

# Introducing Eurotech: Current and Future Directions

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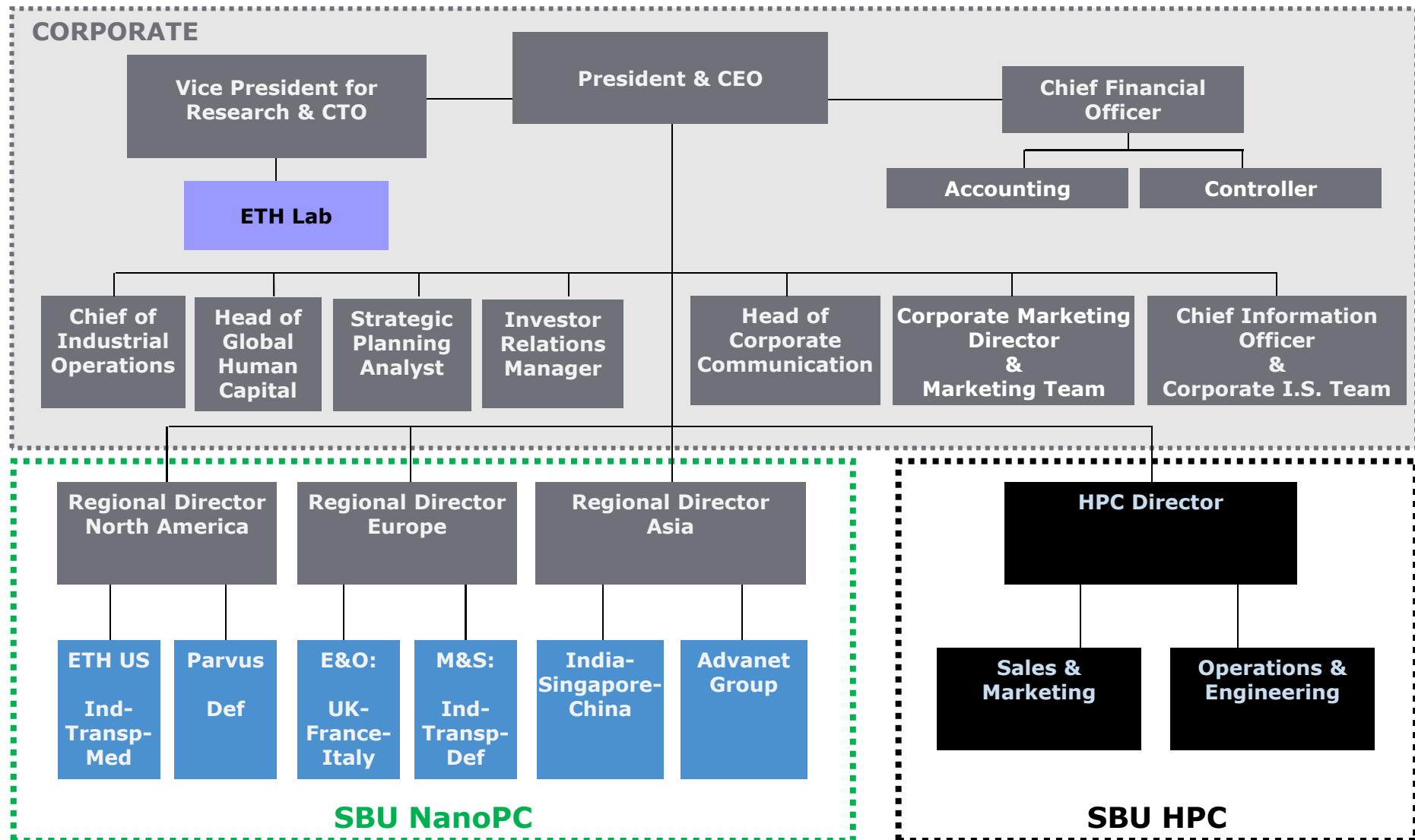


# COMPANY OVERVIEW

# Who's Eurotech

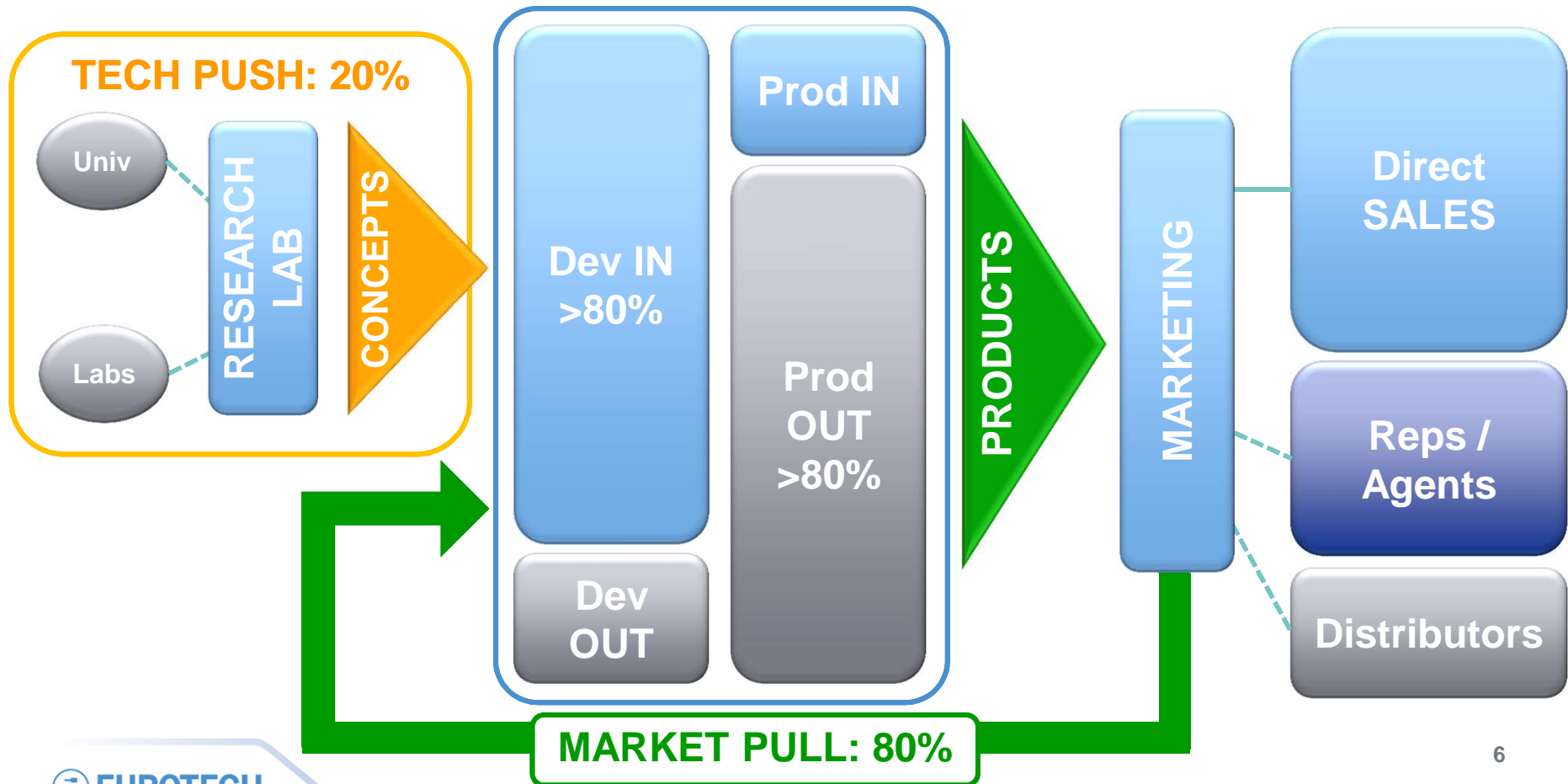
- Technological background
  - **Embedded Computing**
- Core competences
  - **Miniaturization** of computers → *enable diffusion of digital intelligence*
  - **Interconnection** of computers → *enable data flows*
  - **Interaction** (M2M / H2M) → *enable action on/with data*
  - **Ruggedization** → *ability to deal with harsh environments & demanding application fields*
- Offering – 2 Strategic Business Units
  - **NanoPC SBU:** **Pervasive Computing Devices & Device Data Management**
  - **HPC SBU:** **Aurora Supercomputers**

# Current Group Organization



# Business Model Pillars

- **Fabless** production model → *stay flexible*
- **Excellence** (= innovation + quality) **within standards** → *stay open*
- **Gross Profit Margin > 50%** → *focus on value-add*



