets.

Loans and receivables: they are financial assets other than derivatives with a fixed or calculable payment flow and which are not listed in an active market. They are recognised according to the amortised cost criterion using the effective interest rate method. They are classified as "current assets", apart from those due after 12 months, which are classified as non-current assets. Within the Group this category includes trade receivables, other receivables and cash.

Available for sale financial assets: these are financial assets other than derivatives, which are not classified in other categories; they are valued at fair value and related changes are entered in an Equity reserve. They are classified under non-current assets, unless they are intended to be sold within 12 months. Within the Group this category includes Equity investments in other companies and securities.

The fair value of listed securities is based on current market prices. If a financial asset's market is not active, the Company establishes fair value by using recent transactions taking place close to the reporting date or by referring to other instruments of substantially the same kind or using discounted cash-flow (DCF) models.

In some circumstances, the Company does not have sufficient information to calculate the fair value of these financial assets. In this case, they are maintained at cost.

A financial asset (or, where applicable, the portion of a financial asset or part of a group of similar financial assets) is removed from the financial statements when:

- the rights to receive the cash flows from the asset have been extinguished;
- the Company has transferred the right to receive cash flows from the asset or has assumed the contractual obligation to pay them to a third party in their entirety and without delay and:
 - (a) has transferred essentially all the risks and benefits of ownership of the financial asset or
 - (b) has not transferred or essentially held all the risks and benefits of the asset, but has transferred control of the asset.

Financial hedging instruments: the Company holds derivative financial instruments to hedge exposure to foreign exchange or interest rate risk. In accordance with the rules of the Risk Policy approved by the Board of Directors, the Company does not have any speculative financial instruments. Consistently with the approach established by IAS 39, hedging instruments are accounted for using the hedge-accounting approach if all the following conditions are met:

- at the inception of a hedge, there is formal documentation of the hedging relationship, of the entity's risk management objectives, and of the strategy for undertaking the hedge;
- the hedge is expected to be highly effective in offsetting changes in fair value (fair value hedge) or in cash flows (Cash Flow Hedge) attributable to the risk hedged;
- for Cash Flow Hedges, a forecast transaction that is hedged must be highly probable and feature exposure to changes in cash flows that could ultimately affect profit or loss;

- the hedge's effectiveness can be reliably assessed, i.e. the fair value or cash values of the item hedged and the hedging instrument's fair value can be reliably measured;
- the hedge has been assessed on the basis of a recurrent criterion and is considered highly effective throughout the derivative's life.

The basis of measurement of hedging instruments is their fair value on the designated date.

The fair value of currency derivatives is calculated in relation to their intrinsic value and their time value.

At each annual reporting date, hedging instruments are tested for effectiveness to see whether the hedge qualifies as an effective hedge and is therefore eligible for hedge accounting.

The fair value of hedging instruments is set out in Note 6, while movements in the Cash Flow Hedge reserve are shown in Note 11.

When financial instruments qualify for hedge accounting, the following accounting treatment is applied:

Fair value hedge – If a financial derivative is designated as a hedge for exposure to the changes in fair value of an asset or liability attributable to a particular risk that may affect the Income Statement, profit, or loss, deriving from subsequent valuations of the hedge's fair value is recognised in the Income Statement. The profit or loss on the hedged item, attributable to the risk covered, changes the carrying value of that item and is recognised in the Income Statement.

Cash flow hedge – If a financial derivative is designated as a hedge for exposure to the variability of future cash flows of an asset or liability, or of an expected, highly probable transaction that may affect profit and loss, the changes in the hedge's fair value are recognised in equity for the effective portion of the hedge (intrinsic value) while the part relating to time value and any ineffective portion (over-hedging) is recognised in the Income Statement;

If a hedge or hedging relationship has ended but the hedged transaction has not yet taken place, cumulative profits and losses recognised thus far in Equity are recognised in the Income Statement when the related transaction takes place. If the hedged transaction is no longer considered probable, the still unrealised profits and losses suspended in Equity are immediately recognised in the Income Statement.

If hedge accounting cannot be applied, gains and losses arising from fair-value measurement of the financial derivative are immediately recognised in the Income Statement.

INVENTORIES (IAS 2)

Inventories are measured at the lower of cost and net realisable value. Cost is calculated using the weighted average cost method. Finished products, semi-finished products and raw material costs include the cost of raw materials, direct labour, and other production costs that are directly and indirectly allocable (in this case on the basis of normal production capacity). Net realisable value is the estimated selling price in the normal course of business, less any selling costs.

Following the spin-off of divisions on 2 April 2007, from that date, the Company no longer has inventories.

TRADE AND OTHER RECEIVABLES (IAS 32 AND 39)

Receivables, with due dates consistent with normal terms of trade in the sector in which the Company is active, or that earn interest at market rates, are not discounted to present value. They are recognised at cost (identified as face value), net of provisions for doubtful accounts, which are shown as a direct deduction from such receivables in order to align them with their fair value. Receivables whose due date exceeds normal terms of trade (i.e. due dates longer than one year) are initially recognised at fair value and subsequently at amortised cost – using the effective interest rate method – net of related impairment losses.

The estimated impairment of receivables is recognised when it becomes evident that the past-due receivable cannot be recovered, due to financial difficulties of the customer that might lead to its bankruptcy or financial restructuring.

CASH AND CASH EQUIVALENTS (IAS 32 AND 39)

Cash and cash equivalents comprise cash on hand, bank and post office balances, and short-term financial investments (maturity of three months or less after purchase date) that are highly liquid, readily convertible into cash and are subject to insignificant risk of changes in value.

Current-account overdrafts and advances on invoices subject to collection are deducted from cash only for the purposes of the Cash Flow Statement.

SHAREHOLDERS' EQUITY

Share capital consists of the ordinary shares outstanding, which are posted at par value.

Costs relating to the issue of new shares or options are classified in Equity (net of associated tax benefit relating to them) as a deduction from the proceeds of the issuance of such instruments.

In the case of buyback of treasury shares, the price paid, inclusive of any directly attributable accessory costs, is deducted from the Group's Shareholders' Equity until such shares are cancelled, re-issued, or sold, as required by IAS 32. When treasury shares are resold or re-issued, the proceeds, net of any directly attributable accessory costs and related tax effect, are posted as Company Shareholders' Equity.

Consequently, no profit or loss is entered in the consolidated Income Statement at the time of purchase, sale or cancellation of treasury shares.

INTEREST-BEARING FINANCIAL LIABILITIES (IAS 32 AND 39)

Interest-bearing financial liabilities are initially recorded at fair value, net of ancillary costs.

After initial recognition, interest-bearing financial liabilities are measured at amortised cost using the effective interest rate method.

A financial obligation is written off when the obligation underlying the liability has been extinguished or annulled or fulfilled.

If an existing financial liability is replaced by another one from the same lender, under conditions that are essentially different, or if the terms and conditions of an existing liability are essentially amended, this change or amendment will be treated as a reversal of the original liability or the recognition of a new liability, with recognition in income of any differences involving the carrying values.

LIABILITIES FOR EMPLOYEE BENEFITS (IAS 19)

Post-employment benefits are calculated based on programmes that, depending on their characteristics, are either "defined-contribution programmes" or "defined-benefit programmes".

Employee benefits mainly consist of severance indemnities for the Company.

Italian Law no. 296 of 27 December 2006 ("2007 National Budget Law") and subsequent decrees and regulations enacted during 2007 introduced – as part of overall reform of the Italian pension system – significant changes regarding the ultimate use of the portions of severance-indemnity provision accruing.

Until 31 December 2006, severance indemnity provision came within the scope of post-employment defined-benefit plans and was measured in accordance with IAS 19, by independent actuaries, using the projected unit credit method.

Actuarial gains and losses as at 1 January 2005 – the date of transition to IFRSs – were recognised in specific equity reserved. Actuarial gains and losses after that date are recognised in the Income Statement on an accrual accounting basis, i.e. not using the "corridor" method envisaged by IAS 19.

Following the reform of supplemental pensions, employees can allocate the new severance indemnity provision accruing to supplemental pension systems, or opt to keep it in the Company (in the case of companies with less than 50 employees) or to transfer them to the INPS – the state pension and welfare agency (in the case of companies with more than 50 employees).

Based on these rules, and also basing itself on the generally accepted interpretation, the Group decided that:

- for the portion of severance indemnities accruing up to 31 December 2006, the provision in question constituted a defined-benefit plan, to be valued according to the actuarial rules, but no longer including the component relating to future salary increases. The difference resulting from the new calculation in relation to the previous one was treated as curtailment as defined by IAS 19.109 and consequently entered in the Income Statement for the year ended 31 December 2007;
- subsequent portions of severance indemnities accruing, both in the case a supplementary pension scheme is chosen and in the case of allocation to the central treasury fund c/o the INPS, come within the scope of defined-contribution plans, thus excluding – in calculating the cost for the year – components relating to actuarial estimates.

PROVISIONS FOR RISKS AND CHARGES (IAS 37)

Provisions for risks and charges are set aside to cover liabilities whose amount or due date are uncertain and that must be recognised on the statement of financial position when the following conditions are satisfied at the same time:

- the entity has a present obligation (legal or constructive), i.e. under way as at the reporting date, arising from a past event;
- it is probable that economic resources will have to be used to fulfil the obligation;
- the amount needed to fulfil the obligation can be reliably estimated.

Risks, for which materialisation of a liability is only contingent, are disclosed in the notes to accounts, in the section commenting on provisions, without provision being made.

In the case of events that are only remote, i.e. events that have very little likelihood of occurrence, no provision made and no additional or supplementary disclosure is provided.

Provisions are recognised at the value representing the best estimate of the amount the entity would pay to settle the obligation, or to transfer it to third parties, at the reporting date. If the time value of money is material, provisions are calculated by discounting expected future cash flows at a pre-tax discount rate reflecting the market's current evaluation of the cost of money over time. When discounting to present value is performed, the increase in the provision due to the passage of time is recognised as finance expense.

INCOME TAXES (IAS 12)

Income taxes include current and deferred taxes. Income taxes are generally recognised in the Income Statement, except when they relate to items entered directly in Equity, in which case the tax effect is recognised directly in Equity.

Current income taxes are the taxes that are expected to be paid, calculated by applying to taxable income the tax rate in force at the reporting date and adjustments to taxes related to prior periods.

Deferred taxes are calculated using the liability method applied to temporary differences between the amount of assets and liabilities in the consolidated financial statements and the corresponding amounts recognised for tax purposes, except as follows:

- deferred tax liabilities derive from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, when the transaction itself occurs, does not affect the balance sheet profits or the profits or losses calculated for tax purposes;
- the reversal of taxable temporary differences associated with Equity investments in subsidiaries, associates or joint ventures, may be controlled and will probably not occur in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences and tax credits and losses and can be brought forward, to the extent that the existence of adequate future taxable profits will exist against which the usage of the deductible temporary differences and the tax credits and losses brought forward can be used, except in cases where:

- the deferred tax assets connected to the deductible temporary differences arise from initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction itself, does not affect the balance sheet result or the profit or loss for tax purposes;
- there are taxable temporary differences associated with Equity investments in subsidiaries, associates and joint ventures and deferred tax assets are recognised only to the extent that the deductible temporary differences will be reversed in the foreseeable future and that there are adequate taxable profits against which the temporary differences can be used.

Deferred taxes are calculated at the tax rate expected to be in force at the time when the asset is sold or the liability is redeemed.

Deferred tax assets are recognised only if it is probable that sufficient taxable income will be generated in subsequent years to realise them.

The Parent Company Datalogic S.p.A. and other Italian subsidiaries fall within the scope of the "domestic tax consolidation" of Hydra S.p.A.. This permits the transfer of total net income or the tax loss of individual participant companies to the Parent Company, which calculates a single taxable income for the Group or a single tax loss carried forward, as the algebraic sum of the income and/or losses, and therefore files a single tax liability or credit with the Tax Authorities.

TRADE AND OTHER PAYABLES (IAS 32 AND 39)

Trade and other payables are measured at cost, which represents their discharge value.

Short-term payables are not discounted, since the effect of discounting the cash flows is not significant.

REVENUE RECOGNITION (IAS 18)

Revenues include the fair value of the amount collected or collectable from the sale of goods or rendering of services within the scope of the Company's characteristic business activity. Revenues are shown net of VAT, returns, discounts and allowances.

Sale of goods

Revenues from the sale of goods are recognised only when all the following conditions are met:

- most of the risks and rewards of ownership of the goods have been transferred to the buyer;
- effective control over the goods sold and continuing managerial involvement to the degree usually associated with ownership have ceased;
- the amount of revenues can be reliably measured;
- it is probable that the economic benefits associated with the transaction will flow to the entity;
- the costs incurred or to be incurred in respect of the transaction can be reliably measured.

Rendering of services

Revenues arising from a transaction for the rendering of services is recognised only when the results of the transaction can be reliably estimated, based on the stage of completion of the transaction at the reporting date. The results of a transaction can be reliably measured when all the following conditions are met:

- the amount of revenues can be reliably measured;
- it is probable that the economic benefits of the transaction will flow to the entity;
- the stage of completion at the reporting date can be reliably measured;
- the costs incurred, or to be incurred, to complete the transaction can be reliably measured.

Revenues relating to dividends, interest and royalties are respectively recognised as follows:

- **dividends**, when the right is established to receive dividend payment (with a receivable recognised in the statement of financial position when distribution is resolved);
- **interest**, with application of the effective interest rate method (IAS 39);
- **royalties**, on an accruals basis in accordance with the underlying contractual agreement.

GOVERNMENT GRANTS (IAS 20)

Government grants are recognised - regardless of the existence of a formal grant resolution - when there is reasonable certainty that the Company will comply with any conditions attached to the grant and therefore that the grant will be received.

Government grants receivable as compensation for costs already incurred or to provide immediate financial support to the recipient company with no future related costs, are recognised as income in the period in which they become receivable.

RENTAL AND OPERATING LEASE COSTS (IAS 17)

Lease contracts in which the lessor substantially preserves all the risks and rewards of ownership are classified as operating leases and related fees are charged to the Income Statement on a straight-line basis according to the contract's duration.

DIVIDENDS DISTRIBUTED (IAS 1 AND 10)

Dividends are recognised when Shareholders have the right to receive payment. This normally corresponds to the date of the annual general Shareholder Meeting that approves dividend distribution.

The dividends distributable to Company Shareholders are recognised as an Equity movement in the year when they are approved by the Shareholders' Meeting.

EARNINGS PER SHARE - EPS (IAS 33)

Basic

Basic EPS is calculated by dividing the Company's profit by the weighted average number of ordinary shares outstanding during the year, excluding treasury shares.

Diluted

Diluted EPS is calculated by dividing the Company's profit by the weighted average number of ordinary shares outstanding during the year, excluding treasury shares. For the purposes of calculating diluted EPS, the weighted average number of shares is determined assuming translation of all potential shares with a dilutive effect, and the Company's net profit is adjusted for the post-tax effects of translation.

TREATMENT OF FOREIGN CURRENCY ITEMS (IAS 21)**Transactions and balances**

Foreign currency transactions are initially converted to Euro at the exchange rate existing on the transaction date.

On the reporting date, foreign-currency monetary assets and liabilities are converted at the exchange rate in force on that date.

Foreign-currency non-monetary items measured at historical cost are converted using the exchange rate in force on the transaction date.

Non-monetary items recognised at fair value are converted using the exchange rate in force when carrying value is calculated.

Foreign exchange gains and losses arising from the collection of foreign currency receivables or payment of foreign currency payables are recognised in the Income Statement.

Amendments, new standards and interpretations

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED AS AT 1 JANUARY 2015

The accounting standards adopted for preparation of the Company's financial statements conform to those used for the preparation of the financial statements for the period ended 31 December 2014, except for the adoption on 1 January 2015 of the new standards, amendments and interpretations.

The Company adopted for the first time some standards and amendments which became effective for the first time in 2015. The nature and effect of these changes are described hereunder, pursuant to requirements set forth in IAS 8.