# VISION & MISSION

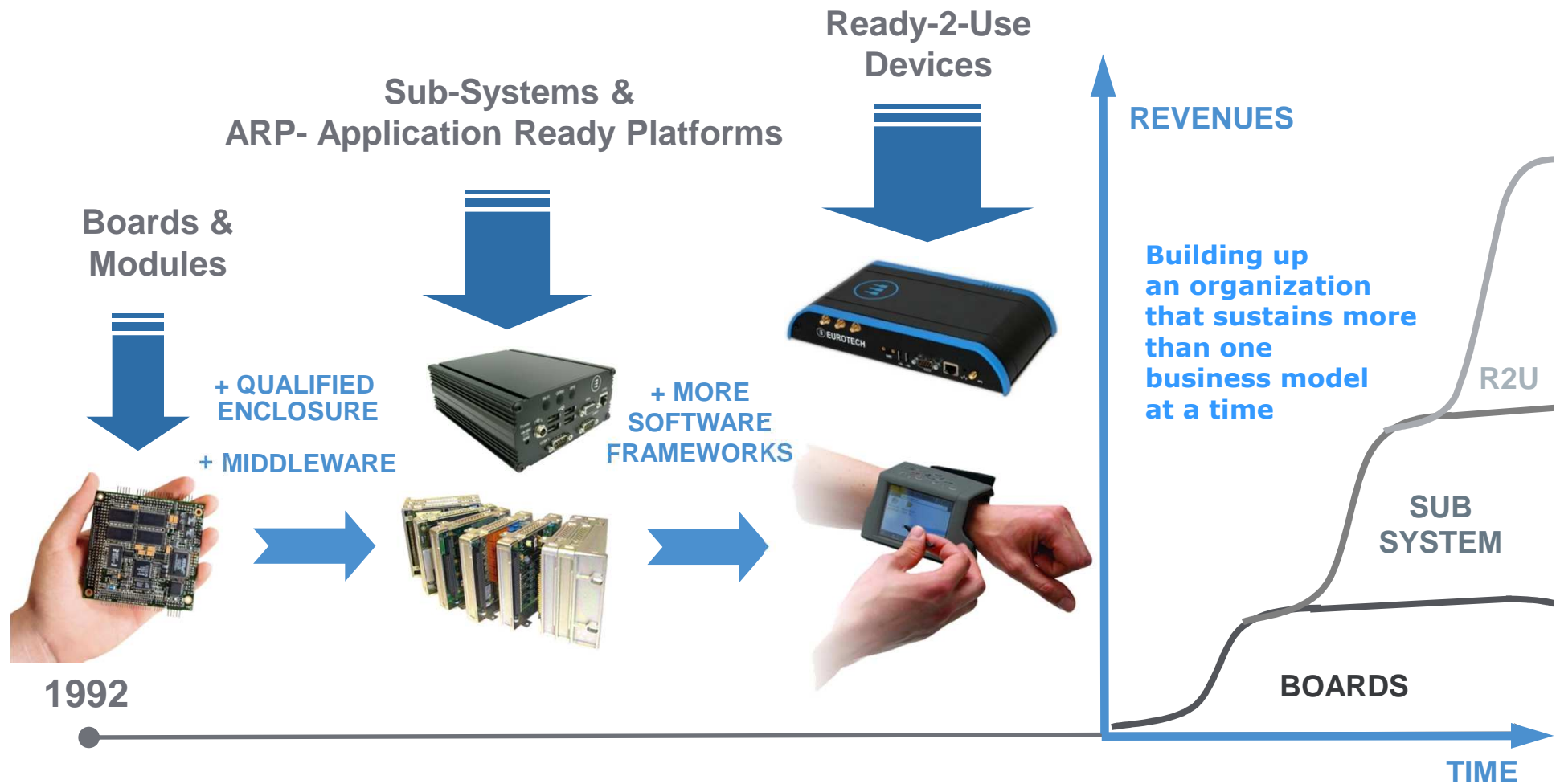
Computers will be increasingly  
**miniaturised** and **interconnected**.

They will merge with the surroundings of everyday life until they become indistinguishable from them.

Integrate the state-of-the-art of Computing and Communication technologies to develop **innovative applications**, able to **provide a competitive advantage to our Customers**.

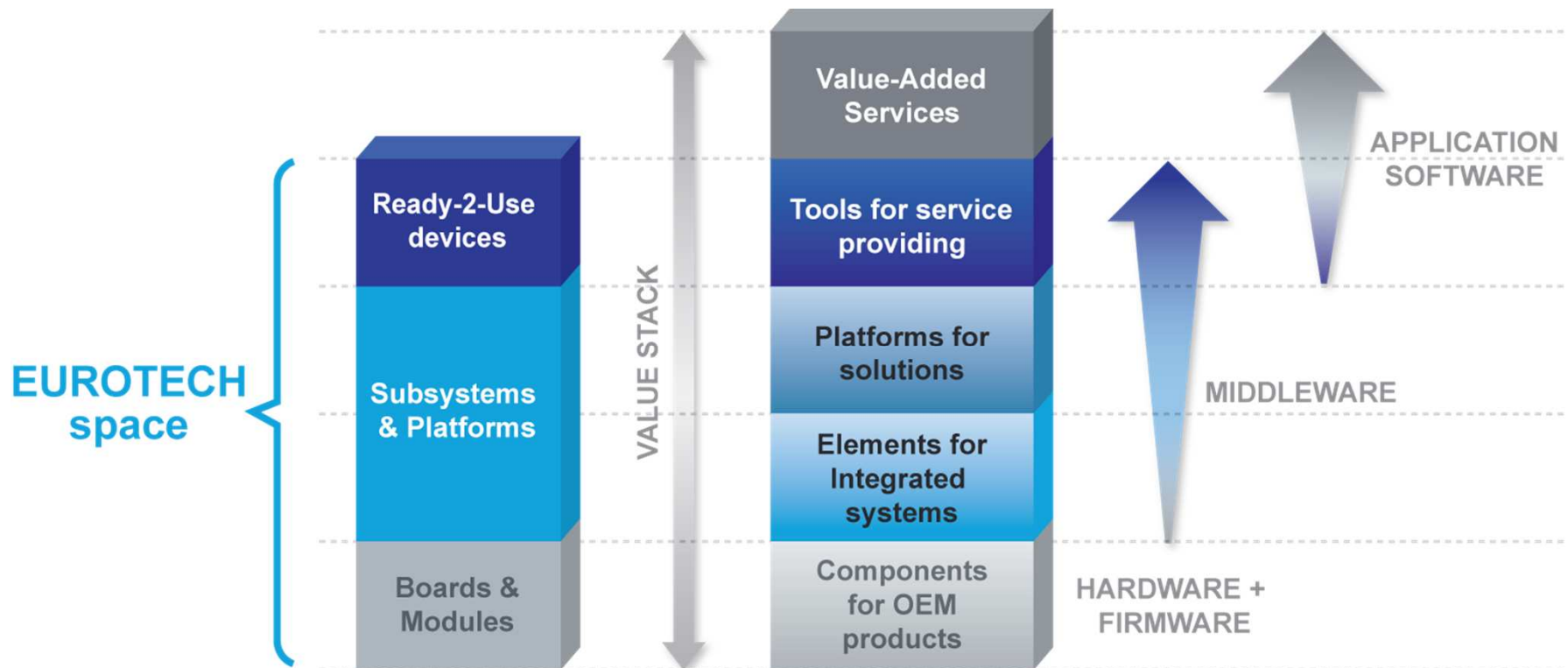
Improve everyday life, making it simpler, safer and more pleasant through the pervasive use of technology.