However, the above had no impact on the Company's financial statements. The nature and impact of any new principle/amendment are specified hereunder:

■ IFRS 2 – Share-based Payments

This improvement is applied prospectively and clarifies various issues connected with the definition of conditions, related to the achievement of results or services rendered, which are considered as vesting conditions. Clarifications are consistent with the modalities with which the Company has identified, in the previous periods, the conditions related to the achievement of results or services rendered and that are considered as vesting conditions. Moreover, the Company granted no share-based bonuses; therefore, these improvements had no effect on the Company's financial statements or accounting criteria.

Within the annual plan of IFRS improvements – 2010-2012, IASB issued the following amendments to accounting standards, which were already effective on 1 July 2014 and that had no significant impact on the Company.

■ IFRS 8 – Operating Segments

The amendment is applicable retrospectively and clarifies the following:

An entity is required to disclose measurements made by the management in applying the aggregation criteria envisaged in paragraph 12 of IFRS 8, including a brief description of the operating segments which were aggregated, as well as the economic characteristics (e.g. sales or gross profit) used to determine whether the segments are "similar". The reconciliation between segment-related assets and total assets must be disclosed only if the reconciliation is submitted to the operating chief decision maker, as required for segment-related liabilities.

■ IAS – 16 Property, Plant and Equipment and IAS 38 Intangible Assets

The amendment is applied retrospectively and clarifies that, in IAS 16 and IAS 38, an asset can be revalued based on observable data both adjusting the gross carrying value of the asset to the market value, and determining the market value of the carrying value and adjusting the gross carrying value on a *pro rata* basis so that the resulting carrying value is equal to the market value. Moreover, accumulated amortisation/depreciation and impairment losses represent the difference between gross value and carrying value of an asset. This amendment had no impact on the revaluation adjustments accounted for by the Company in this financial year.

■ IAS 24 – Related Party Disclosures

The amendment is applied retrospectively and clarifies that a management entity (an entity which supplies services related to managers with strategic responsibilities) is a related party, subject to disclosure on related parties. Moreover, an entity which uses a management entity should disclose the cost borne for the management services.

Within the annual plan of IFRS improvements – 2011–2013, IASB issued some amendments to some accounting standards, which were already effective on 1 July 2014 and that had no significant impact on the Company.

■ IFRS 13 – Measurement at fair value

The amendment is applicable prospectively and clarifies that the portfolio exception envisaged by IFRS 13 can be applied not only to financial assets and liabilities, but also to other contracts within the scope of IAS 39. The Group does not apply the portfolio exception envisaged by IFRS 13.

The Company has not provided for an early adoption of any standard, interpretation or improvement that has been issued but is not yet effective.

Standards issued which are not yet in force

Following are the standards which, on the date that the Company's financial statements were prepared, had already been issued but were not yet in force.

■ IFRS 9 – Financial Instruments

In July 2014, IASB issued the final version of IFRS 9 Financial Instruments, which reflects all the project steps related to financial instruments and supersedes IAS 39 "Financial Instruments: Recognition and Measurement", as well as all previous versions of IFRS 9. The standard introduces new requirements for the classification, measurement, impairment and hedge accounting. IFRS 9 is effective to annual periods beginning on or after 1 January 2018. Early application is permitted. The standard shall be applied retrospectively, although the supply of comparative information is not mandatory. Early application is permitted of the previous versions of IFRS 9 (2009, 2010 and 2013) if the initial application is prior to 1 February 2015. No significant impact is expected on classification and measurement of the Company's financial liabilities.

■ IFRS 15 – Revenue from Contracts with Customers

The IFRS standard was issued in May 2014 and provides a five-step new model to be applied to all contracts with customers. According to IFRS 15, revenue should be recognised for an amount corresponding to the right in payment the entity believes to have against the sale of goods or services to customers. This standard envisages a more structured approach in recognising and measuring revenue.

The new principle is applicable to all entities and will replace all current requirements included in IFRS on recognition of revenues. The standard is effective for annual periods beginning on or after 1 January 2017, with fully retrospective or modified application. Early application is permitted. The Company is currently evaluating the impact of IFRS 15 and the clarifications issued by IASB in the exposure draft of July 2015, and will evaluate any further development, while envisaging to apply the new standard as from the mandatory effective date.

■ Amendments to IFRS 11 – Joint Arrangements: Accounting for Acquisitions of Interests

The amendments to IFRS 11 envisage that a joint operator, who reports the acquisition of an interest in a joint control agreement in which the activity of the joint operation constitutes a business, should apply the principles as defined in IFRS 3 on the basis of the business combinations guidance. The amendments clarify that, in the event a joint control is maintained, the interest previously held in a joint-control agreement shall not be re-measured upon the acquisition of another interest in the same joint control agreement. Moreover, for clarification purposes, the following was excluded from the object of the IFRS 11. Amendments are not applicable when the parties in a joint control, including the entity that prepares the financial statements, are subject to the mutual control of the same ultimate controlling entity.

Amendments are applicable to both the acquisition of the initial interest in a joint-control agreement, and the acquisition of any further interest in the same joint control agreement. The amendments must be applied prospectively to annual periods beginning on or after 1 January 2016. Early application is permitted. No impact resulting from the application of these amendments is expected on the Company.

▪ **Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation**

These amendments clarify the principle, included in IAS 16 and IAS 38, that revenues reflect a model of economic benefits generated by the management of a business (in which the asset is embodied), rather than the consumption of the economic benefits when an asset is used. As a result, a method based on revenues cannot be used for depreciation of real estate properties, plant and machinery and could be used only in very restricted circumstances when amortising intangible assets. The amendments must be applied prospectively to annual periods beginning on or after 1 January 2016. Early application is permitted. No impact on the Company is expected while applying these amendments, given that the Company does not use revenue-based methods for the amortisation/depreciation of non-current assets.

▪ **Amendments to IAS 27 – Equity Method in Separate Financial Statements**

The amendments will reinstate the Equity Method as an accounting option for Equity investments in subsidiaries, joint ventures and associates in an entity's separate financial statements. Entities that are already applying the IFRS standards and elect to modify the accounting principles by adopting the Equity Method to their separate financial statements should apply the amendment retrospectively. In the event of first-time adoption of IFRSs, the entity that elects to adopt the Equity Method in the separate financial statements should apply this standard at the transition date to IFRS. The amendments are effective for annual periods beginning on or after 1 January 2016. Early application is permitted. No impact on the Company's financial statements is expected for the application of these amendments.

▪ **Amendments to IAS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

Amendments are related to the conflict between IFRS 10 and IAS 28, with reference to the loss in control of an investee, which is sold or transferred to an associated company or a joint venture. Amendments clarify that profit or loss resulting from the sale or transfer of assets representing a business, as defined by IFRS 3, between an investor and its associated company or joint venture, must be entirely recognised. Any profit or loss, resulting from the sale or transfer of assets, which do not represent a business, is however recognised only within the limits of the portion held by third-party investors in the associated company or joint venture. These amendments must be applied prospectively and will be in force for annual periods beginning on or after 1 January 2016. Early application is permitted. These amendments are not expected to have any impact on the Company.

2012-2014 ANNUAL IMPROVEMENT CYCLE

These amendments are effective for annual periods beginning on 1 January 2016 or later. They include the following:

▪ **IFRS 5 Non-current Assets Held for Sale and Discontinued Operations**

Assets (or disposal group) are generally disposed of through the sale or the distribution to Shareholders. This amendment clarifies that the change from either disposal methods should not be considered as a new plan to sell, but rather the continuation of the original one. Therefore, there is no discontinuation in the application of requirements of IFRS 5. This amendment shall be applied prospectively.

▪ **IFRS 7 Financial Instruments: Disclosures**

(i) Servicing contracts

The amendment clarifies that a servicing contract envisaging a remuneration can entail a continuing involvement of a financial asset. The entity shall define the type of remuneration and of agreement based on the guidance contained in the IFRS 7 on the continuing involvement, in order to evaluate whether a clarification is required. The definition of what type of servicing contract represents a continuing involvement must be made retrospectively. In any case, the information required shall not be disclosed for annual periods before the first-time application date of this amendment.

(ii) Applicability of amendments to IFRS 7 to condensed interim financial statements.

The amendment clarifies that disclosure requirements on remuneration are not applied to condensed interim financial statements, unless this disclosure constitutes a significant updating of information given in the most recent annual financial statements. This amendment shall be applied retrospectively.

▪ **IAS 19 Employee Benefits**

The amendment clarifies that the deep market of high quality corporate bonds should be determined on a currency basis (currency in which the bond is issued), rather than on a country basis (in which the benefits are to be paid). When there is no deep market for high quality corporate bond in that currency, government bonds should be used to establish the discount rate. This amendment shall be applied prospectively.

■ Amendments to IAS 1 - Disclosure Initiative

Amendments to IAS 1 Disclosure of Accounting Policies intend to clarify, rather than significantly modify, some already existing requirements to IAS 1. The amendments clarify:

- the requirement of materiality in IAS 1;
- the fact that specific lines in the statements of profit/(loss) for the year or other components in the Statement of Comprehensive Income or in the Statement of Financial Position may be unbundled;
- that entities can disclose the Notes to the financial statements in a flexible way;
- that the portion of other components in the Statement of Comprehensive Income, related to associated companies and joint ventures and accounted for by using the Equity Method, must be disclosed in aggregate in one single line, and classified under items that will not be subsequently reclassified in the Income Statements.

Moreover, amendments clarify the requirements that are applied when sub-totals are disclosed in the statements of profit/(loss) for the year or other components are disclosed in the Statement of Comprehensive Income or Statement of Financial Position may be unbundled. Amendments are effective for annual periods beginning on or after 1 January 2016. Early application is permitted. No impact on the Company is expected as regards these amendments.

Use of estimates

Preparation of IFRS-compliant consolidated financial statements and of the relevant notes requires directors to apply accounting principles and methodologies that, in some cases, are based on valuations and estimates, which in turn are based on historic experience and assumptions considered reasonable and realistic based on circumstances at any given time. The application of such estimates and assumptions affects the amounts reported in financial statements, i.e. the Statement of Financial Position, Income Statement, and Cash Flow Statement, as well as the information disclosed. The ultimate actual amounts of accounting items, for which these estimates and assumptions have been used, might be different from those reported in the financial statements due to the uncertainty characterising the assumptions and conditions on which estimates are based.

Below we list the accounting items that, more than others, require greater subjectivity on the part of directors in developing estimates and for which any change in conditions underlying assumptions made could have a significant impact on the Company's financial statements:

- non current assets;
- development costs;
- inventory devaluation;
- deferred tax assets;
- provisions for doubtful accounts;
- employee benefits;
- provisions for risks and charges.

Estimates and assumptions are reviewed regularly and the effects of every change are immediately reflected in the Income Statement. The measurement criteria of the estimate items are described in the related Notes, to which reference is made.

Financial risk management

RISK FACTORS

The Company is exposed to various types of financial risks in the course of its business, including:

- **credit risk**, deriving from trade transactions or from financing activities;
- **liquidity risk**, relating to availability of financial resources and access to the credit market;
- **market risk**, specifically:
 - a) **foreign exchange risk**, relating to transactions that generate cash flows in other currencies that fluctuate in value.
 - b) **interest rate risk**, relating to the Company's exposure to financial instruments that generate interest.

The Company is not exposed to any price risk, as it does not hold significant quantities of listed securities in its portfolio, nor is it otherwise exposed to the risk deriving from the trend of commodities traded on the financial markets.

The Company specifically monitors each of the aforementioned financial risks, taking prompt action in order to minimise such risk. The Company uses derivative contracts relating to underlying financial assets or liabilities or future transactions. The Central Treasury Department operates directly on the market on behalf of subsidiary and investee companies. The management of the market and liquidity risks therefore takes place within the Company and specifically the Central Treasury Department, while credit risks are managed by the Group's operating units. The sensitivity analysis is subsequently used to indicate the potential impact on the final results deriving from hypothetical fluctuations in the reference parameters. As provided for by IFRS7, the analyses are based on simplified scenarios applied to the final figures and, owing to their nature, they cannot be considered indicative of the actual effects of future changes.

MARKET RISK

Foreign exchange risk

Datalogic operates internationally and is exposed to the risk associated with a variety of currencies.

Transaction risk mainly relates to trade transactions (foreign currency receivables/payables) and financial transactions (foreign currency borrowings or loans) to/from Group companies in currencies other than their functional currency.

The key currency is the US Dollar (USD).

To permit full understanding of the foreign exchange risk on the Company's financial statements, we have analysed the sensitivity of foreign currency accounting items to changes in exchange rates. The variability parameters applied were identified among the exchange rate changes considered reasonably possible, with all other variables remaining equal.

The following tables show the results of this sensitivity analysis:

Items exposed to interest rate risk with impact on the Income Statement before taxes

USD	Carrying value	Portion exposed to exchange rate risk	+ 10%	+ 5%	+ 1%	-1%	-5%	-10%
Exchange rates		1,0887	1,1976	1,1431	1,0996	1,0778	1,0343	0,9798
Financial assets								
Cash and cash equivalents	76,464	3,872	(352)	(184)	(38)	39	204	430
Trade and other receivables	9,457	1,298	(118)	(62)	(13)	13	68	144
Loans	390,777	99,056	(9,005)	(4,717)	(981)	1,001	5,213	11,006
Loans (netting)	(122,577)	(54,325)	4,939	2,587	538	(549)	(2,859)	(6,036)
Total Loans	268,200							
			(4,536)	(2,376)	(494)	504	2,626	5,544
Financial liabilities								
Loans	412,397	94,489	8,590	4,499	936	(954)	(4,973)	(10,499)
Loans (netting)	(92,186)	(39,365)	(3,579)	(1,875)	(390)	398	2,072	4,374
Total Loans	320,211							
Trade and other payables	8,909	326	30	16	3	(3)	(17)	(36)
			5,041	2,640	549	(560)	(2,918)	(6,161)
Pre-tax impact on Income Statement, Net			505	264	55	(56)	(292)	(617)

Items exposed to exchange rate risk with impact on Equity

As at 31 December 2015, the Company held the following items exposed to exchange rate risk, with impact on Equity:

USD	Carrying value	Portion exposed to exchange rate risk	+ 10%	+ 5%	+ 1%	-1%	-5%	-10%
Exchange rates		1,0887	1,1976	1,1431	1,0996	1,0778	1,0343	0,9798
Financial assets								
Loans	268,200	153,635	(13,967)	(7,316)	(1,521)	1,552	8,086	17,071
Financial Liabilities			(13,967)	(7,316)	(1,521)	1,552	8,086	17,071
Net impact at Equity								

Interest rate risk

The Company is exposed to interest rate risk associated both with the availability of cash and with borrowings. The aim of interest rate risk management is to limit and stabilise payable flows caused by interest paid mainly on medium-term debt in order to achieve a tight match between the underlying and the hedging instrument.

With regard to medium/long-term loans, as at 31 December 2015, Datalogic had interest rate swaps in place with financial counterparties of premier standing for a notional total of €8 million. These derivatives permit the hedging of about 3% of total bank borrowings against the risk of a rise in interest rates of Datalogic S.p.A., synthetically transforming variable-rate loans into fixed-rate loans.

Bank borrowings, mortgages and other short/long-term loans	Amount	%
Variable rate	145,372	85%
Fixed rate	20,000	12%
Variable rate hedged through derivative instruments	5,959	3%
Leasing	526	0.3%
Other	80	0.0%
Total	171,937	100%

In order to fully understand the potential effects of fluctuations in interest rates to which the Company is exposed, we analysed the accounting items most at risk, assuming a change 20 basis points in the Euribor and of 10 basis points in the USD Libor. The analysis was based on reasonable assumptions. Below we show the results as at 31 December 2015:

Items exposed to interest rate risk with impact on the Income Statement before taxes

Euribor (€/000)	Carrying value	of which exposed to exchange rate risk	20bp	-20bp
Financial assets				
Cash and cash equivalents	76,464	71,493	143	(143)
Loans	390,777	131,736	263	(263)
Loans (netting)	(122,577)	(68,252)	(137)	137
Total Loans	268,200		269	(269)
Financial liabilities				
Loans	272,984	150,034	(300)	300
Floor 0% loans	139,413	139,413	(279)	
Loans (netting)	(92,186)	(52,821)	106	(106)
Total Loans	320,211		(473)	194
Total Increases/(Decreases)			(204)	(75)

Libor USD	Carrying value	of which exposed to exchange rate risk	10bp	-10bp
Financial assets financial				
Cash and cash equivalents	76,464	3,872	4	(4)
Loans	390,777	99,056	99	(99)
Loans (netting)	(122,577)	(54,325)	(54)	54
Total Loans	268,200		49	(49)
Financial liabilities				
Loans	272,984	94,489	(94)	94
Loans (netting)	(92,186)	(39,365)	39	(39)
Total Loans	320,211		(55)	55
Total Increases/(Decreases)			(6)	6

Items exposed to interest rate risk with impact on the Equity before taxes

Euribor (€/000)	Carrying value	of which exposed to exchange rate risk	20bp	-20bp
Financial assets financial				
Loans	268,200	6,350	13	(13)
Financial liabilities				
Derivative instruments	7,875	7,875	16	(16)

Libor USD	Carrying value	of which exposed to exchange rate risk	10bp	-10bp
Financial assets financial				
Loans	268,200	153,634	154	(154)

Credit risk

Datalogic S.p.A., having no direct relations with customers but only with associates, was not in fact exposed to this risk.