# Strategic evolution of our Products: boards, plus sub-systems, plus devices, plus ...

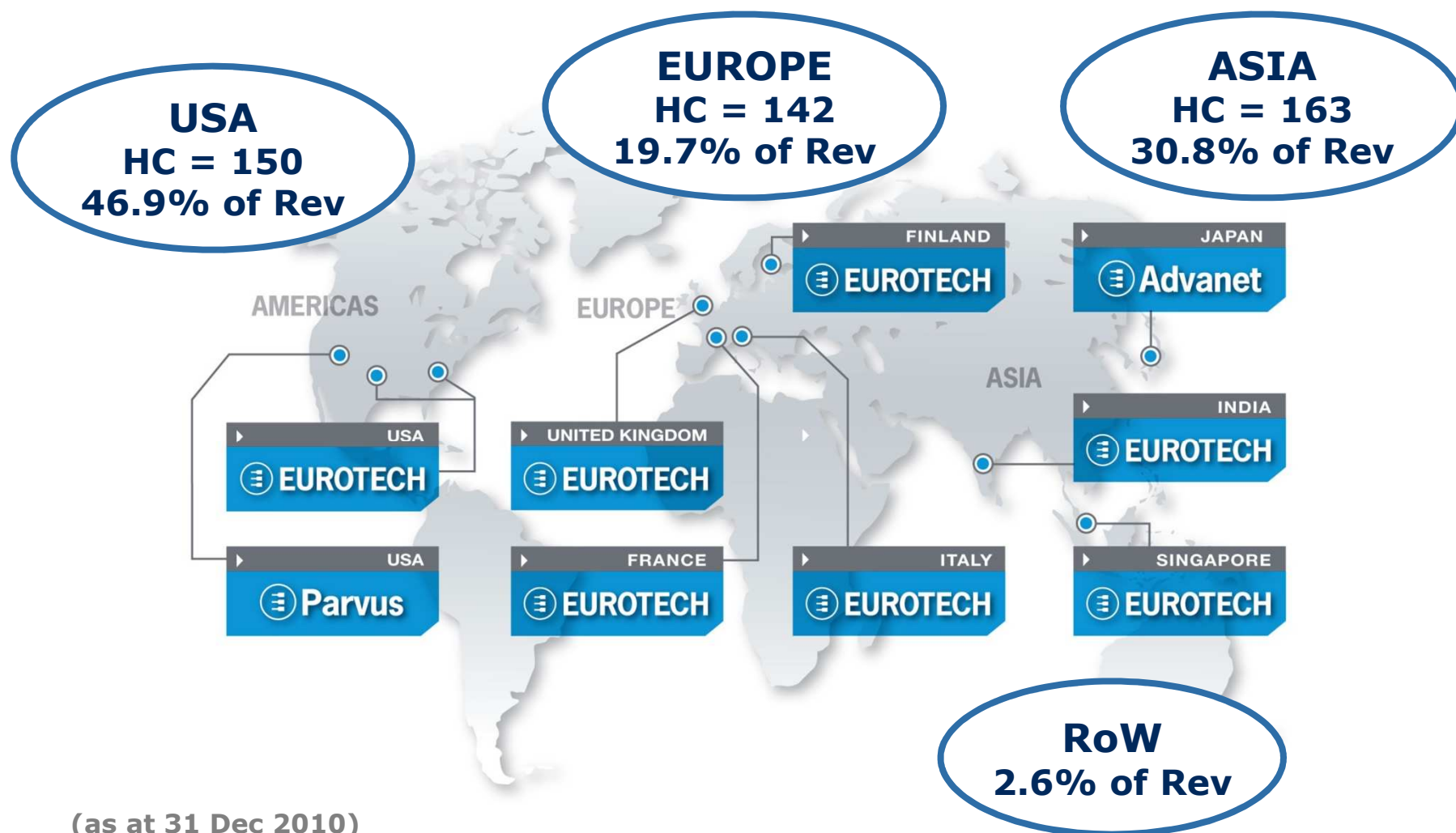




# Strategic evolution of our Offering: going up in the value stack

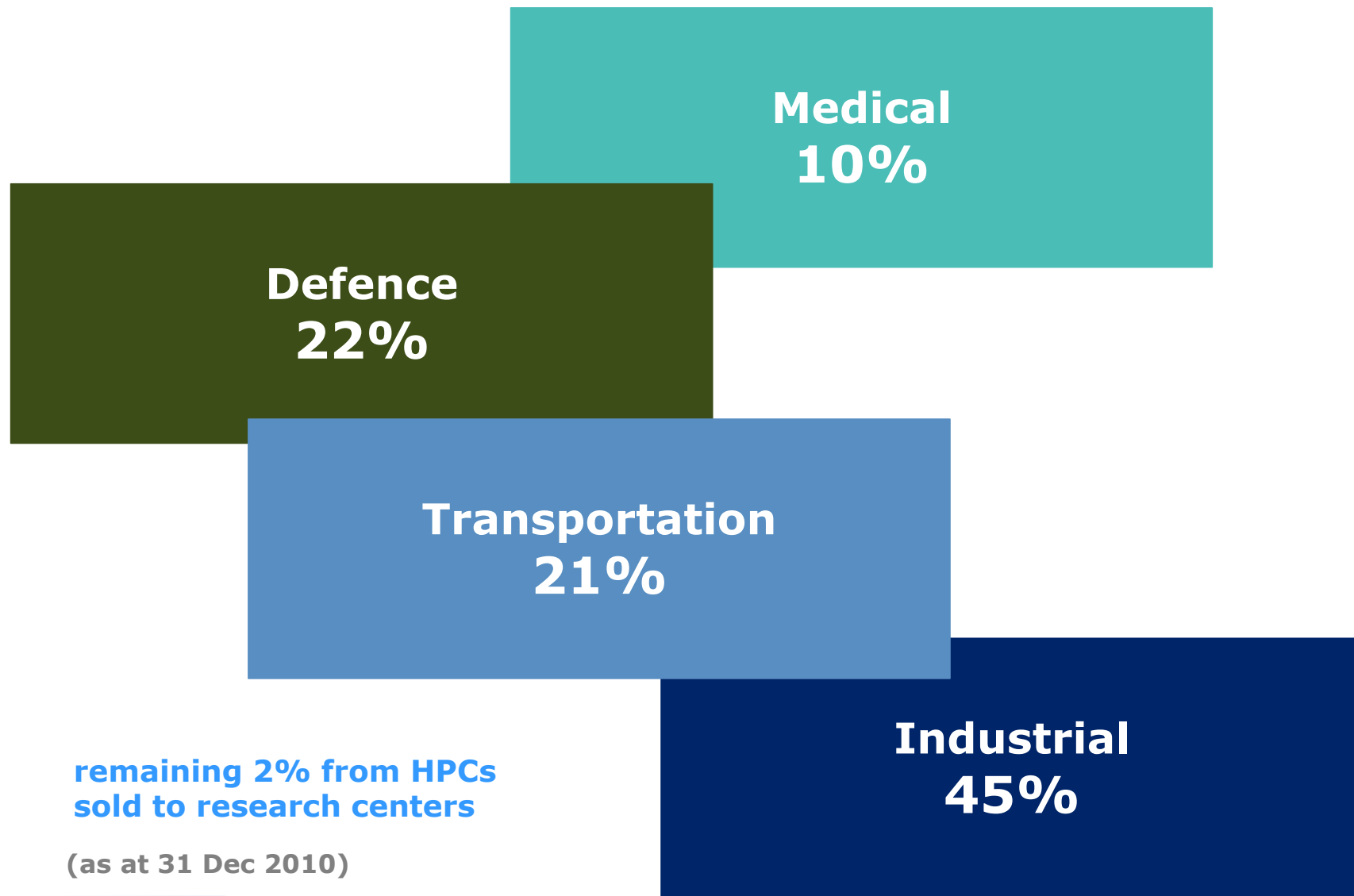


# Group Global Footprint



(as at 31 Dec 2010)

# Revenues breakdown by end market



# Proven Applications

## MASS TRANSPORTATION

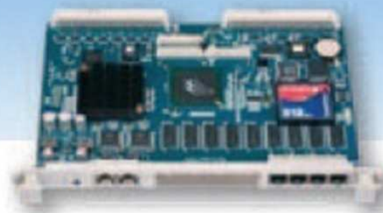


## LOGISTICS



# Proven Applications

## MACHINE AUTOMATION



## PROCESS CONTROL



# Proven Applications

## MEDICAL



## INSTRUMENTATION, TEST & MEASUREMENT





# Proven Applications

## DEFENSE AND AEROSPACE



## COMPUTING CENTRES



(pictures of Eurotech's HPC)