Liquidity risk

The Company's liquidity risk is minimised by careful management by the Central Treasury Department. Bank indebtedness and the management of liquidity are handled via a series of instruments used to optimise the management of financial resources. Firstly, there are automatic mechanisms such as cash pooling (subsidiaries are in the process of being integrated into existing arrangements) with consequently easier maintenance of levels of availability. The Central Treasury manages and negotiates medium/long-term financing and credit lines to meet the Group's requirements. Specifically, following the company restructuring described above, each division's subholding companies have operating lines for short-term requirements (revolving credit lines and on the receivables book) while Datalogic S.p.A., as the Parent Company, has cash credit lines for future requirements in favour of the Group. Centralised negotiation of credit lines and loans on the one hand and centralised management of the Group's cash resources on the other have made it possible to reduce the costs of short-term indebtedness and increase interest income.

The Company mainly operates with major historic banks, including some international institutions, which have provided important support on foreign investments.

The following table details the financial liabilities and derivative financial liabilities settled on a net basis by the Company, grouping them according to residual contractual maturity as at the reporting date. The amounts shown are contractual cash flows not discounted to present value.

The following table analyses financial liabilities by maturity as at 31 December 2015 and 31 December 2014:

(€/000)	As at 31 December 2015		
	0 - 1 year	1 - 5 years	> 5 years
Bank loans and mortgages	32,814	138,517	
Payables for leasing	254	272	
Other	80	-	
Financial derivatives (IRS)	6	114	
Trade and other payables	8,909	-	
Loans by Group companies	148,274	-	
Total	190,337	138,903	0

(€/000)	As at 31 December 2014		
	0 - 1 year	1 - 5 years	> 5 years
Bank loans and mortgages	74,498	87,668	
Payables for leasing	240	557	
Financial derivatives (IRS)	262	-	
Trade and other payables	7,596	-	
Loans by Group companies	141,209	-	
Total	223,805	88,225	-

Information on the Statement of Financial Position - Assets

NOTE 1. TANGIBLE ASSETS

Details of movements as at 31 December 2015 and 31 December 2014 are as follows:

(€/000)	31.12.2015	31.12.2014	Change
Land	2,466	2,466	-
Buildings	15,766	15,468	298
Other assets	3,356	3,396	(40)
Assets in progress and payments on account	-	254	(254)
Total	21,588	21,584	4

Changes taking place in the period are as follows:

(€/000)	Land	Buildings	Other assets	Assets in progress and payments on account	Total
Historical cost	2,466	17,175	9,278	254	29,173
Accumulated depreciation	-	(1,707)	(5,882)	-	(7,589)
Net opening value at 01.01.15	2,466	15,468	3,396	254	21,584
Increases 31.12.15					
Investments	-	379	602	-	981
Reclassifications	-	137	117	-	254
Transfers	-	-	(24)	-	(24)
Depreciation reversal	-	-	16	-	16
Total	-	516	711	-	1,227
Decreases 31.12.15					
Disposals	-	-	(17)	-	(17)
Reclassifications	-	-	-	(254)	(254)
Transfers	-	-	24	-	24
Depreciation	-	(218)	(758)	-	(976)
Total	-	(218)	(751)	(254)	(1,223)
Historical cost	2,466	17,691	9,956	-	30,113
Accumulated depreciation	-	(1,925)	(6,600)	-	(8,525)
Net closing value at 31.12.15	2,466	15,766	3,356	0	21,588

The increase of €379 thousand in item "Buildings" is mainly due to the construction of the second tunnel connecting two parts of the building and the setting-up of a corporate museum.

The increase for the year of €602 thousand in the "Other assets" item primarily breaks down as follows:

- €324 thousand for the purchase of electronic office equipment and servers;
- €156 thousand for the purchase of new furniture and fittings;
- €116 thousand for new electrical, hydraulic and air-conditioning systems for the new buildings;
- €6 thousand for the purchase of demos for the corporate museum.

NOTE 2. INTANGIBLE ASSETS

Details of movements as at 31 December 2015 and 31 December 2014 are as follows:

(€/000)	31.12.2015	31.12.2014	Change
Goodwill	-	-	-
Development costs	-	-	-
Others	2,570	2,414	156
Total	2,570	2,414	156

Changes taking place in the period are as follows:

(€/000)	Goodwill	Development costs	Others	Total
Historical cost	-	-	8,408	8,408
(Accumulated amortisation)	-	-	(5,994)	(5,994)
Opening value as at 01.01.15	0	0	2,414	2,414
Increases 31.12.15				
Investments	-	-	852	852
Reclassifications	-	-	1	1
Amortisation reversal	-	-	-	0
Total	-	-	853	853
Decreases 31.12.15				
Disposals	-	-	-	-
Reclassifications	-	-	(1)	(1)
Amortisation	-	-	(696)	(696)
Total	-	-	(697)	(697)
Historical cost	-	-	9,260	9,260
Accumulated amortisation	-	-	(6,690)	(6,690)
Net closing value at 31.12.15	0	0	2,570	2,570

The increase for the year of €852 thousand in the item "Others" relates to:

- €553 thousand for software and primarily:
 - €204 thousand for implementations of some modules of the sHare software related to the evaluation of performance and assignment of goals;
 - €170 thousand for software aimed at the management of requirements of Datalogic product;
 - €59 thousand software for the management of Group logistics;
 - €40 thousand for implementation of Oracle Hyperion software.
- €72 thousand for implementations of SAP managing software;
- €225 thousand for assets in progress are related to:
 - €147 thousand for implementations of SAP managing software;
 - €78 thousand for development of other modules of the sHare software.

NOTE 3. EQUITY INVESTMENTS

Equity investments held by the Company as at 31 December 2015 were as follows:

(€/000)	Balance as at 31.12.2014	Increases	Decreases	Change	Balance as at 31.12.2015
Subsidiaries	174,599	0	0	0	174,599
Associates	0			0	0
Total associates	174,599	0	0	0	174,599

No change occurred over the year.

As per the comparison between the carrying value and the corresponding Shareholders' Equity of the investees as at 31 December 2015, reference is made to Annex 2. Negative differentials disclosed therein are not considered as impairment loss; no adjustment was therefore made to the assets recorded.

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:

31.12.2015 (€/000)	Loans and receivables	Financial assets at fair value charged to the Income Statement	Available for sale	Total
Non-current financial assets	172	30,732	4,985	35,889
Financial assets - Equity investments (5)	-	-	4,624	4,624
Financial assets - Securities	-	-	361	361
Financial assets - Other		30,732	-	30,732
Other receivables (7)	172	-	-	172
Current financial assets	77,324	0	0	77,324
Trade receivables from third parties (7)	15	-	-	15
Other receivables from third parties (7)	845	-	-	845
Financial assets - Securities (5)	0	-	-	-
Financial assets - Derivative instruments (6)	0	-	-	-
Cash and cash equivalents (10)	76,464	-	-	76,464
Total	77,496	30,732	4,985	113,213

31.12.2015 (€/000)	Derivatives	Other financial liabilities	Total
Non-current financial liabilities	114	138,789	138,903
Financial payables (12)	-	138,789	138,789
Financial liabilities - Derivative instruments (6)	114	-	114
Other payables (16)	-	-	-
Current financial liabilities	6	38,749	38,755
Trade payables to third parties (16)	-	2,856	2,856
Other payables (16)	-	2,745	2,745
Financial liabilities - Derivative instruments (6)	6	-	6
Short-term financial payables (12)	-	33,148	33,148
Total	120	177,538	177,658

FAIR VALUE – HIERARCHY

The Company measures at fair value all financial instruments such as derivatives and financial assets at each annual reporting date.

The Company uses measurement methods that are appropriate for the situation, and for which data available to measure fair value are sufficient, while maximising the use of relevant inputs observable and limiting the use of non-observable inputs. All assets and liabilities measured or recognised at fair value are classified based on a fair value hierarchy, as provided for by IFRS 13, and described hereunder:

- **Level 1** - listed prices (not adjusted) in active markets for identical assets or liabilities the entity of which is identifiable at the measurement date;
- **Level 2** - input data other than listed prices included in Level 1 which can be observed, either directly or indirectly for the asset or liability to be measured;
- **Level 3** - the valuation techniques for which input data cannot be observed for the asset or liability to be measured.

As at 31 December 2015, the Company held the following financial instruments measured at fair value:

(€/000)	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets - Equity investments (5)	3,998	-	626	4,624
Financial assets - LT securities (5)	361	-	-	361
Financial assets - Other LTs (5)	9,919	20,813	-	30,732
Total assets measured at fair value	4,359	0	31,358	35,717
Liabilities measured at fair value				
Financial liabilities - LT derivative instruments (6)	-	114	-	114
Financial liabilities - ST derivative instruments (6)	-	6	-	6
Total liabilities measured at fair value	0	120	0	120

As regards assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers between hierarchy level occurred while revising the classification (based in lower level inputs, which is significant for the purposes of a thorough fair value measurement) at each annual reporting date.

NOTE 5. FINANCIAL ASSETS

The financial assets include the following items:

(€/000)	31.12.2015	31.12.2014	Change
Securities	361	361	-
Long-term government bonds	361	361	-
Short-term government bonds	-	-	-
Other financial assets	30,732	20,290	10,442
Other long-term financial assets	30,732	20,290	10,442
Other equity investments	4,624	3,481	1,143
Total	35,717	24,132	11,585

The "Other LT financial assets" item consists of an investment of corporate liquidity in two insurance policies subscribed in May and July 2014, and a mutual investment fund subscribed in August 2015.

Following are the summary tables:

TRADING SECURITIES – LISTED

Type of security (€/000)	Nominal value	Purchase price	Acquisition value	Market price as at 31.12.2015	Market value as at 31.12.2015	Balance sheet value as at 31.12.2015
Government bonds	360	0.9926	357	1.00155	361	361
Total securities	360		357		361	361

OTHER EQUITY INVESTMENTS

As at 31 December 2015, Equity investments held in other companies were as follows:

(€/000)	31.12.2014	Increases	Decreases	Adjustment to fair value	Adjustment on exchange rates	31.12.2015
Unlisted Equity investments	87	567	(28)	-	-	626
Listed Equity investments	3,394	-	-	214	390	3,998
Total Equity investments	3,481	567	(28)	214	390	4,624

The amount of the “Listed equity investments” item is represented by the 1.2% investment of share capital in the Japanese company Idec Corporation listed on the Tokyo Stock Exchange.

The change in item “Unlisted equity investments” is due to the 20% acquisition in Caen Rfid S.r.l., a leading company in RFID-Radiofrequency Identification in the Ultra High Frequency (UHF) band, and with headquarter in Tuscany.

The purchase of 127 shares and the sale of 199 shares (at par) in the Mandarin Fund, a Private Equity fund that mainly invests in Italian and Chinese small and medium-sized companies, are worth noting.

It should be highlighted that the Parent Company holds a minority interest in the Alien Technology Corporation, which was written down completely as at 31 December 2010.

NOTE 6. FINANCIAL DERIVATIVES

(€/000)	31.12.2015		31.12.2014	
	Assets	Liabilities	Assets	Liabilities
Financial instruments measured at fair value and recognised in the Statement of Comprehensive Income				
Interest rate derivatives - LT Cash Flow Hedges	-	114	-	262
Interest rate derivatives - ST Cash Flow Hedges	-	6	-	-
Financial Instruments measured at fair value and recognised in the Income Statement				
Total	0	120	0	262

INTEREST RATE DERIVATIVES

The Company sets up interest rate derivatives to manage the risk stemming from changes in rates of interest on bank borrowings, converting part of them from variable to fixed rate via interest rate swaps having the same amortisation plan as the underlying hedged. As envisaged by IAS 39, the fair value of these contracts, totalling €120 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 31 December 2015, the notional principal of interest swaps totalled €7,875 thousand (€14,625 thousand as at 31 December 2014).

NOTE 7. TRADE AND OTHER RECEIVABLES

TRADE AND OTHER RECEIVABLES

(€/000)	31.12.2015	31.12.2014	Change
Trade receivables within 12 months	15	13	2
Trade receivables after 12 months	-	-	-
Receivables from associates	-	-	-
Receivables from subsidiaries	8,318	5,910	2,408
Receivables from Parent Companies	-	-	0
Trade receivables	8,333	5,923	2,410
Other receivables - accrued income and prepaid expenses	1,124	941	183
Other receivables from subsidiaries	-	-	-
Other receivables - accrued income and prepaid expenses	1,124	941	183
Trade and other receivables	9,457	6,864	2,593

“Trade receivables” of €8,318 thousand mainly refer to trade receivables relating to royalties for the use of the trademark and services provided by the Company as stipulated in contracts between the parties.

As at 31 December 2015 the breakdown of the item by due date is as follows:

(€/000)	2015	2014
Not yet due	7,251	5,495
Past due by 30 days	56	12
Past due by 30 - 60 days	415	160
Past due by more than 60 days	611	256
Total	8,333	5,923

The following table shows the breakdown of trade receivables by currency:

Currency	2015	2014
Euro	7,368	5,085
US Dollar (USD)	956	827
British Pound Sterling (GBP)	3	5
Australian Dollar (AUD)	6	6
Total	8,333	5,923

The detail of the item "Other receivables - accrued income and prepaid expenses" is as shown below:

(€/000)	31.12.2015	31.12.2014	Change
Advances paid to suppliers	544	194	350
Other social security receivables	5	5	-
Other	68	209	(141)
Guarantee deposits	16	17	(1)
Accrued income and prepaid expenses	107	286	(179)
VAT tax receivables	384	230	154
Sundry receivables from subsidiaries	-	-	-
Total	1,124	941	183

NOTE 8. TAX RECEIVABLES

(€/000)	31.12.2015	31.12.2014	Change
Receivables from Parent Company	597	2,249	(1,652)
Tax receivables	1,206	1,479	(273)
Short-term tax receivables	1,803	3,728	(1,925)

The balance in "Receivables from Parent Company" relates to the measurement of taxes arising from participation in tax consolidation with the Parent Company Hydra S.p.A.. The decrease of €1,652 thousand primarily relates to IRES tax for the year.

"Tax receivables", totalling €1,206 thousand, break down as follows:

- €1,003 thousand relate to receivables for withholding taxes abroad;
- €183 thousand receivables related to payments on account for Irap tax;
- €20 thousand receivables for withholding tax on bank interest income.