# Some of our typical Customers



GE Healthcare GENDEX®  
HITACHI MEDICAL CORPORATION

Medical



BOEING®  
LOCKHEED MARTIN  
GENERAL DYNAMICS  
L3 communications

Defence



THALES  
ALSTOM  
CUBIC

Transportation



Nikon MITSUBISHI HEAVY INDUSTRIES  
Johnson Controls Chevron

Industrial



# Main Value Drivers

- **Global company and a major player in the market**

We're close to Customers and we know the business

- **Strong relations with key players in the Industry**

We know what's next

- **Ability to manage complex solutions**

More than excellent hardware

We help Customers focus on their core competences

# Eurotech Value Proposition

We help Customers focus on their core competencies

## Imagine

- New business models
- Inventive ideas



## Build

- Faster, better, less resources
- Highly reduced development costs



## Succeed

- Valuable data where needed
- Shortest time to market
- Competitive advantage

# Eurotech Product Portfolio

## Customer Focus - Vertical Markets

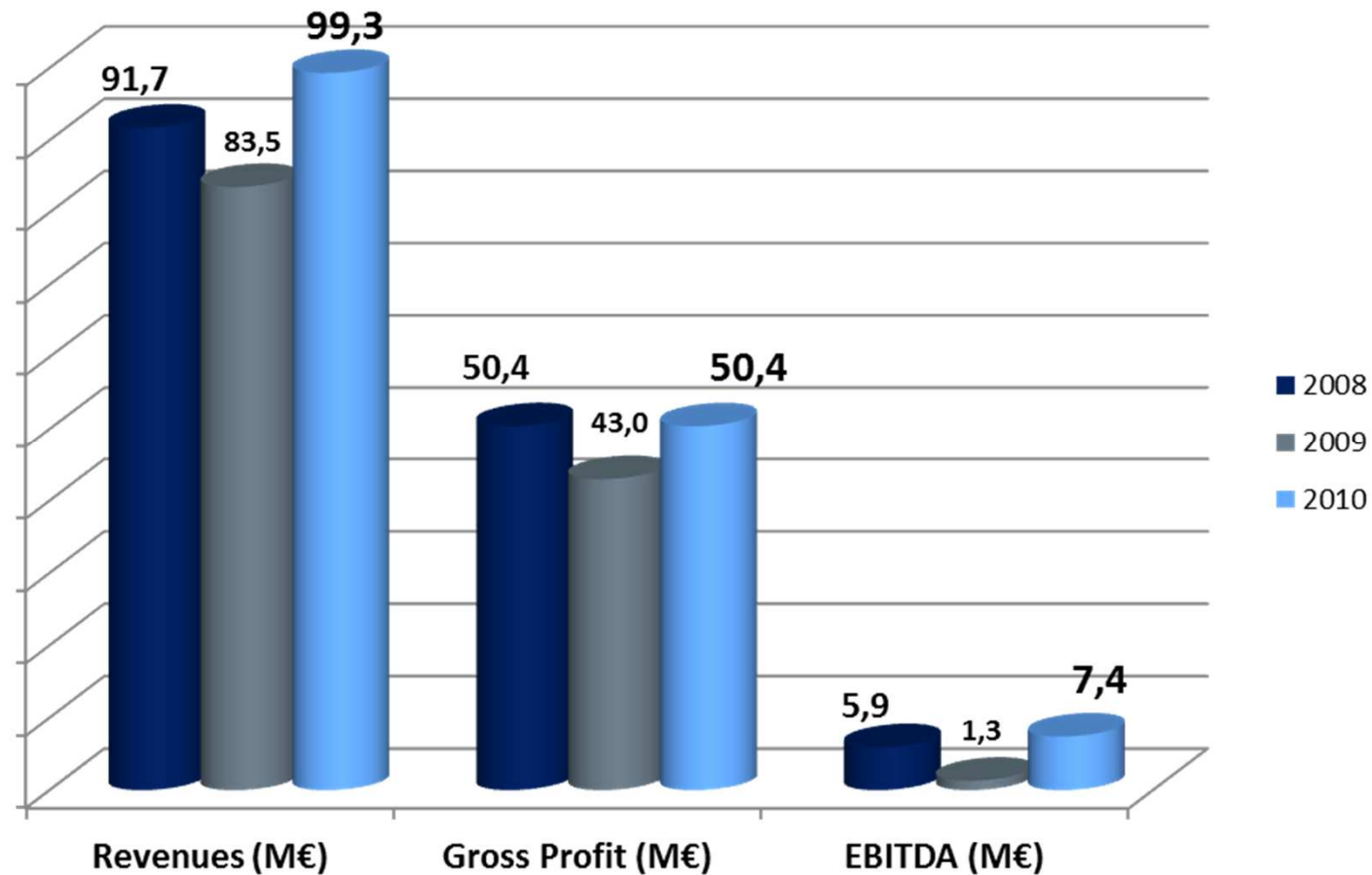




# 2010 RECAP

# Back to growth and cash-flow positive

## Recovering 2008... and more





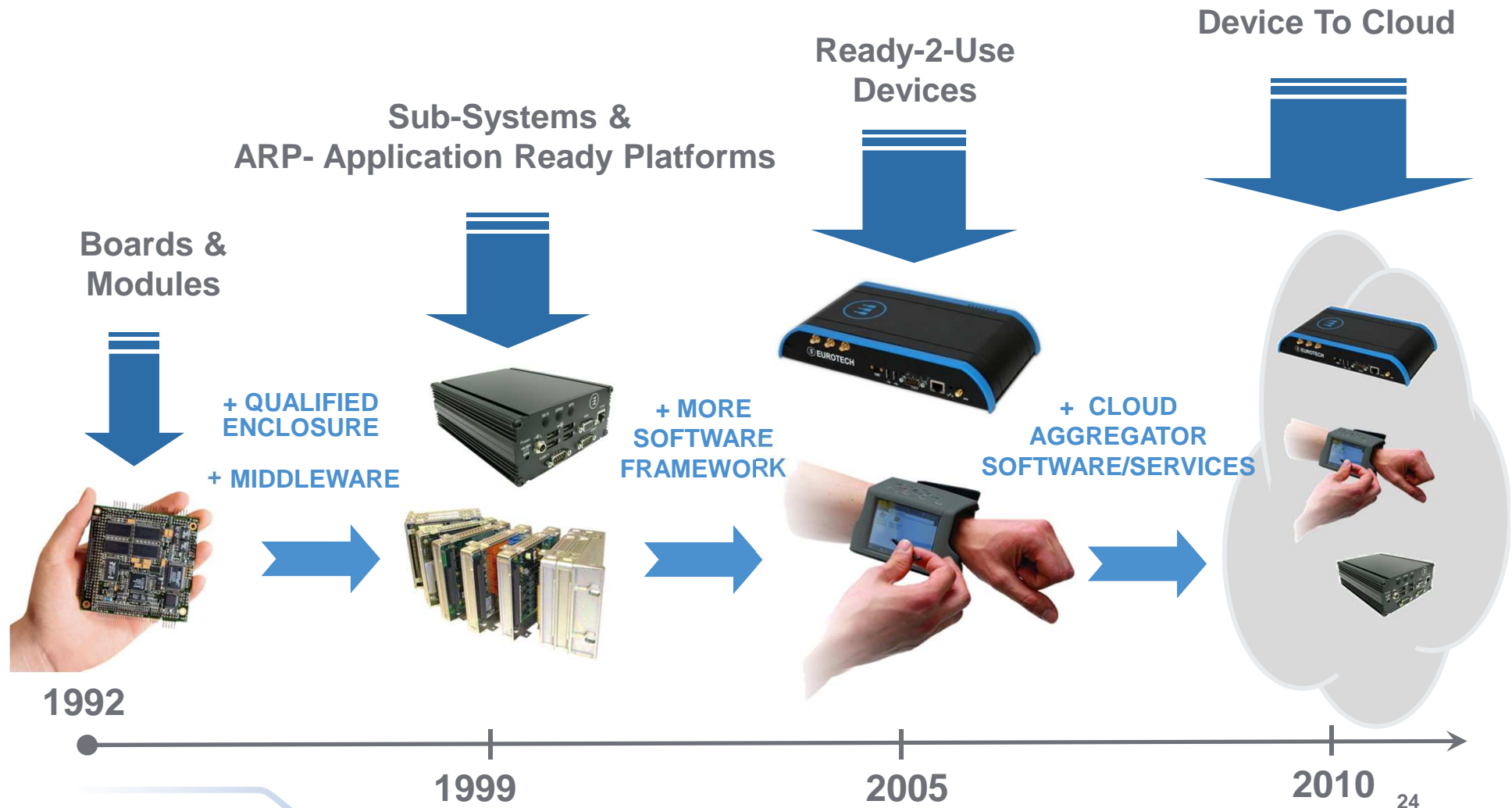
# STRATEGY BASICS

## 2011 and beyond

**Where are we going?**

**Enabling our Pervasive Computing Offer  
through  
Cloud Computing Infrastructure  
  
towards  
Devices as a Service...**

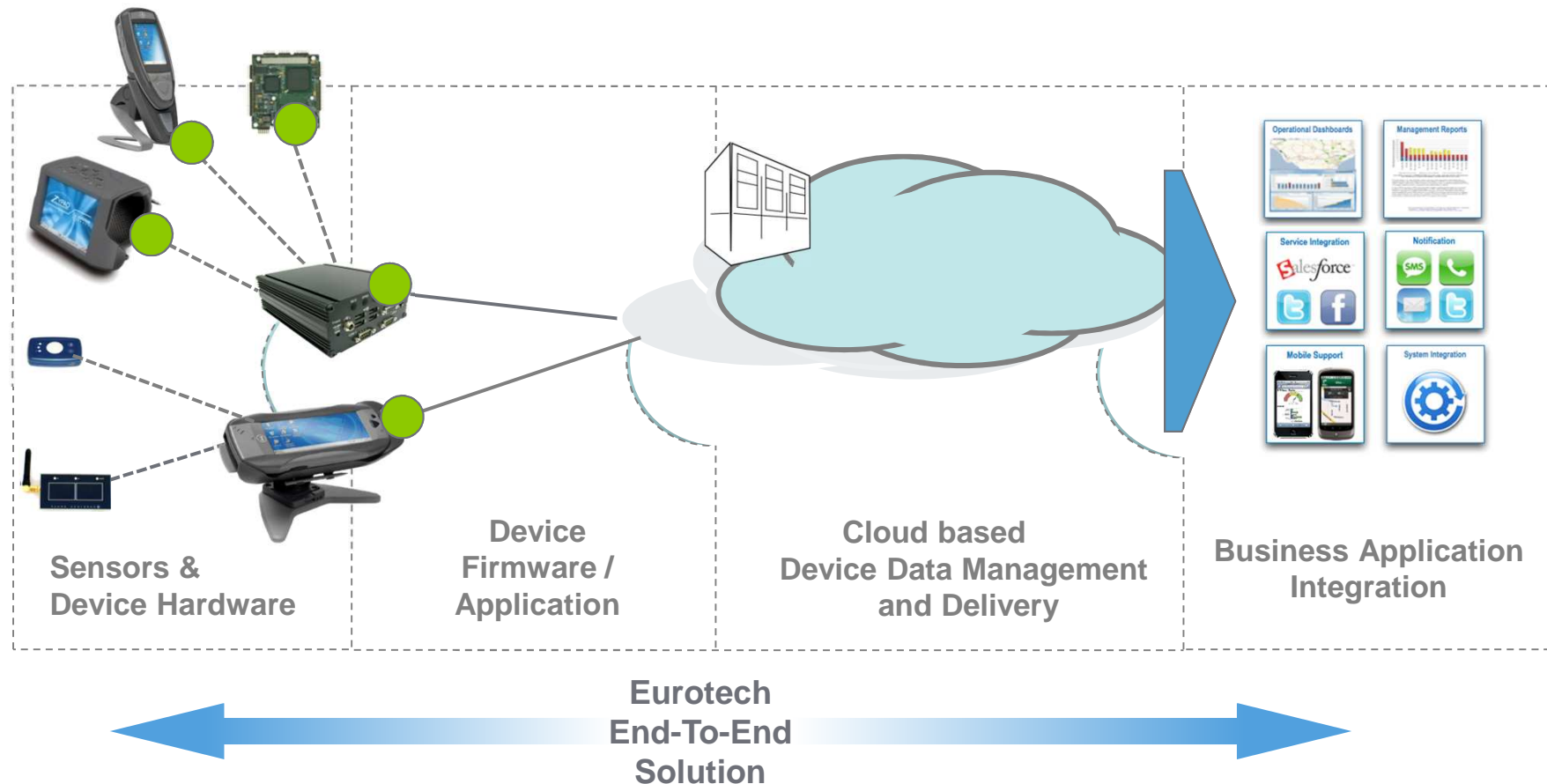
# Strategic evolution of our Products: boards, plus sub-systems, plus devices, plus ...





# Everyware Device Cloud

Transforming Bits of Data at the Edge of the Network into Actionable Information in the Business Users' Hands



● Devices running the Everyware Device Cloud Client



# GROWTH DRIVERS FOR 2011

# Defence & Aerospace market

- Budget Cuts in US targeted to New Projects are bringing to higher investments in Technology Refresh and Upgrade Programs for existing infrastructure, especially vehicles
- Parvus is already addressing this kind of business and hence is well positioned to take advantage of the current scenario in the US defence market
- Lateral expansion of business in:
  - **Civil Aviation:** thanks to the AS9100 Aerospace Quality Certification obtained by Parvus in December 2010 (e.g., in Feb 2011 Parvus got a design-win for a satellite and communications upgrade for the Boeing 737 Business Jet)