NOTE 9. LOANS TO SUBSIDIARIES

(€/000)	31.12.2015	31.12.2014	Change
Non-current loans to subsidiaries	-	11,484	(11,484)
Current loans to subsidiaries	268,200	244,737	23,463
Total	268,200	256,221	11,979

"Loans to subsidiaries" breaks down as follows:

	Euro	countervalue in USD
Finanziamenti		
Datalogic Holdings Inc.	92,782	101,012
Datalogic Automation Inc.	41,334	45,000
Datalogic Automation S.r.l.	18,600	20,250
Datalogic ADC Singapore	918	1,000
Datalogic Hungary Kft	6,350	
Datalogic ADC S.r.l.	3,000	
Cash pooling		
Datalogic Holdings Inc.	26,332	
Datalogic Automation S.r.l.	25,775	
Datalogic Automation Inc.	18,854	
Datalogic IP-Tech S.r.l.	14,766	
Datalogic ADC S.r.l. Sweden (branch)	6,127	
Datalogic ADC S.r.l. S.p.A.in (branch)	5,396	
Datalogic ADC S.r.l. UK (branch)	4,400	
Datalogic ADC S.r.l. Germany (branch)	1,879	
Datalogic ADC S.r.l. France (branch)	1,551	
Datalogic ADC S.r.l. Netherland (branch)	136	
Totale	268,200	

NOTE 10. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are broken down as follows for the purposes of the Cash Flow Statement:

(€/000)	31.12.2015	31.12.2014	Change
Bank and post office deposits	76,449	53,586	22,863
Cash and valuables on hand	15	15	-
Cash and cash equivalents for statement	76,464	53,601	22,863

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

(€/000)	31.12.2015	31.12.2014
A. Cash and bank deposits	76,464	53,601
B. Other cash and cash equivalents	-	-
C. Securities held for trading	361	361
c1. Short-term	-	-
c2. Long-term	361	361
D. Cash and equivalents (A) + (B) + (C)	76,825	53,962
E. Current financial receivables	268,200	244,737
F. Other current financial receivables	-	-
f1. Hedging transactions	-	-
G. Bank overdrafts	-	-
H. Current portion of non-current debt	181,422	215,947
I. Other current financial payables	6	-
i2. Hedging transactions	6	-
J. Current financial debt (G) + (H) + (I)	181,428	215,947
K. Current financial debt, net (J) - (D) - (E) - (F)	(163,597)	(82,752)
L. Non-current bank borrowing	138,789	88,225
M. Other non-current financial receivables and assets	30,732	31,774
N. Other non-current liabilities	114	262
n2. Hedging transactions	114	262
O. Non-current financial debt (L) - (M) + (N)	108,171	56,713
P. Net Financial Debt (K) + (O)	(55,426)	(26,039)

Net Financial Position as at 31 December 2015 was €55,426 thousand, an improvement by €29,387 thousand compared to 31 December 2014, (€26,039 thousand).

Note that the following transactions were carried out in the period:

- purchase of treasury shares (82,517), which generated a negative cash flow amounting to €831 thousand;
- payment of dividends of €10,471 thousand;
- cash outflows for leaving incentives amounting to €767 thousand.

Information on Statement of Financial Position - Shareholders' Equity and Liabilities

NOTE 11. SHAREHOLDERS' EQUITY

The detail of Equity accounts is shown below, while changes in Equity are reported in the specific statement.

(€/000)	31.12.2015	31.12.2014
Share capital	30,392	30,392
Share premium reserve	106,513	107,342
Extraordinary share-cancellation reserve	2,813	2,813
Treasury shares held in portfolio	4,488	5,319
Treasury share reserve	2,453	1,624
Share capital	146,659	147,490
Cash-flow hedge reserve	(92)	(190)
Valuation reserve at current value	508	218
Severance indemnity discounting reserve	88	80
Other reserves	504	108
Retained earnings	75,780	52,670
Earnings carried forward	28,630	16,636
Temporary reserve for exchange rate adjustment	16,443	6,509
Capital contribution reserve	958	958
Reserve for surplus from cancellation, Datalogic RE S.r.l.	204	204
Legal reserve	5,917	4,735
IAS reserve	8,423	8,423
Capital contribution reserve	15,204	15,204
Profit for the year	27,474	23,647
Total Shareholders' Equity	250,417	223,915

SHARE CAPITAL

The share capital as at 31 December 2014 and 31 December 2015 is reported below:

(€/000)	Number of shares	Share capital	Extraordinary share-cancellation reserve	Share premium reserve	Treasury shares	Treasury share reserve	Total
01.01.2015	58,254,398	30,392	2,813	107,342	5,319	1,624	147,490
Purchase of treasury shares	(82,517)	-	-	(829)	(829)	829	(829)
Sale of treasury shares	-	-	-	-	-	-	-
Costs for the purchase of treasury shares	-	-	-	-	(2)	-	(2)
31.12.2015	58,171,881	30,392	2,813	106,513	4,488	2,453	146,659

Ordinary shares

As at 31 December 2015, the total number of ordinary shares was 58,446,491, including 274,610 held as treasury shares, making the number of shares in circulation at that date 58,171,881.

Treasury shares

The item "Treasury shares", amounting to €4,488 thousand, includes capital gains/(losses) resulting from the sale of treasury shares, net of purchases and related charges (€6,941 thousand). In 2015, the Company purchased 82,517 treasury shares for a total amount of €829 thousand, accounted for excluding purchase costs (€2 thousand).

For these purchases, in accordance with Article 2357 of the Italian Civil Code, the Treasury share reserve, in the amount of €2,453 thousand, was made unavailable by using the Share premium reserve.

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 €121 thousand) and amounts are shown net of the tax effect (€29 thousand).

Capital contribution reserve

This reserve has been created after the recording under assets of the Equity investments in the Group Company Datalogic IP Tech S.r.l..

Reserve for surplus from cancellation, Datalogic Real Estate S.r.l.

This reserve has been created after the cancellation of the Equity investment in the Group Company Datalogic Real Estate S.r.l..

RETAINED EARNINGS

IAS reserve

This reserve was created upon first-time adoption of international accounting standards at 1 January 2006 in accordance with IFRS 1.

Dividends

On 28 April 2015, the Ordinary Shareholders' Meeting of Datalogic S.p.A. decided to distribute an ordinary dividend of €0.18 per share (€0.16 in 2014). The overall dividends began to be paid starting from 13 May 2015 and had been paid in full by 31 December.

Classification of Shareholders' Equity items

Nature/description	Amount	Possible use	Amount available	Summary of uses made in the 3 previous years	
				For hedging against losses	For other reasons
Share capital	30,392				
Capital reserves	131,933				
Share premium reserve	106,513	A,B	106,513	-	-
Extraordinary share-cancellation reserve	2,813	A,B,C	2,813	-	-
Treasury share reserve	2,453	-	-	-	11,008
Capital contribution reserve	15,204	A,B,C	15,204	-	-
Merger surplus	204	A,B,C	204	-	-
Revaluation reserves	258	A,B	-	-	-
Treasury share reserve	4,488	-	4,488	-	-
Other reserves	504				
Cash-flow hedge reserve	(92)	-	-	-	-
Valuation reserve for financial assets held for sale	508	-	-	-	-
Severance indemnity discounting reserve	88	-	-	-	-
Retained earnings	60,114				
Earnings carried forward	25,975	A,B,C	25,975	-	5,480
Reserve for deferred tax assets	2,655	A,B	2,655	-	-
Reserve for exchange rate adjustment	16,443	A,B	6,509	-	-
Capital contribution reserve	958	B	-	-	-
Legal reserve	5,917	B	-	-	-
IAS/IFRS transition reserve	8,166	A,B,C	-	-	-
Total			164,361		
Non-distributable portion			120,165		
Distributable residual portion			44,196		

Key: A: for capital increase; B: to cover losses; C: for payments to Shareholders.

The Deferred tax reserve is a reserve temporarily non-distributable until the date on which the deferred tax assets posted on the statement of financial position are realised.

The temporary reserve for adjustment on exchange rates was created 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, €16,443 thousand are related to the effect of exchange rates measurement at year-end for receivables for loans in US Dollars supplied to the subsidiaries Datalogic Automation Inc., Datalogic Automation S.r.l. and Datalogic Holdings Inc., and in 2015 to Datalogic ADC Singapore. No regulation and/or a defined reimbursement plan is provided for these loans, nor is it deemed probable that they will be reimbursed in the foreseeable future.

The Actuarial gains and losses reserve comprises the Income Statement profit and losses pursuant to provisions set out by IAS 19R.

NOTE 12. SHORT/LONG-TERM BORROWINGS AND FINANCIAL LIABILITIES

The breakdown of this item is as detailed below:

(€/000)	31.12.2015	31.12.2014	Change
Bank loans	171,331	162,166	9,165
Loans by Group companies/cash pooling - netting	148,274	141,209	7,065
Payables for leasing	526	797	(271)
Other loans	80	-	80
Total financial payables	320,211	304,172	16,039

Financial payables are represented as follows:

(€/000)	due within 12 months	after 12 months	after 5 years	Total
Current accounts/cash pooling	148,274	-	-	148,274
Bank loans, mortgages and other financial institutions	33,068	138,789	-	171,857
Other loans	80	-	-	80
Total	181,422	138,789	-	320,211

The “Current accounts/cash pooling” item relates to payables to Group companies owing to cash pooling agreements for centralised liquidity management.

BANK LOANS

Following is the breakdown of changes in “Bank loans” as at 31 December 2015:

	2015	2014
01.01.2015	162,166	224,583
Foreign exchange differences	930	1,754
Increases	139,277	39,500
Repayments	(125,218)	(65,735)
Decreases for loan repayments	(5,824)	(37,936)
31.12.2015	171,331	162,166

On 24 February 2015, the Company signed a loan agreement with a pool of banks for the amount of €140 million and redeemed at the same time, previous loans amounting to €126 million.

This transaction allowed for an increase in the average life of the financial debt and the reduction in the related charges.

Guarantees given by banks in the Company’s favour total €898 thousand. Moreover, the Company issued a credit mandate in the amount of €4,187 related to the issue of trade guarantees in the interest of subsidiaries and a pledge in securities of €360 thousand.

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:

Bank		Company	Currency	Outstanding debt		Covenant	Frequency	Reference statements
Mediobanca	1	Datalogic S.p.A.	Euro	12,000,000	Ebitda/OFN	PFN/Ebitda	semi-annual	Datalogic Group
Club Deal	2	Datalogic S.p.A.	Euro	140,000,000	Ebitda/OFN	PFN/Ebitda	semi-annual	Datalogic Group

Key: PFN = Net Financial Position; OFN = Net financial expenses.

As at 31 December 2015 all covenants were respected.

Financial leases

In past years, the Company entered a financial lease agreement for the telepresence system this year. The following table shows the amount of future instalments deriving from financial leases and the current value of the instalments:

(€/000)	31 December 2015		31 December 2014	
	Minimum payments	Current value of payments	Minimum payments	Current value of payments
Within the year	273	253	272	240
After one year but within 5 years	279	273	581	557
> 5 years	-	-	-	-
Total minimum payments	552	526	854	797
Less interest expenses	(26)	-	(57)	-
Current value of lease costs	526	526	797	797

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 balance-sheet assets and liabilities and their relevant taxable value.

Below we show the main items forming deferred tax assets and deferred tax liabilities and changes occurring in them over the year:

Deferred tax liabilities (€/000)	Exchange rate adjustment	Depreciation and Amortisation	Provisions	Others	Total
As at 1 January 2015	4,018	1,645	(63)	59	5,659
Provisioned in (released from) Income Statement	598	(244)	(26)	(1)	327
Provisioned in (released from) Shareholders' Equity	2,490	-	-	(7)	2,483
As at 31 December 2015	7,106	1,401	(89)	51	8,469

Deferred tax assets (€/000)	Exchange rate adjustment	Asset write-downs	Allocations	Others	Total
As at 1 January 2015	1,232	0	662	67	1,961
Provisioned in (released from) Income Statement	-	-	87	(1)	86
Provisioned in (released from) Shareholders' Equity	(157)	-	-	(43)	(200)
Other movements	-	-	-	1	1
As at 31 December 2015	1,075	0	749	24	1,848

NOTE 14. POST-EMPLOYMENT BENEFITS

(€/000)	2015	2014
01.01.2015	593	783
Amount allocated in the period	219	184
Amount transferred for transfer of employment relationships	6	(201)
Uses	(292)	(54)
Social security receivables for the employee severance indemnity reserve	1	(119)
31.12.2015	527	593

The item "Uses" is related to €258 thousand for resignations and €34 thousand for requests of advance payments.

NOTE 15. PROVISIONS FOR RISKS AND CHARGES

The breakdown of the "Risks and charges" item is as follows:

(€/000)	31.12.2015	31.12.2014	Change
Long-term provisions for risks and charges	3,069	2,362	707
Short-term provisions for risks and charges	77	114	(37)
Total provisions for risks and charges	3,146	2,476	670

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

(€/000)	31.12.2014	Increases	(Decreases)	31.12.2015
Provision for management incentive scheme	2,362	707	0	3,069
Provision for tax liabilities	114	2	(39)	77
Total provisions for risks and charges	2,476	709	(39)	3,146

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.

NOTE 16. TRADE AND OTHER PAYABLES

This table shows the details of trade and other payables:

(€/000)	31.12.2015	31.12.2014	Change
Trade payables	3,239	4,073	(834)
Trade payables due within 12 months	2,856	3,645	(789)
Payables to the Group	383	428	(45)
Other short-term payables	5,185	3,020	2,165
Accrued liabilities and deferred income	485	503	(18)

OTHER PAYABLES - ACCRUED LIABILITIES AND DEFERRED INCOME

The detailed breakdown of "Other payables" was as follows:

(€/000)	31.12.2015	31.12.2014	Change
Payables to pension and social security agencies	821	690	131
Payables to employees	1,556	1,859	(303)
Directors' remuneration payable	284	240	44
Deferred income on investment grants	483	501	(18)
Other payables to the Group	2,440	134	2,306
Other payables	86	99	(13)
Total	5,670	3,523	2,147

Amounts payable to employees represent the amount due for salaries and vacations accrued by employees as at the reporting date.

The increase in item "Other payables to the Group" is mainly related to ongoing intercompany payments at the reporting date. The item "Deferred income on investment grants" totalling €483 thousand relates to the reclassification of public capital grants on assets.

These grants were reversed from equity reserves based on the provisions of IAS 20 and reallocated among deferred income, in order to match them with the actual cost incurred, i.e. with depreciation of the assets to which they refer.

NOTE 17. TAX PAYABLES

(€/000)	31.12.2015	31.12.2014	Change
Short-term tax payables	447	431	16
Long-term tax payables	-	-	-
Total tax payables	447	431	16

Income tax payables only include liabilities for definite and calculated tax due and it is composed as follows:

- €433 thousand, Irpef withholding taxes related to employees;
- €14 thousand, withholding taxes on remuneration to freelancers.

Information on the Income Statement

NOTE 18. REVENUES

(€/000)	31.12.2015	31.12.2014	Change
Revenues from services	21,427	18,390	3,037
Total revenues	21,427	18,390	3,037

Revenues from sales and services rose by €3,037 thousand compared to the previous year.

NOTE 19. COST OF GOODS SOLD AND OPERATING COSTS

(€/000)	31.12.2015	31.12.2014	Change
Total cost of goods sold (1)	1,681	46	1,635
of which non-recurring	-	-	-
Total operating costs (2)	17,986	19,489	(1,503)
R&D expenses	430	1,357	(927)
of which non-recurring	-	-	-
Distribution expenses	814	396	418
of which non-recurring	-	-	-
General and administrative expenses	16,538	17,437	(899)
of which non-recurring	486	790	(304)
Other operating costs	204	299	(95)
of which non-recurring	-	-	-
Total (1+2)	19,667	19,535	132
of which non-recurring costs	486	790	(304)

Non-recurring costs result from in-house reorganisation of the Company.

Item "Cost of goods sold" reported an increase of €1,635 due to costs related to Group projects, such as the optimisation of production and organisation costs, as well as centralisation of assets and internal organisation functions.

TOTAL OPERATING COSTS (2)

"Research and Development" expenses amounted to €430 thousand and are made up as follows:

- Payroll & employee benefits €81 thousand
- Other costs €322 thousand
- Amortisation/Depreciation €27 thousand

In "Other costs" item, the most relevant items are costs due to maintenance and software assistance, in the amount of €314 thousand.

"Distribution" expenses amounted to €814 thousand and are made up as follows:

- Payroll & employee benefits €210 thousand
- Advertising costs €429 thousand
- Other costs €139 thousand
- Amortisation/Depreciation €37 thousand

In "Other costs" item, the most relevant items are costs due to maintenance and software assistance, in the amount of €50 thousand.