  - **Homeland security:** increasing demand from application fields such as Patrolling, Surveillance, Border Control etc.

# Transportation market

- We can leverage on our experience in Mobile Access Routers (MAR) as enablers of wireless communication with diverse on-board systems, such as vehicle diagnostics, GPS, and fare collection, in order to transform a vehicle in a monitored asset.
- New opportunities arising thanks to public spending to increase efficiency and safety of existing infrastructure, especially in US

# Industrial market

- In 2011 we expect to experience a further recovery of our customer base in the Industrial market, which suffered the most during the crisis, and we will continue the focalization on high-value niches
- Increasing the actions on the Japanese market through cross-selling of products coming from US and Europe

# Medical & Healthcare market

- Capitalizing on the Customer relationships built in last 2 years, especially in US and Japan
- Leveraging on the growing demand of:
  - Low-power, robust and reliable mobile devices for homecare applications, for which we can provide the computing engine
  - Communication platforms to connect the center with the periphery and viceversa, to enable telemedicine and remote patient monitoring.

# Upsides from the new offering

- **The new Device Data Management solution leveraging on the Cloud infrastructure will open new opportunities**
  - Unique, turn-key end-to-end solution to “Fed-ex data” back and forth between devices distributed on the field and the central control unit where the business processes are performed
  - Lower entry barriers for Customers, thanks to a “Device-as-a-Service” approach where the device is sold together with the Everywhere Device Cloud SW & Services for a monthly fee.
- **This should allow us to go beyond the traditional sectors in which we historically operate and to move into sectors such as logistics and security which have been only marginally addressed so far.**

# THANK YOU

**Imagination is the beginning of creation.  
You imagine what you desire,  
you will what you imagine and at last  
you create what you will.**

***George Bernard Shaw***





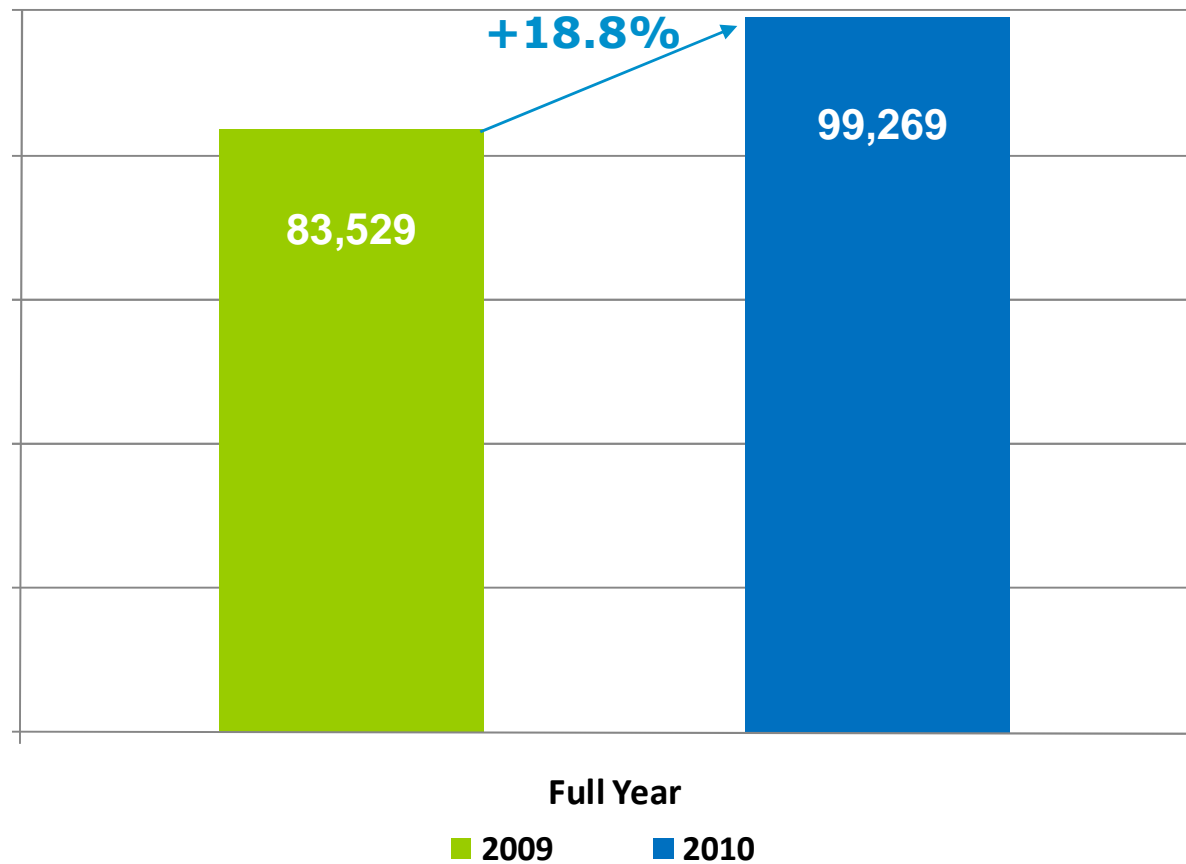


# **ANNEX: FINANCIAL HIGHLIGHTS**

**31 DECEMBER 2010**

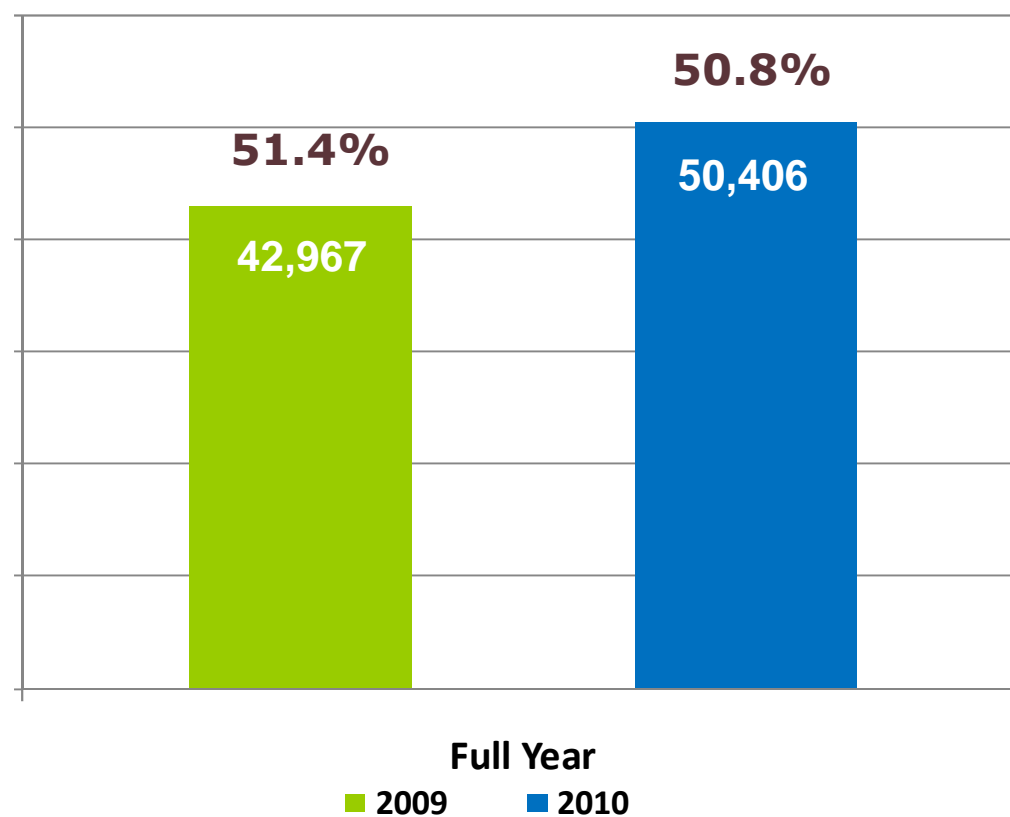
# REVENUES

31 December 2009-2010 (€/000)



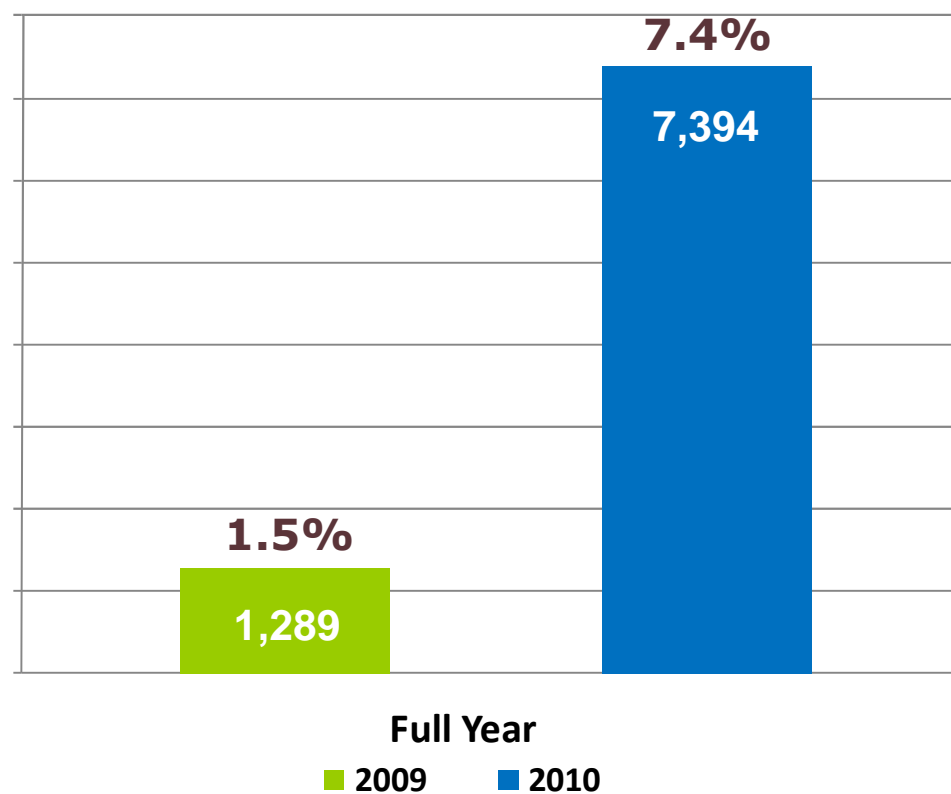
# GROSS PROFIT MARGIN

31 December 2009-2010 (€/000)



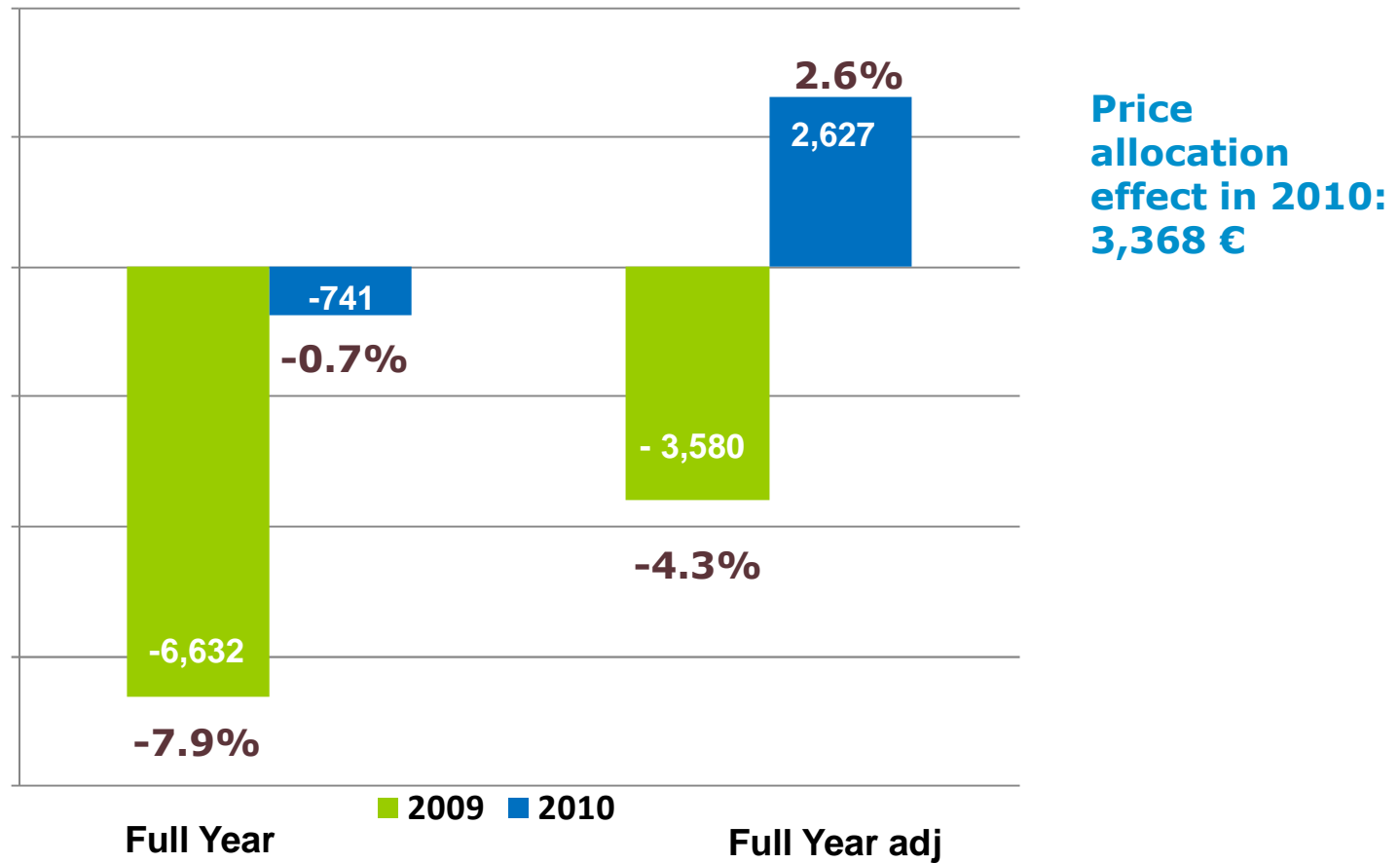
# EBITDA

EBITDA - 31 December 2009-2010 (€/000)