"General and administration" expenses totalled €16,538 thousand, and consisted of:

- Payroll & employee benefits €8,366 thousand
- Other costs €6,586 thousand
- Amortisation/Depreciation €1,586 thousand

The most significant items in "Other costs" were:

- Costs for administrative and various advisory services €1,235 thousand
- Software and hardware maintenance and assistance €1,627 thousand
- Remuneration to directors and representatives €948 thousand
- Costs for use of telephones, faxes and modem €928 thousand
- Rental and building maintenance expenses €389 thousand
- Employee travel expenses €242 thousand
- Vehicle leasing expenses €254 thousand
- Accounts certification expenses €180 thousand
- Stock exchange costs €147 thousand
- Remuneration of board of statutory auditors €68 thousand
- Entertainment expenses €63 thousand
- Advertising and marketing costs €50 thousand
- Insurances €47 thousand

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

(€/000)	31.12.2015	31.12.2014	Change
Allocation to the provision for risks	-	-	-
Capital losses on assets	-	6	(6)
Contingent liabilities	10	20	(10)
Non-income taxes	194	273	(79)
Other	-	-	-
Total other operating costs	204	299	(95)

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:

(€/000)	31.12.2015	31.12.2014	Change
Payroll & employee benefits	9,574	10,322	(748)
Amortisation and depreciation	1,653	1,541	112
Directors' remuneration	948	873	75
Technical, legal and tax advisory services	1,816	1,684	132
Rental and building maintenance	402	340	62
Software maintenance and assistance	1,992	1,783	209
Utilities and telephone subscriptions	939	616	323
Non-income taxes	194	273	(79)
Accounts certification expenses	180	183	(3)
Vehicle leasing and maintenance	351	270	81
Advertising and Marketing	507	617	(110)
Travel & accommodation	327	261	66
Stock exchange costs and membership fees	270	286	(16)
Board of Statutory Auditors' remuneration	68	70	(2)
Entertainment expenses	69	94	(25)
Patents	44	23	21
Other costs	333	299	34
Total (1+2)	19,667	19,535	132

The detailed breakdown of payroll & employee benefits is as follows:

(€/000)	31.12.2015	31.12.2014	Change
Wages and salaries	6,255	5,214	1,041
Social security charges	1,784	1,501	283
Employee severance indemnities	245	203	42
Retirement and similar benefits	187	155	32
Medium/long-term managerial incentive plan	707	2,064	(1,357)
Reimbursements for seconded personnel	(53)	(189)	136
Other costs	449	1,374	(925)
Total	9,574	10,322	(748)

NOTE 20. OTHER OPERATING REVENUES

The detailed breakdown of this item is as follows:

(€/000)	31.12.2015	31.12.2014	Change
Reimbursement of miscellaneous costs	13	77	(64)
Incidental income and cost cancellation	0	60	(60)
Rents	521	521	0
Capital gains on asset disposals	0	9	(9)
Other	73	73	0
Total other revenues	607	740	(133)

NOTE 21. NET FINANCIAL INCOME

(€/000)	31.12.2015	31.12.2014	Change
Interest expenses on bank current accounts/loans	2,787	6,202	(3,415)
Foreign exchange losses	10,619	8,555	2,063
Bank expenses	1,518	1,075	443
Other	115	46	68
Total financial expenses	15,038	15,879	(840)
Interest income on bank current accounts/loans	7,288	5,883	1,405
Foreign exchange gains	14,237	11,361	2,877
Dividends	21,009	23,424	(2,415)
Other	525	314	212
Total financial income	43,059	40,981	2,078
Net Financial Income (Expenses)	28,021	25,103	2,918

TOTAL FINANCIAL EXPENSES

The item "Foreign exchange losses" equals €10,619 thousand and is detailed as follows:

- €85 thousand in foreign exchange losses relating to commercial transactions;
- €931 thousand in foreign exchange losses relating to loans and current accounts in foreign currency;
- €9,603 thousand for alignment with the end-of-period exchange rate.

The item "Bank expenses" of €1,518 thousand relates to:

- €1,514 thousand in ordinary banking commissions relating to the movements of current accounts and the taking out of medium/long-term loans; In view of a new loan agreement with a pool of banks for the amount of €140 million, previous loans were redeemed with consequent redemption of €1,250 thousand of prepaid expenses;
- €4 thousand for fees on sureties.

On 24 February 2015, the Company signed a loan agreement with a pool of banks for the amount of €140 million and redeemed at the same time, previous loans amounting to €126 million.

TOTAL FINANCIAL INCOME

The item "Foreign exchange gains" of €14,237 thousand relates to:

- €147 thousand in foreign exchange gains relating to commercial transactions;
- €2,035 thousand in foreign exchange gains relating to loans and current accounts in foreign currency;
- €12,055 thousand for alignment with the end-of-period exchange rate.

The item "Dividends" of €21,009 thousand relates to earnings distributed during 2015 as follows:

- Subsidiary Datalogic ADC S.r.l. for €20,473 thousand;
- Company Idec Corporation €155 thousand;
- Company Mandarin Capital Management Sa €381 thousand.

NOTE 22. TAXES

(€/000)	31.12.2015	31.12.2014
Income tax	2,673	1,255
Deferred taxes	241	(204)
Total	2,914	1,051

Deferred tax liabilities were calculated according to global allocation criteria, considering the cumulative amount of all interim differences, based on the average rates expected to be in force at the time these temporary differences had an effect.

Notice of Auditing Firm's Fees

Pursuant to article 149-duodecies of the Issuer Regulation, implementing Legislative Decree 58 of 24 February 1998, the following is the summary schedule of fees pertaining to the year 2014 provided by the independent auditors and divided in auditing and other services.

(€/000)	Fees for auditing services	Other remuneration
Datalogic S.p.A.	162	11

RELATED-PARTY TRANSACTIONS

Related parties (€/000)	Hydra Immobiliare	Hydra S.p.A.	St. Ass. Caruso	ADC Group	Automation Group	Informatics	Real Estate Group	Datalogic IP Tech S.r.l.	Total
Receivables									
Trade receivables	-	-	-	5,818	1,818	438	85	98	8,258
Financial receivables	-	-	-	322,487	124,174	-	-	14,766	461,428
Tax receivables	-	597	-	-	-	-	-	-	597
Payables									
Trade payables	1	-	94	2,662	44	2	6	35	2,845
Tax payables	-	-	-	-	-	-	-	57	57
Financial payables	-	-	-	235,319	99,820	1,680	4,682	-	341,502
Costs									
Sales costs	71	-	188	206	45	-	-	4	514
Financial costs	-	-	-	362	81	2	5	-	450
Revenues									
Trade receivables	-	-	-	16,734	6,163	375	85	483	23,840
Financial revenues	-	-	-	6,012	1,145	-	-	69	7,226

TRANSACTIONS WITH COMPANIES CONTROLLED BY SHAREHOLDERS

Transactions with Hydra Immobiliare, a company controlled by the reference Shareholders of the Company, refer to the rental of property by the Company (€71 thousand).

Company transactions with the Parent Company (Hydra S.p.A.) mainly relate to the Ires receivable of €597 thousand; the Company has joined the tax consolidation scheme, as a consolidated company (Hydra is the consolidator).

TRANSACTIONS WITH COMPANIES CONTROLLED BY MEMBERS OF THE BOARD OF DIRECTORS

Studio Associato Caruso (headed up by the Director, Pier Paolo Caruso) billed the Company €188 thousand for tax consulting services in 2015.

REMUNERATION PAID TO DIRECTORS AND STATUTORY AUDITORS

For this information, please refer to the report on remuneration which will be published pursuant to article 123-ter of the T.U.F. [Consolidated Law on Finance] and will be published on the website www.datalogic.com.

The Chairman of the Board of Directors
(Mr. Romano Volta)



Annexes



DATALOGIC

Annexes 1

2014 RESTATED CONSOLIDATED INCOME STATEMENT

(€/000)	Notes	31.12.2014	Reclassifications	31.12.2014 Reclassified
1) Total revenues	17	464,645		464,645
Revenues from sale of products		441,567		441,567
Revenues from services		23,078		23,078
of which non-recurring		99		
of which with related parties		6,053		6,053
2) Cost of goods sold	18	240,056	(2,886)	237,170
of which non-recurring	18	1,069		1,069
of which with related parties		316		316
Gross Profit (1-2)		224,589	2,886	227,475
3) Other operating revenues	19	2,239		2,239
of which non-recurring	19			0
of which with related parties		7		7
4) R&D expenses	18	43,196		43,196
of which non-recurring	18			0
of which amortisation, depreciation and write-downs pertaining to acquisitions		88		88
of which with related parties	18	9		9
5) Distribution expenses	18	86,438	2,886	89,324
of which non-recurring	18	1,119		1,119
of which with related parties		46		46
6) General and administrative expenses	18	46,501		46,501
of which non-recurring	18	1,950		1,950
of which amortisation, depreciation and write-downs pertaining to acquisitions	18	5,405		5,405
of which with related parties		1,093		1,093
7) Other operating expenses	18	3,785		3,785
of which non-recurring	18	1,579		1,579
Total operating costs		179,920	2,886	182,806
Operating result		46,908	0	46,908
8) Financial Income	20	26,831		26,831
of which with related parties		27		11
9) Financial expenses	20	34,585		34,585
Net Financial Income (expenses) (8-9)		(7,754)	0	(7,754)
10) Profits from associates	3	25		25
Profit/(Loss) before taxes from the operating assets		39,179	0	39,179
Income tax	21	8,322		8,322
Profit/(Loss) for the period		30,857	0	30,857
Basic earnings/(loss) per share (€)	22	0.5306		0.5306
Diluted earnings/(loss) per share (€)	22	0.5306		0.5306

Note: 2014 figures have been reclassified to render them consistent with 2015 figures, in light of some reorganisation made.

Annexes 2

LIST OF EQUITY INVESTMENTS IN SUBSIDIARIES AND AFFILIATES AS AT 31 DECEMBER 2015 (ART. 2427 NO. 5 OF THE ITALIAN CIVIL CODE)

Company	Registered office	Currency	Share capital in local currency	Shareholders' Equity (€/000)
				Total amount
Informatics Acquisition	Plano (Texas) - USA	USD	9,996,000	17,359
Datalogic Automation S.r.l.	Bologna - Italy	Euro	18,000,000	15,088
Datalogic ADC S.r.l.	Bologna - Italy	Euro	10,000,000	175,876
Datalogic Real Estate France	Paris - France	Euro	2,227,500	3,517
Datalogic Real Estate UK	Redbourn - UK	GBP	3,500,000	5,064
Datalogic Real Estate GmbH	Erkenbrechtsweiler - DE	Euro	1,025,000	1,515
Datalogic IP Tech S.r.l.	Bologna - Italy	Euro	65,677	10,838
Total subsidiaries				229,257
Mandarin Capital Partners		Euro	1,779,186	115,399
Nomisma S.p.A.	Bologna - Italy	Euro	6,605,830	4,874
Conai				
Caaf Ind. Emilia Romagna	Bologna - Italy	Euro	377,884	662
T3 LAB Consortium				
Crit S.r.l.	Bologna - Italy	Euro	413,800	587
Idec Corporation	Osaka - Japan	Yen	10,056,605,173	233
Caen Rfid S.r.l.	Viareggio (Lu) - Italy	Euro	119,000	550
Total other companies				122,305

Shareholders' Equity (€/000)	Net Profit/(Loss) for the year (€/000)		Ownership	Carrying value including provisions for future charges	Differences
Pro-rata amount	Total amount	Pro-rata amount		(B)	(B)-(A)
17,359	(376)	(376)	100%	11,011	(6,348)
15,088	9,491	9,491	100%	33,650	18,562
175,876	41,163	41,163	100%	105,463	(70,413)
3,517	(14)	(14)	100%	3,919	402
5,064	(64)	(64)	100%	3,668	(1,396)
1,515	(117)	(117)	100%	1,806	291
4,996	(2,705)	(1,247)	46%	15,082	10,086
223,416	47,378	48,836		174,599	(48,817)
692	3,192	19	0.60%	17	(675) as at 30.06.15
4	80	0	0.08%	7	3 as at 31.12.14
				0	n.a.
6	0	0	0.96%	4	(3) as at 31.08.15
				7	7
0	(10)	0	0.01%	52	52 as at 31.12.14
0	0	0	1.25%	3,394	n.a. as at 31.03.15
110	55	11	20.0%	550	440 as at 31.12.14
813	3,317	31		4,031	(176)

Annexes 3

HYDRA S.p.A.

Registered office: via L. Alberti no. 1 - 40137 Bologna (BO)

Share capital: Euro 1,200,000 fully paid up

Bologna Companies Register n. 00445970379

Bologna REA (Economic and Administrative Repertoire) no. 202001

FINANCIAL STATEMENTS AS AT 31.12.2014

STATEMENT OF FINANCIAL POSITION

ASSETS (€/000)	31.12.2014	31.12.2013
A) Unpaid subscribed capital (of which already called up)		
B) Non-current assets		
I. Intangible		
1) Start-up and expansion costs		
2) Research, development and advertising costs		
3) Industrial patents and intellectual property rights		
4) Concessions, licenses, trademarks and similar rights		
5) Goodwill		
6) Assets in progress and payments on account		
7) Other intangible assets		90,054
		90,054
II. Tangible		
1) Land and buildings		
2) Plant and machinery		
3) Industrial and commercial equipment		
4) Other tangible assets	1,422	1,422
5) Assets in progress and payments on account		
	1,422	1,422
III. Financial assets		
1) Equity investments in:		
a) subsidiaries	58,903,176	59,982,859
b) associates		
c) parent companies		
d) other companies	10,816,573	11,774,141
	69,719,749	71,757,000
2) Receivables		
a) due from subsidiaries		
- within 12 months		
- after 12 months		
b) due from associates		
- within 12 months		
- after 12 months		
c) due from parent companies		
- within 12 months		
- after 12 months		
d) due from others		
- within 12 months		
- after 12 months	3,355,598	831,457
	3,355,598	831,457
	3,355,598	831,457
3) Treasury shares		
4) Treasury shares (total nominal value)	73,075,347	72,588,457
Total non-current assets	73,076,769	72,679,933

continue (€/000)	31.12.2014	31.12.2013
C) Current assets		
I. Inventories		
1) Raw and ancillary materials and consumables		
2) Work in progress and semi-finished products		
3) Commissioned work in progress		
4) Finished products and goods		
5) Advance payments		
II. Receivables		
1) Due from customers		
- within 12 months	212,336	2,531
- after 12 months		
	212,336	2,531
2) Due from subsidiaries		
- within 12 months	23,000	138,000
- after 12 months	23,000	138,000
3) Due from associates		
- within 12 months		
- after 12 months		
4) Due from parent companies		
- within 12 months		
- after 12 months		
4-bis) Tax receivables		
- within 12 months	10,373,277	6,593,587
- after 12 months		410,987
	10,373,277	7,004,574
4-ter) Deferred tax assets		
- within 12 months	80,072	623,709
- after 12 months		
	80,072	623,709
5) Due from others		
- within 12 months	96,305	96,285
- after 12 months		
	96,305	96,285
	10,784,990	7,865,099
III. Current financial assets		
1) Equity investments in subsidiaries		
2) Equity investments in associates		
3) Equity investments in parent companies		
4) Other Equity investments	4,467,157	2,667,054
5) Treasury shares (total nominal value)		
6) Other securities	8,996,511	2,214,389
	13,463,668	4,881,443
IV. Cash & cash equivalents		
1) Bank and post office balances	8,869,207	8,341,007
2) Cheques		
3) Cash and valuables on hand	95	1,934
	8,869,302	8,342,941
Total current assets	33,117,960	21,089,483
D) Accrued income and prepaid expenses		
- Discount on loans		
- Miscellaneous	420,212	11,586
	420,212	11,586
Total assets	106,614,941	93,781,002