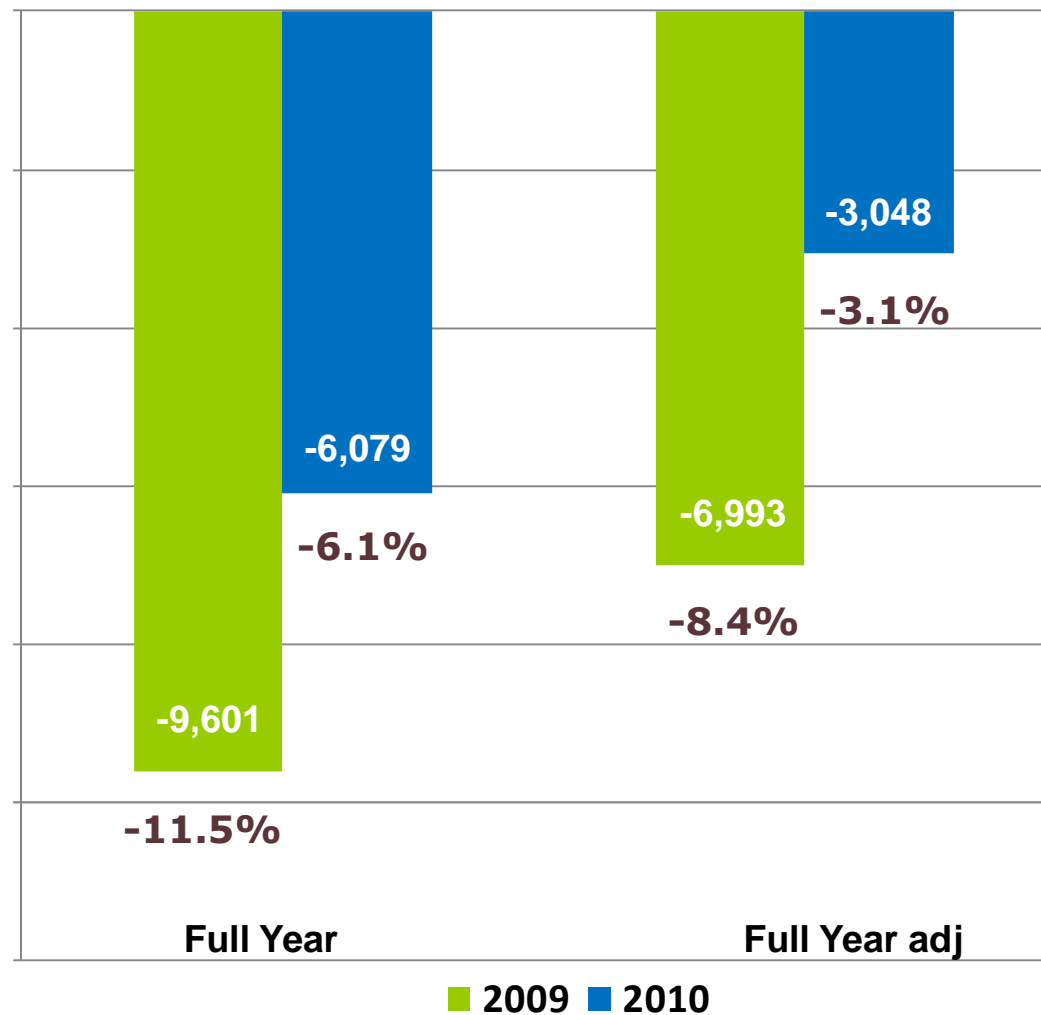
# EBIT

EBIT & EBIT adj - 31 December 2009-2010 (€/000)



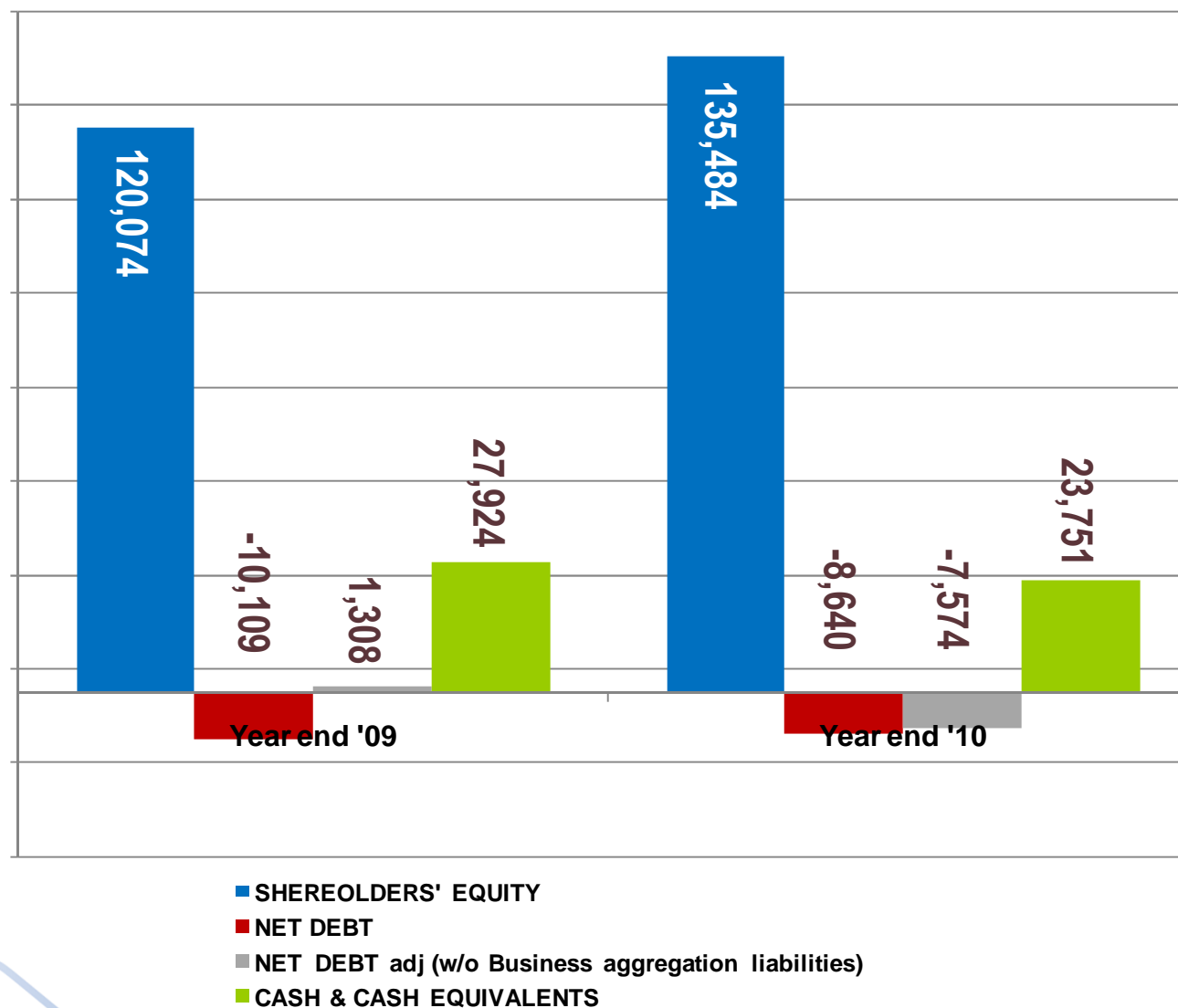
# GROUP'S NET RESULT

Group's net results & Group's net results adj, 31 December 2009-2010 (€/000)