LIABILITIES (€/000)	31.12.2014	31.12.2013
A) Shareholders' Equity		
I. Share capital	1,200,000	1,200,000
II. Share premium reserve		
III. Revaluation reserve		
IV. Legal reserve	6,240,000	6,240,000
V. Statutory reserves		
VI. Treasury share reserve		
VII. Other reserves		
Translation and rounding reserve	1	1
	1	1
VIII. Earnings/(Losses) carried forward	28,001,803	22,158,598
IX. Profit for the year	12,247,205	5,843,205
Total Shareholders' Equity	47,689,009	35,441,804
B) Provisions for risks and charges		
1) Provision for retirement and similar benefits		
2) Provision for taxes (including deferred taxes)		
3) Others	49,399	49,399
Total provisions for risks and charges	49,399	49,399
C) Provision for employee severance indemnities		
D) Payables		
1) Bonds		
- within 12 months	9,650,000	29,000,000
- after 12 months	30,000,000	9,650,000
	39,650,000	38,650,000
2) Convertible bonds		
- within 12 months		
- after 12 months		
3) Due to Shareholders for loans		
- within 12 months		
- after 12 months		
4) Bank borrowings		
- within 12 months	9,999,601	10,000,000
- after 12 months		
	9,999,601	10,000,000
5) Due to other lenders		
- within 12 months		
- after 12 months		
6) Advance payments		
- within 12 months		
- after 12 months		
7) Due to suppliers		
- within 12 months	130,784	37,193
- after 12 months		
	130,784	37,193
8) Payables consisting of paper credit		
- within 12 months		
- after 12 months		

continue (€/000)	31.12.2014	31.12.2013
9) Due to subsidiaries		
- within 12 months	8,719,000	8,225,000
- after 12 months		
	8,719,000	8,225,000
10) Due to associates		
- within 12 months		
- after 12 months		
11) Due to parent companies		
- within 12 months		
- after 12 months		
12) Tax payables		
- within 12 months	106,169	276,002
- after 12 months		
	106,169	276,002
13) Due to pension and social security agencies		
- within 12 months	2,215	2,831
- after 12 months		
	2,215	2,831
14) Other payables		
- within 12 months	268,764	1,052,995
- after 12 months		
	268,764	1,052,995
Total payables	58,876,533	58,244,021
E) Accrued liabilities and deferred income		
- Premium on loans		
- Miscellaneous		45,778
		45,778
Total liabilities	106,614,941	93,781,002

MEMORANDUM ACCOUNTS

(€/000)	31.12.2014	31.12.2013
1) Risks undertaken by the Company		
Guarantees		
- to subsidiaries		
- to associates		
- to parent companies		
- to subsidiaries under parent companies' control		
- to other companies		
Endorsements		
- to subsidiaries		
- to associates		
- to parent companies		
- to subsidiaries under parent companies' control		
- to other companies		
Other personal guarantees		
- to subsidiaries		
- to associates		
- to parent companies		
- to subsidiaries under parent companies' control		
- to other companies		
Collaterals		
- to subsidiaries		
- to associates		
- to parent companies		
- to subsidiaries under parent companies' control		
- to other companies		
Other risks		
- receivables assigned with recourse		
- other		
2) Commitments undertaken by the Company	3,900,765	
3) Third-party assets at the Company		
- Outsourced products		
- Assets deposited or on free loan at the Company		
- Pledged assets or assets served as security deposit at the Company		
- Other		
4) Other memorandum accounts		
Total memorandum accounts	3,900,765	

INCOME STATEMENT

(€/000)	31.12.2014	31.12.2013
A) Production value		
1) Revenues from sales of products and services		
2) Change in inventories of work in progress and semi-finished and finished products		
3) Change in commissioned work in progress		
4) In-house enhancement of tangible assets		
5) Other revenues and income:		
- Miscellaneous	176,734	48,631
- Revenue grants		
- Investment grants (year's portion)		
	176,734	48,631
Total production value	176,734	48,631
B) Production costs		
6) Raw & ancillary materials, consumables and goods		
7) Services	1,539,848	380,850
8) Rental, hire, leasing and royalties		
9) Payroll & employee benefits		
a) Wages & salaries		
b) Social security charges		
c) Employee severance indemnities		
d) Retirement and similar benefits		
e) Other costs		
10) Amortisation, depreciation and write-downs		
a) Amortisation of intangible assets	90,054	337,651
b) Depreciation of tangible assets		
c) Other write-downs of non-current assets		
d) Write-downs of current receivables and of cash equivalents		
	90,054	337,651
11) Changes in inventories of raw & ancillary materials, consumables and goods		
12) Risk provisioning		49,399
13) Other provisioning		
14) Miscellaneous operating expenses	48,220	33,333
Total production costs	1,678,122	801,233
Difference between production value and costs (A-B)	(1,501,388)	(752,602)
C) Financial Income and expenses		
15) Income from Equity investments:		
- from subsidiaries	11,685,169	6,000,048
- from associates		
- from other	1,732,210	1,793,795
	13,417,379	7,793,843

continue (€/000)	31.12.2014	31.12.2013
16) Other financial income:		
a) From non-current receivables		
- from subsidiaries		
- from associates		
- from parent companies		
- from others		
b) From securities held as non-current assets		
c) From securities held as current assets	221,336	64,028
d) Income other than the above:		
- from subsidiaries		
- from associates		
- from parent companies		
- from others	355,701	654,340
	577,037	718,368
	13,994,416	8,512,211
17) Interest and other financial expenses:		
- from subsidiaries		
- from associates		
- from parent companies		
- from others	625,192	2,584,723
	625,192	2,584,723
17-bis) Foreign exchange gains and losses	293,067	24
Total financial income and expenses	13,662,291	5,927,512
D) Adjustments to value of financial assets		
18) Write-ups:		
a) of Equity investments		
b) of non-current financial assets		
c) of securities held as current assets		
19) Write-downs:		
a) of Equity investments		
b) of non-current financial assets		
c) of securities held as current assets		
Net adjustments to value of financial assets		
E) Extraordinary income (expenses)		
20) Income:		
- Capital gains on asset disposals		
- Miscellaneous	6,785	44,603
	6,785	44,604
21) Expenses:		
- Capital losses on asset disposals		
- Previous years' taxes		
- Miscellaneous	555	18
	555	18
Net extraordinary income (expenses)	6,230	44,586
Pre-tax profit (A-B±C±D±E)	12,167,133	5,219,496
22) Income tax for the year – current, deferred and advance		
a) Current income taxes		
b) Deferred income taxes		
c) Advance income taxes	(80,072)	(623,709)
d) Income and charges from tax consolidation treatment		
	(80,072)	(623,709)
23) Profit/(Loss) for the year	12,247,205	5,843,205

Annexes 4

HYDRA S.p.A.

Registered office: via L. Alberti no. 1 - 40137 Bologna (BO)

Share capital: Euro 1,200,000 fully paid up

Bologna Companies Register n. 00445970379

Bologna REA (Economic and Administrative Repertoire) no. 202001

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS (€/000)	Notes	31.12.2014	31.12.2013
A) Non-current assets (1+2+3+4+5+6+7+9)		376,217	329,128
1) Tangible assets		57,158	51,329
Land	1	5,365	5,223
Buildings	1	24,698	24,528
Other assets	1	22,674	19,823
Assets in progress and payments on account	1	4,421	1,755
2) Intangible assets		236,518	219,319
Goodwill	2	179,491	160,171
Development costs	2	6,809	6,339
Others	2	49,031	50,583
Assets in progress and payments on account	2	1,187	2,226
3) Equity investments in associates	3	1,808	1,783
4) Financial assets		37,149	15,801
Equity investments	5	14,298	15,443
Securities	5	361	358
Other	5	22,490	
5) Loans			
6) Trade and other receivables	7	2,877	2,575
7) Deferred tax assets	13	40,707	38,321
9) Medium/long-term tax receivables	13		
B) Current assets (8+9+10+11+12+13+14)		279,521	295,174
8) Inventories		62,416	53,803
raw and ancillary materials and consumables	8	12,367	14,072
work in progress and semi-finished products	8	21,896	15,951
finished products and goods	8	28,153	23,780
9) Trade and other receivables	7	85,010	85,586
trade receivables	7	70,396	69,956
due within 12 months	7	69,106	68,409
of which from associates	7	1,281	1,536
of which from related parties	7	9	11
other receivables - accrued income and prepaid expenses	7	14,821	15,630
of which from related parties		171	171
13) Financial receivables	7		
10) Tax receivables	9	18,256	11,741
11) Financial assets	5	18,521	7,162
Securities		6,084	3,617
Other		12,437	3,545
12) Loans			
13) Financial assets - Derivative instruments	6	295	
14) Cash and cash equivalents	10	95,023	136,882
Total assets (A+B)		655,738	624,302

LIABILITIES (€/000)	Notes	31.12.2014	31.12.2013
A) Total Shareholders' Equity (1+2+3+4+5)	11	246,478	176,498
1) Share capital	11	1,200	1,200
Share capital		1,200	1,200
Treasury shares		(111,779)	(111,779)
Share premium reserve		110,155	103,676
Treasury share reserve		1,624	8,103
2) Reserves	11	6,645	(10,613)
Consolidation reserve			
Translation (loss) reserve		1,822	(8,924)
Reserve for exchange rate adjustment		3,737	(1,940)
Cash-flow hedge reserve		(128)	(196)
Actuarial gains and losses reserve		(255)	(265)
Valuation reserve for fair value assets held for sale	11	1,469	713
3) Profits/(Losses) of previous years	11	133,273	111,834
Profits/(Losses) of previous years		121,178	99,507
Capital contribution reserve, not subject to taxation			
Legal reserve		6,240	6,240
IAS transition reserve		5,855	6,088
4) Group profit/(loss) for the period/year	11	26,769	18,707
5) Minority interests	11	78,591	55,369
Minority interest reserve		68,541	47,327
Profit pertaining to third parties		10,050	8,042
B) Non-current liabilities (6+7+8+9+10+11+12)		163,460	227,319
6) Financial payables	12	119,519	191,823
7) Financial liabilities - Derivative instruments	6	262	371
8) Tax payables	9	36	575
9) Deferred tax liabilities	13	22,149	17,406
10) Post-employment benefits	14	7,202	7,049
11) Provisions for risks and charges	15	11,211	7,447
12) Other liabilities	16	3,081	2,648
C) Current liabilities (13+14+15+16+17)		246,007	220,484
13) Trade and other payables	16	131,074	121,879
trade payables	16	92,091	84,749
of which within 12 months	16	91,742	84,428
of which to Parent Company	16		
of which to associates	16	76	124
of which to related parties	16	273	197
other payables - accrued liabilities and deferred income	16	38,983	37,130
14) Tax payables	9	10,868	5,901
15) Provisions for risks and charges	15	8,440	7,047
16) Financial liabilities - Derivative instruments	6		14
17) Financial payables	12	95,625	85,643
Total liabilities (A+B+C)		655,738	624,302

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€/000) INCOME STATEMENT	Notes	31.12.2014	31.12.2013
1) Total revenues	17	464,645	450,737
Revenues from sale of products		441,567	427,463
Revenues from services		23,078	23,274
of which from related parties		6,053	8,150
2) Cost of goods sold	18	240,056	238,414
of which non-recurring	18	1,069	(62)
of which from related parties		146	(170)
Gross Profit (1-2)		224,589	212,323
3) Other operating revenues	19	2,412	2,118
of which non-recurring	19		95
of which from related parties		347	
4) R&D expenses	18	43,196	35,610
of which non-recurring	18	88	(4)
5) Distribution expenses	18	86,438	82,475
of which non-recurring	18	1,119	(975)
6) General and administrative expenses	18	47,134	48,315
of which non-recurring	18	1,950	(18)
of which amortisation, depreciation pertaining to acquisitions	18	5,405	5,765
of which from related parties		1,093	1,375
7) Other operating expenses	18	4,830	3,298
of which non-recurring	18	1,579	
Total operating costs		181,598	169,698
Operating result		45,403	44,743
8) Financial Income	20	34,854	15,489
9) Financial expenses	20	35,221	25,769
Net Financial Income (expenses) (8-9)		(367)	(10,280)
10) Profits from associates	3	25	286
Profit/(loss) before taxes from the operating assets		45,061	34,749
Income tax	21	8,242	8,000
Profit/(Loss) for the period		36,819	26,749

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€/000)	Notes	31.12.2014	31.12.2013
Net profit/(loss) for the period		36,819	26,749
Other components of the Statement of Comprehensive Income:			
Profit/(Loss) on Cash Flow Hedges	11	90	555
of which tax effect		(34)	(205)
Profit/(Loss) due to translation of the accounts of foreign companies	11	15,431	(5,828)
Profit/(Loss) on exchange rate adjustments for financial assets available for sale	11	218	(1)
of which tax effect		(83)	
Reserve for exchange rate adjustment	11	8,309	(2,767)
of which tax effect		(3,151)	1,050
Profit/(Loss) on exchange rate adjustments for fair value assets available for sale	11	609	713
of which tax effect		(501)	
Actuarial losses			(236)
of which tax effect			90
Total other profit/(loss) net of the tax effect		24,657	(7,564)
Total net profit/(loss) for the period		61,476	19,185
Attributable to:			
Parent Company Shareholders		41,453	12,951
Minority interests		20,023	5,521

CONSOLIDATED STATEMENT OF CASH FLOW

(€/000)	31.12.2014	31.12.2013
Pre-tax profit	45,061	34,749
Depreciation and amortisation of tangible and intangible assets and write-downs	17,007	15,982
Change in employee benefits reserve	152	(318)
Provision to the write-down reserve	505	515
Net financial expenses/(income) including exchange rate differences	7,754	10,251
Adjustments to value of financial assets	(25)	(286)
Cash flow from operations before changes in Working Capital	70,454	60,893
Change in trade receivables (net of provisions) (*)	(734)	12,081
Change in final inventories (*)	(8,613)	(4,650)
Change in current assets (*)	514	2,050
Other medium/long-term assets (*)	322	(397)
Change in trade payables (*)	7,549	13,383
Change in other current liabilities (*)	1,853	(16,756)
Other medium/long-term liabilities	433	14
Change in provisions for risks and charges	5,156	2,755
Commercial foreign exchange differences	(2,680)	(1,084)
Foreign exchange effect of Working Capital	(583)	(306)
Cash flow from operations after changes in Working Capital	73,671	67,983
Change in tax	(9,033)	(14,209)
Foreign exchange effect of tax	1,986	(466)
Interest paid and banking expenses	(8,111)	(6,441)
Other changes	2,246	
Cash flow generated from operations (A)	60,759	46,867
(Increase)/Decrease in intangible assets excluding exchange rate effect (*)	(1,474)	(9,386)
(Increase)/Decrease in tangible assets excluding exchange rate effect (*)	(11,206)	(7,747)
Change in unconsolidated Equity investments	188	(1,230)
Acquisition of an Equity investment	0	0
Changes generated by investment activity (B)	(12,492)	(18,363)
Change in LT/ST financial receivables	(31,340)	3,667
Change in short-term and medium/long-term financial debt	(64,537)	(29,349)
Financial foreign exchange differences	3,037	(2,636)
Purchase/sale of treasury shares	10,490	1,728
Change in reserves and exchange rate effect of financial assets/liabilities, Equity and tangible and intangible assets	(4,710)	1,534
Dividend payment	(3,066)	(2,525)
Cash flow generated/(absorbed) by financial assets (C)	(90,126)	(27,581)
Net increase/(decrease) in available cash (A+B+C)	(41,859)	923
Net cash and cash equivalents at beginning of period (Note 10)	136,882	135,959
Net cash and cash equivalents at end of period (Note 10)	95,023	136,882

Annexes 5

RECONCILIATION BETWEEN THEORETICAL TAX BURDEN AND TAX BURDEN SHOWN IN THE FINANCIAL STATEMENTS (IRES)

(€/000)		
Pre-tax profit	30,388	
Theoretical tax burden (rate 27.5%)		8,357
Temporary differences taxable in future financial periods:		
Foreign exchange gains from valuation	(19,179)	
Total	(19,179)	
Temporary differences deductible in future financial periods:		
Amortisation/depreciation > fiscally deductible portion	65	
Foreign exchange losses from valuation	15,783	
Cash deductible costs	329	
Provisions for risks and charges	707	
Others		
Total	16,884	
Recharge of the temporary differences from previous financial years:		
Foreign exchange losses from valuation as at 31.12.2014 charged to Income Statement in 2015	(7,754)	
Amortisation/depreciation not deducted in previous years	(16)	
Others	(21)	
Foreign exchange losses from valuation as at 31.12.2014 charged to Income Statement in 2015	9,592	
Board of Directors remuneration pertaining to previous years, paid in the year	(208)	
Total	1,593	
Differences that will not be repaid in the following financial years:		
Non-deductible taxes	131	
Non-deductible amortisation and depreciation	184	
Motor vehicle use expense	136	
Mobile phone use expense	136	
Non-deductible capital losses	60	
Non-deductible sundry expenses	136	
Others	(16)	
Deduction of Irap tax	(150)	
Earnings distributed to Ires subjects	(19,959)	
Total	(19,342)	
Total taxable amount	10,334	
Deduction of notional yield of invested own capital	0	
Ires taxable amount	10,334	
Current income tax	tax rate 27.5%	2,845

DETERMINATION OF THE IRAP TAXABLE INCOME

(€/000)		
Difference between production value and costs	849	
Costs not significant to Irap	9,291	
Revenue not significant to Irap	-	
Extraordinary revenue relevant to Irap	-	
Extraordinary expenses relevant to Irap	-	
Deductions for the purposes of Irap (INAIL premiums, costs for CFL, apprentices and handicapped employees, R&D)	(8,923)	
Deduction of value of production abroad		
Total	1,217	
Theoretical tax burden (rate 3.9%)		47
Total		
Recharge of the temporary differences from previous financial years:		
Goodwill amortisation	(6)	
Trademark amortisation	(3)	
Total	(9)	
Differences that will not be repaid in the following financial years:		
Compensation for temporary and interim employees	900	
Non-deductible amortisation and depreciation	184	
Non-deductible extraordinary charges	60	
Non-deductible costs	246	
Payroll & employee benefits	(9)	
Amounts payable for employee secondment	(53)	
Total	1,328	
Irap taxable income	2,536	
Current Irap	tax rate 3.9%	99

Annexes 6a

CERTIFICATION ON THE CONSOLIDATED FINANCIAL STATEMENTS IN ACCORDANCE WITH ARTICLE 81-TER OF CONSOB REGULATION NO. 11971 OF 14 MAY 1999, AS AMENDED

1. I sottoscritti Romano Volta, in qualità di Amministratore Delegato e Sergio Borghesi, 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 consolidato nel corso dell'esercizio 2015.

2. La valutazione dell'adeguatezza delle procedure amministrative e contabili per la formazione del bilancio consolidato al 31 dicembre 2015 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 consolidato:

- 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 sulla gestione comprende un'analisi attendibile dell'andamento e del risultato della gestione, nonché della situazione dell'emittente e dell'insieme delle imprese incluse nel consolidamento, unitamente alla descrizione dei principali rischi e incertezze cui sono esposti.

Lippo di Calderara di Reno (Bo), 4 marzo 2016

L'Amministratore Delegato
Romano Volta



Il Dirigente Preposto alla redazione dei documenti contabili
Sergio Borghesi



Annexes 6b

CERTIFICATION ON FINANCIAL STATEMENTS IN ACCORDANCE WITH ARTICLE 81-TER OF CONSOB REGULATION NO. 11971 OF 14 MAY 1999, AS AMENDED

1. I sottoscritti Romano Volta, in qualità di Amministratore Delegato e Sergio Borghesi, 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 civilistico nel corso dell'esercizio 2015.

2. La valutazione dell'adeguatezza delle procedure amministrative e contabili per la formazione del bilancio consolidato al 31 dicembre 2015 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 d'esercizio:

- 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 sulla Gestione comprende un'analisi attendibile dell'andamento e del risultato della gestione, nonché della situazione dell'emittente e dell'insieme delle imprese incluse nel consolidamento, unitamente alla descrizione dei principali rischi e incertezze cui sono esposti.

Lippo di Calderara di Reno (Bo), 4 marzo 2016

L'Amministratore Delegato

Romano Volta



Il Dirigente Preposto alla redazione dei documenti contabili

Sergio Borghesi



Annexes 7a

INDEPENDENT AUDITOR'S REPORTS



Reconta Ernst & Young S.p.A.
Via Massimo D'Azeglio, 34
40123 Bologna

Tel: +39 051 278311
Fax: +39 051 236666
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Independent auditor's report
in accordance with articles 14 and 16 of Legislative Decree n. 39, dated 27 January 2010
(Translation from the original Italian text)

To the Shareholders of DATALOGIC S.p.A.

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of DATALOGIC Group, which comprise the consolidated statement of financial position as at 31 December 2015, and the consolidated statement of income, the consolidated statement of comprehensive income, the statement of changes in consolidated shareholders' equity, the consolidated statement of cash flow and the related explanatory notes.

Directors' responsibility for the consolidated financial statements

The Directors of DATALOGIC S.p.A. are responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union as well as with the regulations issued to implement art. 9 of Legislative Decree n. 38, dated 28 February 2005.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA Italia) implemented in accordance with article 11, paragraph 3 of Legislative Decree n. 39, dated 27 January 2010. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's professional judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of DATALOGIC Group as at 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with article 9 of Legislative Decree n. 38, dated 28 February 2005.

Reconta Ernst & Young S.p.A.
Sede Legale: Via Po, 32 - 00198 Roma
Capitale Sociale - 1.402.500,00 i.v.
Iscritta alla S.O. del Registro delle Imprese presso la C.C.I.A.A. di Roma
Codice fiscale e numero di iscrizione 00434000584 - numero R.E.A. 250904
P.IVA 00891231003
Iscritta all'Albo Revisori Legali al n. 70945 Pubblicato sulla G.U. Suppl. 13 - IV Serie Speciale del 17/2/1998
Iscritta all'Albo Speciale delle società di revisione
Consob al progressivo n. 2 delibera n.10831 del 16/7/1997

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Report on other legal and regulatory requirements

Opinion on the consistency of the Report on Operations and of specific information of the Report on Corporate Governance and the Company's Ownership with the consolidated financial statements

We have performed the procedures required under audit standard SA Italia n. 720B in order to express an opinion, as required by law, on the consistency of the Report on Operations and of specific information of the Report on Corporate Governance and the Company's Ownership as provided for by article 123-bis, paragraph 4 of Legislative Decree n. 58, dated 24 February 1998, with the consolidated financial statements. The Directors of DATALOGIC S.p.A. are responsible for the preparation of the Report on Operations and of the Report on Corporate Governance and the Company's Ownership Structure in accordance with the applicable laws and regulations. In our opinion the Report on Operations and the specific information of the Report on Corporate Governance and the Company's Ownership Structure are consistent with the consolidated financial statements of DATALOGIC Group as at December 31 2015.

Bologna, 24 March 2016

Reconta Ernst & Young S.p.A.

Signed by: Alberto Rosa, partner

This report has been translated into the English language solely for the convenience of international readers.

Annexes 7b



Reconta Ernst & Young S.p.A.
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Independent auditor's report

in accordance with articles 14 and 16 of Legislative Decree n. 39, dated 27 January 2010
(Translation from the original Italian text)

To the Shareholders of DATALOGIC S.p.A.

Report on the financial statements

We have audited the accompanying financial statements of DATALOGIC S.p.A., which comprise the statement of financial position as at 31 December 2015, and the statement of income, the statement of comprehensive income, the statement of changes in shareholders' equity, the statement of cash flow and the related explanatory notes.

Directors' responsibility for the financial statements

The Directors of DATALOGIC S.p.A. are responsible for the preparation of these financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union as well as with the regulations issued to implement art. 9 of Legislative Decree n. 38, dated 28 February 2005.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA Italia) implemented in accordance with article 11, paragraph 3 of Legislative Decree n. 39, dated 27 January 2010. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's professional judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of DATALOGIC S.p.A. as at 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with article 9 of Legislative Decree n. 38, dated 28 February 2005.

Reconta Ernst & Young S.p.A.
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Iscritta all'Albo Speciale delle società di revisione
Consob al progressivo n. 2 delibera n.10831 del 16/7/1997

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Report on other legal and regulatory requirements

Opinion on the consistency of the Report on Operations and of specific information of the Report on Corporate Governance and the Company's Ownership with the financial statements

We have performed the procedures required under audit standard SA Italia n. 720B in order to express an opinion, as required by law, on the consistency of the Report on Operations and of specific information of the Report on Corporate Governance and the Company's Ownership as provided for by article 123-bis, paragraph 4 of Legislative Decree n. 58, dated 24 February 1998, with the financial statements. The Directors of DATALOGIC S.p.A. are responsible for the preparation of the Report on Operations and of the Report on Corporate Governance and the Company's Ownership Structure in accordance with the applicable laws and regulations. In our opinion the Report on Operations and the specific information of the Report on Corporate Governance and the Company's Ownership Structure are consistent with the financial statements of DATALOGIC S.p.A. as at 31 December 2015.

Bologna, 24 March 2016

Reconta Ernst & Young S.p.A.

Signed by: Alberto Rosa, partner

This report has been translated into the English language solely for the convenience of international readers.

Annexes 8

STATUTORY AUDITORS' REPORT

RELAZIONE DEL COLLEGIO SINDACALE ALL'ASSEMBLEA DEGLI AZIONISTI DI DATALOGIC S.P.A. AI SENSI DELL'ART. 153 D.LGS. 58/1998 E DELL'ART. 2429, COMMA 3, DEL CODICE CIVILE

Signori azionisti,

nel corso dell'esercizio chiuso al 31 dicembre 2015, il Collegio Sindacale di Datalogic S.p.a. ("Datalogic" o la "Società") ha svolto le attività di vigilanza previste dalla legge, tenendo anche conto dei principi di comportamento raccomandati dai Consigli Nazionali dei Dottori Commercialisti ed Esperti Contabili e delle comunicazioni Consob in materia di controlli societari e attività del Collegio Sindacale. La presente relazione è stata redatta in conformità alle raccomandazioni ed indicazioni fornite dalla stessa Consob con comunicazione del 6 aprile 2001 n. DEM/1025564, modificata e integrata con comunicazione del 4 aprile 2003 DEM/ 3021582 e comunicazione del 7 aprile 2006 DEM/6031329.

Premessa

Il Collegio Sindacale attualmente in carica è stato nominato dall'Assemblea degli azionisti del 23 aprile 2013 e scade con l'approvazione del bilancio d'esercizio chiuso al 31 dicembre 2015.

A tal proposito, si segnala che, nel corso dell'esercizio 2015 (29 dicembre), a seguito delle dimissioni rassegnate dal Presidente del Collegio Sindacale, dott. Enrico Cervellera, è subentrato in qualità di "nuovo" Presidente dell'organo di controllo il Sindaco Supplente rag. Mario Fuzzi.

Il Consiglio di Amministrazione attualmente in carica è stato nominato dall'Assemblea degli azionisti del 28 aprile 2015 e scade con l'approvazione del bilancio d'esercizio chiuso al 31 dicembre 2017.

Nel corso dell'esercizio 2015, a seguito della nomina, non sono intervenute modifiche nella composizione dell'organo amministrativo.

L'incarico di revisione legale a norma del d.lgs. n. 58/1998 e del d.lgs. n. 39/2010 è svolto dalla società Reconta Ernst & Young S.p.A., come deliberato dall'Assemblea del 29 aprile 2010, per la durata di nove esercizi (2010-2018).

Nel corso dell'esercizio 2015, si sono tenute:

- 6 riunioni del Collegio Sindacale;
- 1 riunione dell'Assemblea degli azionisti;
- 9 riunioni del Consiglio di Amministrazione (di cui 6 successive alla nomina del "nuovo" organo amministrativo);
- 2 riunioni del Comitato Controllo e Rischi (presente in seno al Consiglio di Amministrazione sino alla nomina del "nuovo" organo amministrativo);
- 2 riunioni del Comitato Remunerazione e Nomine (presente in seno al Consiglio di Amministrazione sino alla nomina del "nuovo" organo amministrativo);
- 4 riunioni del Comitato Controllo, Rischi, Remunerazione e Nomine (istituito dal Consiglio di Amministrazione a seguito alla nomina del "nuovo" organo amministrativo).

Nel corso dell'esercizio 2016, sino alla data della relazione, si sono tenute:

- 3 riunioni del Collegio Sindacale;
- 2 riunioni del Consiglio di Amministrazione;
- 2 riunioni del Comitato Controllo, Rischi, Remunerazione e Nomine.

Il Collegio Sindacale – per il tramite di almeno un proprio componente (eccezion fatta per una riunione del Comitato Controllo, Rischi, Remunerazione e Nomine) – ha preso parte alle citate riunioni degli organi sociali.

Ai sensi della normativa vigente, al Collegio Sindacale è affidato il compito di vigilare su:

- osservanza della legge e dello Statuto;
- rispetto dei principi di corretta amministrazione;
- adeguatezza della struttura organizzativa per gli aspetti di competenza, del sistema di controllo interno e del sistema amministrativo-contabile nonché sull'affidabilità di quest'ultimo nel rappresentare correttamente i fatti di gestione;
- modalità di concreta attuazione delle regole di governo societario previste dal Codice di Autodisciplina a cui Datalogic ha dichiarato di attenersi;
- adeguatezza delle disposizioni impartite alle società controllate in relazione agli obblighi di comunicazione delle informazioni price sensitive.

Handwritten signature and initials, likely of the auditor or a representative of the Collegio Sindacale.

Inoltre, ai sensi e per gli effetti di cui al d.lgs. 39/2010, il Collegio Sindacale vigila su:

- a) processo di informativa finanziaria;
- b) efficacia dei sistemi di controllo interno, di revisione interna, e gestione del rischio;
- c) revisione legale dei conti annuali e dei conti consolidati;
- d) indipendenza del revisore legale o della società di revisione legale, in particolare per quanto concerne la prestazione di servizi non di revisione all'ente sottoposto alla revisione legale dei conti.

Con riferimento all'attività di propria competenza, nel corso dell'esercizio 2015 e sino all'approvazione della Relazione finanziaria annuale 2015 da parte del Consiglio di Amministrazione, il Collegio Sindacale dichiara di avere:

- ricevuto dagli amministratori, in particolare quelli esecutivi, adeguate informazioni sul generale andamento della gestione e sulla sua prevedibile evoluzione, nonché sulle operazioni di maggior rilievo strategico, patrimoniale, economico e finanziario effettuate dalla Società e dalle sue controllate;
- acquisito gli elementi necessari per svolgere l'attività di verifica del rispetto della legge, dello statuto, dei principi di corretta amministrazione e dell'adequazione della struttura organizzativa della Società e del Gruppo ad essa facente capo, attraverso indagini dirette, acquisizione di documenti e di informazioni dai responsabili delle diverse funzioni interessate, periodici scambi di informazioni con la società incaricata della revisione legale dei conti annuali e consolidati;
- vigilato sul funzionamento e sull'efficacia dei sistemi di controllo interno e sull'adequazione del sistema amministrativo e contabile, in particolare sotto il profilo dell'affidabilità di quest'ultimo a rappresentare i fatti di gestione;
- svolto l'attività di vigilanza prescritta dall'art. 9 del d.lgs. 39/2010;
- effettuato il periodico scambio di informazioni con i rappresentanti della società di revisione in merito all'attività esercitata, anche attraverso l'esame dei risultati del lavoro svolto e la ricezione delle relazioni previste dall'art. 14 e dall'art. 19, 3° comma, del d.lgs. 39/2010, nonché della dichiarazione di conferma dell'indipendenza di cui all'art. 17, 9° comma, lett. a) del d.lgs. 39/2010;
- monitorato la funzionalità del sistema di controllo sulle società del Gruppo e l'adequazione delle disposizioni ad esse impartite, anche ai sensi dell'art. 114, 2° comma del d.lgs. 58/1998;

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- monitorato l'attuazione delle regole di governo societario adottate dalla Società in conformità al Codice di Autodisciplina di Borsa Italiana cui Datalogic aderisce;
- vigilato sulla conformità della Procedura per le operazioni con parti correlate adottata dalla Società rispetto ai principi indicati nel relativo Regolamento CONSOB adottato con delibera n. 17221 del 12 marzo 2010 e successive modifiche, nonché sulla osservanza dello stesso Regolamento;
- vigilato sul processo di informativa societaria, verificando l'osservanza da parte degli Amministratori delle norme procedurali inerenti alla redazione, approvazione e pubblicazione della Relazione finanziaria annuale;
- verificato, in termini di coerenza ed adeguatezza delle procedure utilizzate, i test di impairment effettuati in vista dell'approvazione della Relazione finanziaria annuale 2015, constatando il rispetto delle raccomandazioni Consob anche in termini procedurali;
- analizzato la Relazione finanziaria annuale 2015 e la Relazione sul governo societario e gli assetti proprietari predisposta ai sensi e per gli effetti di cui all'art. 123-bis del TUF, rilevando la conformità di tali relazioni alla normativa vigente.