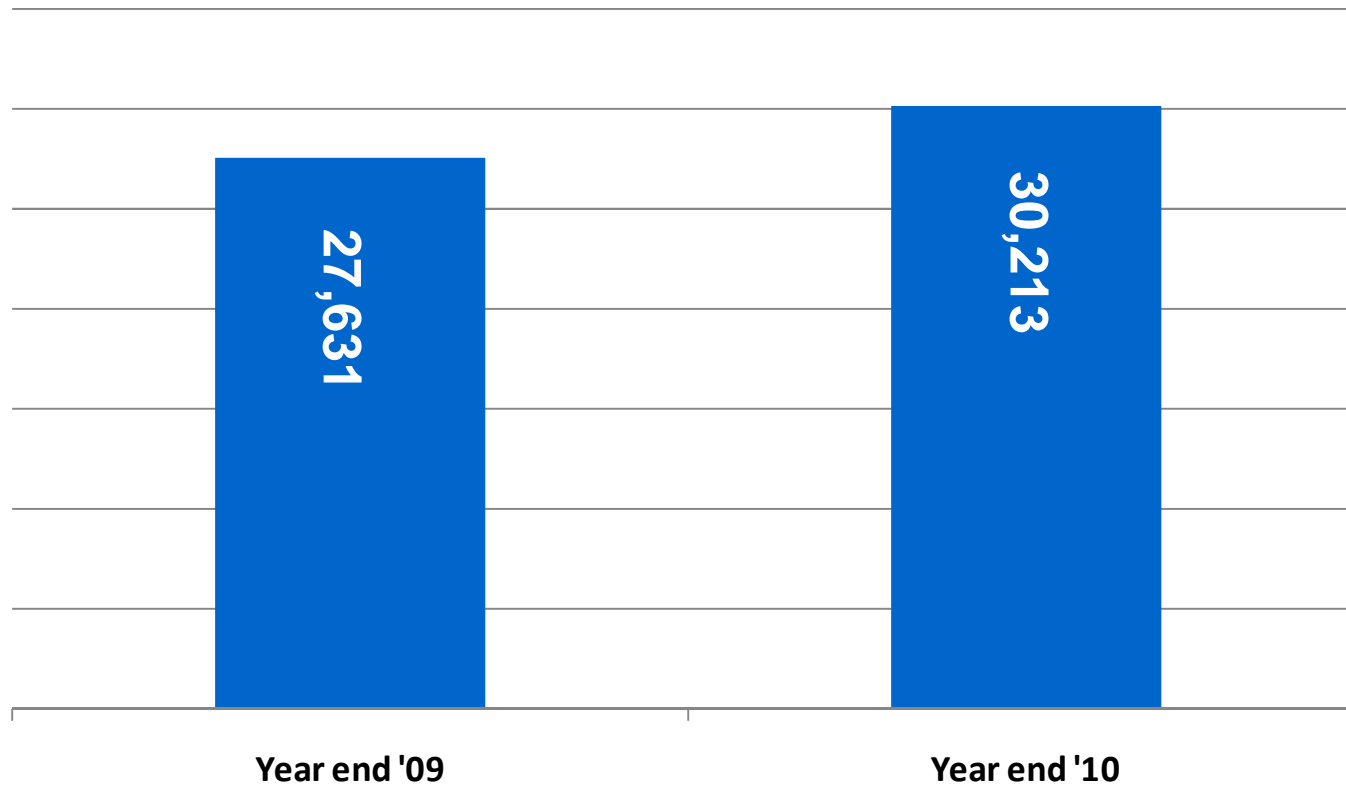
# EQUITY, CASH AND NET DEBT

CASH AND NET DEBT , 31 December 2009 - 2010 (€/000)



# NET WORKING CAPITAL

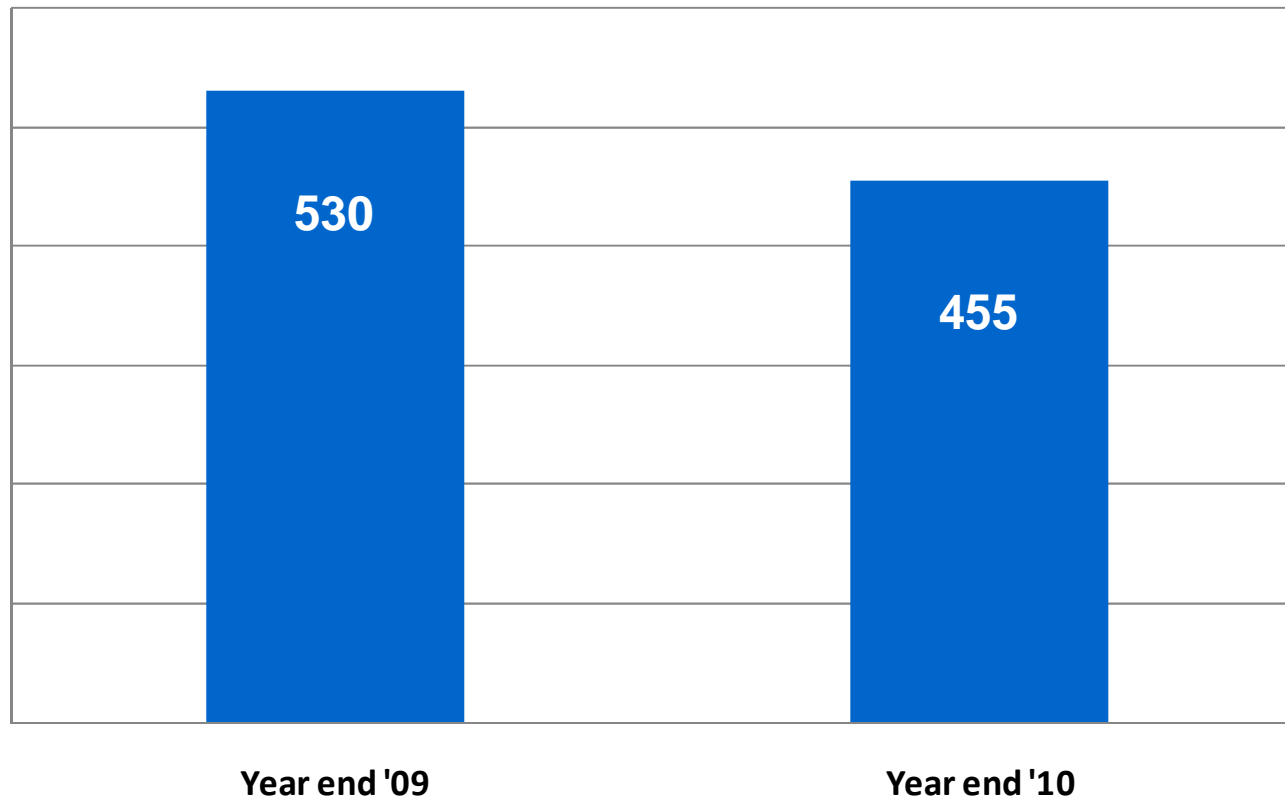
NWC 31 December 2009 – 2010 (€/000)





# EMPLOYEES

Headcount at the end of each period



# CONSOLIDATED INCOME STATEMENT

OPERATING RESULTS €'000	31 Dec '10	%	31 Dec '09	%	31 Dec '10 adjusted	%	31 Dec '09 adjusted	%
SALES REVENUES	99,269	100.0%	83,529	100.0%	99,269	100.0%	83,529	100.0%
GROSS PROFIT	50,406	50.8%	42,967	51.4%	50,406	50.8%	42,967	51.4%
EBITDA	7,394	7.4%	1,289	1.5%	7,394	7.4%	1,289	1.5%
EBIT	(741)	-0.7%	(6,632)	-7.9%	2,627	2.6%	(3,580)	-4.3%
PROFIT (LOSS) BEFORE TAXES	(3,813)	-3.8%	(8,991)	-10.8%	753	0.8%	(5,002)	-6.0%
GROUP NET PROFIT (LOSS) FOR THE PERIOD	(6,079)	-6.1%	(9,601)	-11.5%	(3,048)	-3.1%	(6,993)	-8.4%

# CONSOLIDATED BALANCE SHEET

(€'000)	at Dec 31, 2010	at Dec 31, 2009
<b>ASSETS</b>		
Intangible assets	120,328	106,170
Property, Plant and equipment	6,582	6,858
Investments in affiliates companies	308	1,381
Investments in other companies	230	243
Deferred tax assets	1,658	1,172
Other non current financial assets	236	236
Medium/long term borrow ing allow ed to affiliates companies	636	511
Other non-current assets	1,018	791
<b>Total non-current assets</b>	<b>130,996</b>	<b>117,362</b>
Inventories	21,587	17,060
Contracts in progress	257	819
Trade receivables	28,971	23,035
Income tax receivables	1,879	5,627
Other current assets	3,305	1,882
Cash & cash equivalents	23,751	27,924
<b>Total current assets</b>	<b>79,750</b>	<b>76,347</b>
<b>Total assets</b>	<b>210,746</b>	<b>193,709</b>

(€'000)	at Dec 31, 2010	at Dec 31, 2009
<b>LIABILITIES AND EQUITY</b>		
Share capital	8,879	8,879
Share premium reserve	136,400	136,400
Other reserves	(13,761)	(28,383)
<b>Group shareholders' equity</b>	<b>131,518</b>	<b>116,896</b>
<b>Equity attributable to minority intere</b>	<b>3,966</b>	<b>3,178</b>
<b>Total shareholders' equity</b>	<b>135,484</b>	<b>120,074</b>
Medium-/long-term borrow ing	22,873	2,417
Employee benefit obligations	1,681	1,609
Deferred tax liabilities	12,307	10,854
Other non-current liabilities	2,225	1,600
Business combination liabilities	0	989
<b>Total non-current liabilities</b>	<b>39,086</b>	<b>17,469</b>
Trade payables	18,824	14,171
Short-term borrow ing	8,985	24,488
Derivative instruments	339	458
Income tax liabilities	1,214	1,766
Other current liabilities	5,748	4,855
Business combination liabilities	1,066	10,428
<b>Total current liabilities</b>	<b>36,176</b>	<b>56,166</b>
<b>Total liabilities</b>	<b>75,262</b>	<b>73,635</b>
<b>Total liabilities and equity</b>	<b>210,746</b>	<b>193,709</b>