Nel corso dell'attività di vigilanza svolta, sulla base delle informazioni e dei dati acquisiti, non sono emersi fatti da cui desumere il mancato rispetto della legge e dell'atto costitutivo o tali da giustificare segnalazioni alle Autorità di Vigilanza o la menzione nella presente relazione.

Relazione

Di seguito vengono fornite le ulteriori indicazioni richieste dalla Comunicazione Consob n. DEM/1025564 del 6 aprile 2001 come successivamente modificata.

1. Operazioni di maggior rilievo strategico, economico, finanziario e patrimoniale effettuate nell'esercizio:
 - febbraio: fusione transfrontaliera attraverso la quale Datalogic ADC Srl ha incorporato, con efficacia giuridica 1° febbraio 2015 (contabile e fiscale 1° gennaio 2015), la controllata irlandese Datalogic ADC LTD;

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- febbraio: sottoscritto un contratto di rifinanziamento con un pool di banche per complessivi 140 milioni di euro, ad un tasso allineato a quello di mercato e con una durata di cinque anni e covenants sostanzialmente in linea con le best practices del Gruppo Datalogic per questo tipo di operazione;
- aprile: sottoscritto accordo con Royal Mail (UK) avente ad oggetto l'implementazione di un nuovo sistema automatico di smistamento dei pacchi postali in circa 20 centri del Regno Unito. Il valore totale della commessa è di circa 29 milioni di Euro;
- dicembre: ingresso nel capitale sociale di CAEN RFID S.r.l. con una quota del 20%, per il tramite di un aumento di capitale riservato alla Società a fronte dell'esborso di un importo complessivo (incluso il sovrapprezzo) pari a circa 550 mila euro;
- dicembre: sottoscritto con BEI - la Banca Europea per gli investimenti - un contratto di finanziamento per complessivi 30 milioni di Euro, con una durata di 5 anni amortizing, destinato a sostenere gli investimenti, l'attività di ricerca e sviluppo e l'innovazione tecnologica del Gruppo Datalogic.

Sulla base delle informazioni fornite dalla Società e dei dati acquisiti relativamente alle citate operazioni, il Collegio Sindacale ne ha accertato la conformità alla legge, all'atto costitutivo e ai principi di corretta amministrazione, assicurandosi che le medesime non fossero manifestamente imprudenti o azzardate, in potenziale conflitto d'interessi ovvero tali da compromettere l'integrità del patrimonio aziendale.

2. Il Collegio Sindacale non ha riscontrato, nel corso dell'esercizio 2015 e successivamente alla chiusura dello stesso, operazioni atipiche e/o inusuali effettuate con terzi o con parti correlate (ivi comprese le società del Gruppo).

Le operazioni infragruppo e le operazioni con parti correlate sono state realizzate nell'ambito dell'ordinaria gestione e a normali condizioni di mercato.

Le operazioni con parti correlate - essenzialmente riconducibili a Hydra S.p.A. e a persone che esercitano funzioni di amministrazione e direzione di Datalogic S.p.A. - si riferiscono prevalentemente ad operazioni di natura commerciale, immobiliare e professionale, nonché all'adesione al



consolidato fiscale. Nessuna di tali operazioni assume particolare rilievo, anche in considerazione dell'incidenza economica delle stesse sui valori complessivi di bilancio.

A tal proposito si segnala che l'organo di controllo ha vigilato sulla conformità delle Procedure per le operazioni con parti correlate adottata dalla Società (da ultimo con le modifiche apportate nel mese di luglio).

3. Il Collegio Sindacale ritiene che le informazioni rese dagli Amministratori nella Relazione finanziaria annuale 2015 in ordine alle operazioni infragruppo e con le parti correlate siano adeguate.
4. La società di revisione Reconta Ernst & Young S.p.A. ha rilasciato in data 24 marzo 2016 la relazione ai sensi dell'art. 14 del D.Lgs. 39/2010 in cui attesta che il bilancio di esercizio e il bilancio consolidato al 31 dicembre 2015 (i) sono conformi agli International Financial Reporting Standards (IFRS) adottati dall'Unione Europea, nonché ai provvedimenti emanati in attuazione dell'art. 9 del d.lgs. n. 38 del 2005, (ii) sono redatti con chiarezza e rappresentano in modo veritiero e corretto la situazione patrimoniale, finanziaria e il risultato economico d'esercizio e consolidato della Società e del Gruppo.
La società di revisione ritiene, altresì, che la relazione sulla gestione e le informazioni di cui al comma 1, lettere c), d), f) l) e m) e al comma 2, lett. b) dell'art. 123-bis del TUF inserite nella Relazione sul governo societario e gli assetti proprietari sono coerenti con il bilancio d'esercizio della Società e con il bilancio consolidato del Gruppo.
5. Nel corso del 2015, non sono state presentate al Collegio Sindacale denunce ai sensi dell'art. 2408 del codice civile.
6. Nel corso del 2015, non sono stati presentati al Collegio Sindacale esposti.
7. Oltre all'incarico di revisione contabile del bilancio civilistico e consolidato, di revisione contabile limitata della relazione semestrale, all'attività di verifica della regolare tenuta della contabilità e della corretta rilevazione dei fatti di gestione nelle scritture contabili, non sono stati conferiti ulteriori incarichi a Reconta Ernst & Young S.p.a..



8. Nel corso dell'esercizio 2015 e successivamente alla chiusura dello stesso, sino alla data della relazione, la Società ha conferito i seguenti incarichi a società appartenenti alla rete legata alla società di revisione Reconta Ernst & Young S.p.a.:

- nel corso del 2015, due incarichi di limited due diligence per un corrispettivo totale di circa 32 mila euro;
- nel corso del 2016, sino alla data della relazione, un incarico di consulenza per un corrispettivo di 54 mila euro.

Il Collegio Sindacale ha potuto riscontrare che i citati incarichi non erano tali, sia singolarmente sia cumulativamente considerati, da pregiudicare l'indipendenza del revisore legale dei conti.

9. Nel corso dell'esercizio 2015 e successivamente alla chiusura dello stesso, sino alla data della relazione, il Collegio Sindacale ha rilasciato, ai sensi della normativa (anche regolamentare e autoregolamentare), i prescritti pareri circa:

- l'adozione della Politica sulla remunerazione di Datalogic;
- la proposta di ripartizione del compenso globale massimo dei componenti il Consiglio di Amministrazione deliberato dall'Assemblea degli azionisti;
- la remunerazione variabile del Presidente e Amministratore delegato;
- la conferma, da parte del "nuovo" organo amministrativo, del Responsabile della funzione Internal Audit;
- la remunerazione del Responsabile della funzione Internal Audit;
- la nomina del Dirigente preposto;
- la corretta applicazione dei criteri e delle procedure di accertamento adottate dal Consiglio di Amministrazione per valutare l'indipendenza dei Consiglieri qualificati tali in sede di nomina;
- l'approvazione del Piano di Audit;
- la coerenza ed adeguatezza delle procedure di impairment utilizzate;
- l'approvazione delle modifiche apportate nel mese di luglio 2015 alla Procedura per le operazioni con parti correlate.



10. In relazione alla frequenza e numero di riunioni degli organi sociali, si rinvia alla premesse.
11. Il Collegio Sindacale ha preso conoscenza e vigilato, per quanto di propria competenza, sul rispetto dei principi di corretta amministrazione, tramite osservazioni dirette, raccolte di informazioni dai responsabili delle funzioni aziendali, dall'Amministratore incaricato del sistema di controllo interno e gestione dei rischi, incontri con i comitati consiliari (unico Comitato a seguito della nomina del "nuovo" organo amministrativo) e con i responsabili della Società di Revisione ai fini del reciproco scambio di dati e informazioni rilevanti. In particolare, per quanto attiene ai processi deliberativi del Consiglio di Amministrazione, il Collegio Sindacale ha accertato, anche mediante la partecipazione diretta alle adunanze consiliari, la conformità alla legge e allo Statuto Sociale delle scelte gestionali operate dagli Amministratori e ha verificato che le relative delibere fossero assistite da analisi e pareri - prodotti all'interno o, quando necessario, da professionisti esterni - riguardanti soprattutto la congruità economico-finanziaria delle operazioni e la loro conseguente rispondenza all'interesse della Società.
12. Il Collegio Sindacale ha acquisito conoscenza e vigilato sull'adeguatezza della struttura organizzativa della Società e sul relativo funzionamento, mediante raccolta di informazioni dalle strutture preposte, audizioni dei responsabili delle competenti funzioni aziendali, incontri con i responsabili della revisione interna ed esterna e a tale riguardo non ha osservazioni particolari da riferire.
13. Il Collegio Sindacale ha valutato e vigilato sull'adeguatezza del sistema di controllo interno e gestione dei rischi della Società rilevando l'assenza di particolari criticità e/o segnalazioni da portare all'attenzione dei Soci.
- Il coordinamento tra i soggetti coinvolti nel sistema di controllo interno e di gestione dei rischi viene assicurato per il tramite di un costante confronto e continuo scambio di informazioni (anche nel corso delle riunioni degli organi sociali) tra tutti i soggetti coinvolti in tale "sistema" e segnatamente:



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- il Comitato con compiti in materia di controllo interno e governo dei rischi;
- l'amministratore incaricato del sistema di controllo interno e di gestione dei rischi;
- il Responsabile della funzione Internal Audit;
- il Dirigente preposto alla redazione dei documenti contabili societari;
- Il Collegio Sindacale;
- la Società di Revisione;
- l'Organismo di Vigilanza.

Nell'ambito di verifica dell'adeguatezza del sistema di controllo interno rispetto al D. lgs. n. 231/2001, che disciplina la responsabilità degli enti per illeciti amministrativi dipendenti da reati, il Collegio Sindacale rileva che la Società ha adottato un Modello Organizzativo volto a prevenire la commissione dei reati che possono determinare una responsabilità della Società. Il Modello Organizzativo è soggetto a revisioni periodiche sia per tener conto dell'esperienza operativa, sia per tener conto delle variazioni normative che prevedono l'estensione ad ulteriori fattispecie penali quali reati-presupposto (da ultimo lo scorso novembre per adeguamento del Modello 231, da un lato, al nuovo assetto di *governance* di cui Datalogic si è dotato e, dall'altro, all'introduzione, nell'ordinamento giuridico italiano, del nuovo reato di autoriciclaggio, nonché alle modifiche apportate ai reati societari).

Uno specifico organismo (l'Organismo di Vigilanza) vigila sul funzionamento e sull'osservanza del Modello Organizzativo. Nel 2015, l'Organismo si è riunito 2 volte antecedentemente alla nomina del "nuovo" organo amministrativo e 5 volte successivamente alla nomina del "nuovo" Consiglio di Amministrazione.

14. Il Collegio ha valutato e vigilato sull'adeguatezza del sistema amministrativo-contabile e sulla relativa affidabilità a rappresentare correttamente i fatti di gestione, mediante l'ottenimento di informazioni dai responsabili delle funzioni aziendali competenti (tra cui il Dirigente preposto alla redazione dei documenti contabili societari e il Responsabile della funzione Internal Audit), l'esame di documenti aziendali e l'analisi dei

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risultati del lavoro svolto dalla società di revisione Reconta Ernst & Young S.p.A..

Il Collegio ha altresì preso atto delle attestazioni rilasciate - ai sensi e per gli effetti di cui all'art. 154-bis, comma 5 del TUF - dall'Amministratore Delegato e dal Dirigente Preposto alla redazione dei documenti contabili societari del Gruppo in merito all'adeguatezza e all'effettiva applicazione, nel corso del 2015, delle procedure amministrative e contabili per la formazione del bilancio d'esercizio e consolidato.

Il Collegio ha anche potuto verificare l'avvenuta attestazione - ai sensi e per gli effetti di cui all'art. 154-bis, comma 2 del TUF - degli atti e delle comunicazioni della Società, diffusi al mercato, relativi all'informativa contabile anche infrannuale.

15. Il Collegio Sindacale ha vigilato sull'adeguatezza del complesso delle disposizioni impartite dalla Società alle proprie controllate, ai sensi dell'art. 114, comma 2, del d.lgs. 58/98 e le ritiene idonee al fine di adempiere agli obblighi di comunicazione previsti dalla legge.

16. Il Collegio Sindacale ha accertato tramite verifiche dirette ed informazioni assunte dalla società di Revisione Reconta Ernst & Young S.p.A., l'osservanza dei principi IAS/IFRS nonché di norme e di leggi inerenti alla formazione e all'impostazione del bilancio di esercizio, del bilancio consolidato e della relazione sulla gestione.

17. La Società aderisce ai principi e alle raccomandazioni compendiate nel Codice di Autodisciplina di Borsa Italiana (edizione luglio 2015).

Nell'ambito del Consiglio di Amministrazione della Società nominato in data 28 aprile 2015 (composto da 8 membri) si riscontra la presenza di 4 amministratori non esecutivi, 2 dei quali sono stati qualificati dal Consiglio di Amministrazione come indipendenti.

Il Consiglio di Amministrazione ha costituito al proprio interno un comitato unico (Comitato Controllo, Rischi, Remunerazione e Nomine), composto integralmente da (3) Amministratori non esecutivi, di cui 2 indipendenti. Sempre in tema di Amministratori indipendenti, si segnala che la Società ha istituito la figura del "Lead Independent Director", punto di riferimento e coordinamento delle istanze e dei contributi degli Amministratori

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indipendenti, a garanzia della più ampia autonomia di giudizio di questi ultimi rispetto all'operato del management. Al Lead Independent Director (dott.ssa Gaia Mazzalveri) è attribuita, tra l'altro, la facoltà di convocare apposite riunioni di soli Amministratori indipendenti per la disamina di temi inerenti all'attività gestionale ovvero al funzionamento del Consiglio di Amministrazione. Per ulteriori approfondimenti sulla Corporate Governance della Società si fa rinvio alla Relazione predisposta e approvata dagli Amministratori.

Il Consiglio di Amministrazione ha condotto anche per il 2015 il processo di autovalutazione affidando al Collegio Sindacale la conduzione del processo e la formulazione di una relazione a riguardo, che è stata presentata al Consiglio il 28 gennaio 2016. Tutti i Consiglieri hanno valutato positivamente la dimensione, la composizione e il funzionamento del Consiglio, nonché la struttura di governance del gruppo.

Il Collegio Sindacale ha effettuata la verifica della propria indipendenza, ai sensi sia dell'art. 148, terzo comma del TUF sia dei criteri stabiliti dal Codice di Autodisciplina.

Ai sensi dell'art. 144-*quinquiesdecies* del Regolamento Emittenti, gli incarichi di amministrazione e controllo ricoperti dai componenti del Collegio Sindacale presso altre società alla data di emissione della presente relazione sono pubblicati dalla Consob e resi disponibili nel sito internet della stessa Consob nei limiti di quanto previsto dall'art. 144-*quaterdecies* del Regolamento Emittenti.

Il Collegio Sindacale esprime una valutazione positiva sul sistema di Corporate Governance della Società.

18. Dall'attività di vigilanza e controllo non sono emersi fatti significativi suscettibili di segnalazione agli Organi di vigilanza e controllo o di menzione nella presente Relazione.

19. Il Collegio Sindacale, preso atto delle risultanze del bilancio di esercizio chiuso al 31 dicembre 2015, non ha obiezioni da formulare in merito alla proposta di deliberazione presentata dal Consiglio di Amministrazione sulla destinazione del risultato di esercizio.



Lippo di Calderara, 25 marzo 2016

Il Collegio Sindacale

Mario Fuzzi

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