

Introducing Eurotech: Current and Future directions

DIGITAL TECHNOLOGIES FOR A BETTER WORLD
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COMPANY OVERVIEW



What does Eurotech do?

Embedded Electronics for Pervasive Computing Applications



Proven Applications

MASS TRANSPORTATION

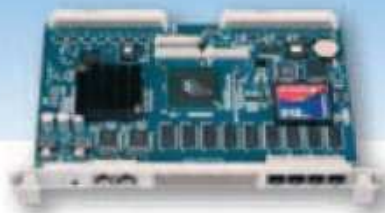


LOGISTICS



Proven Applications

MACHINE AUTOMATION



PROCESS CONTROL



Proven Applications

MEDICAL



INSTRUMENTATION, TEST & MEASUREMENT



Proven Applications

DEFENSE AND AEROSPACE



COMPUTING CENTRES

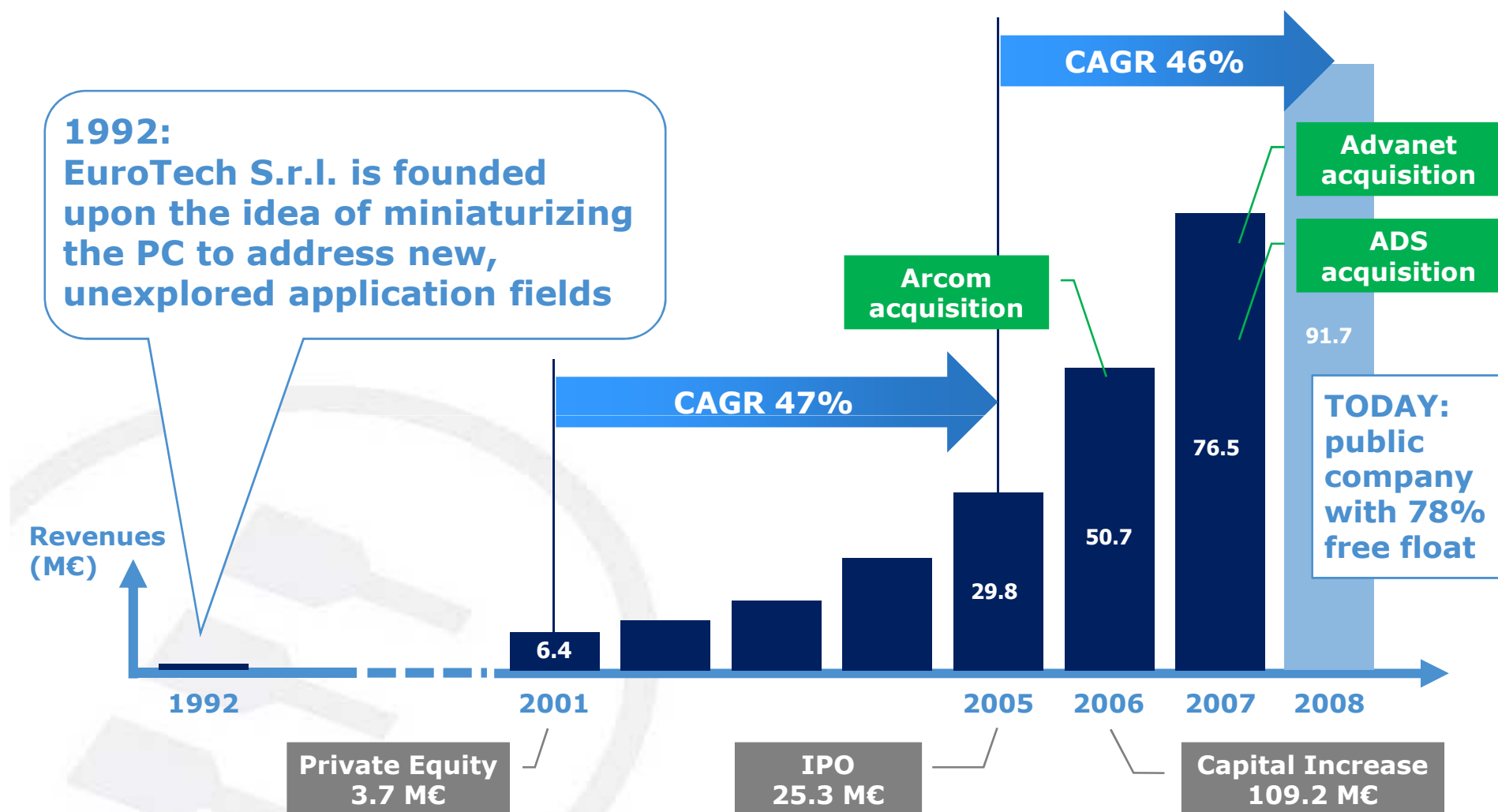


(pictures of Eurotech's HPC)

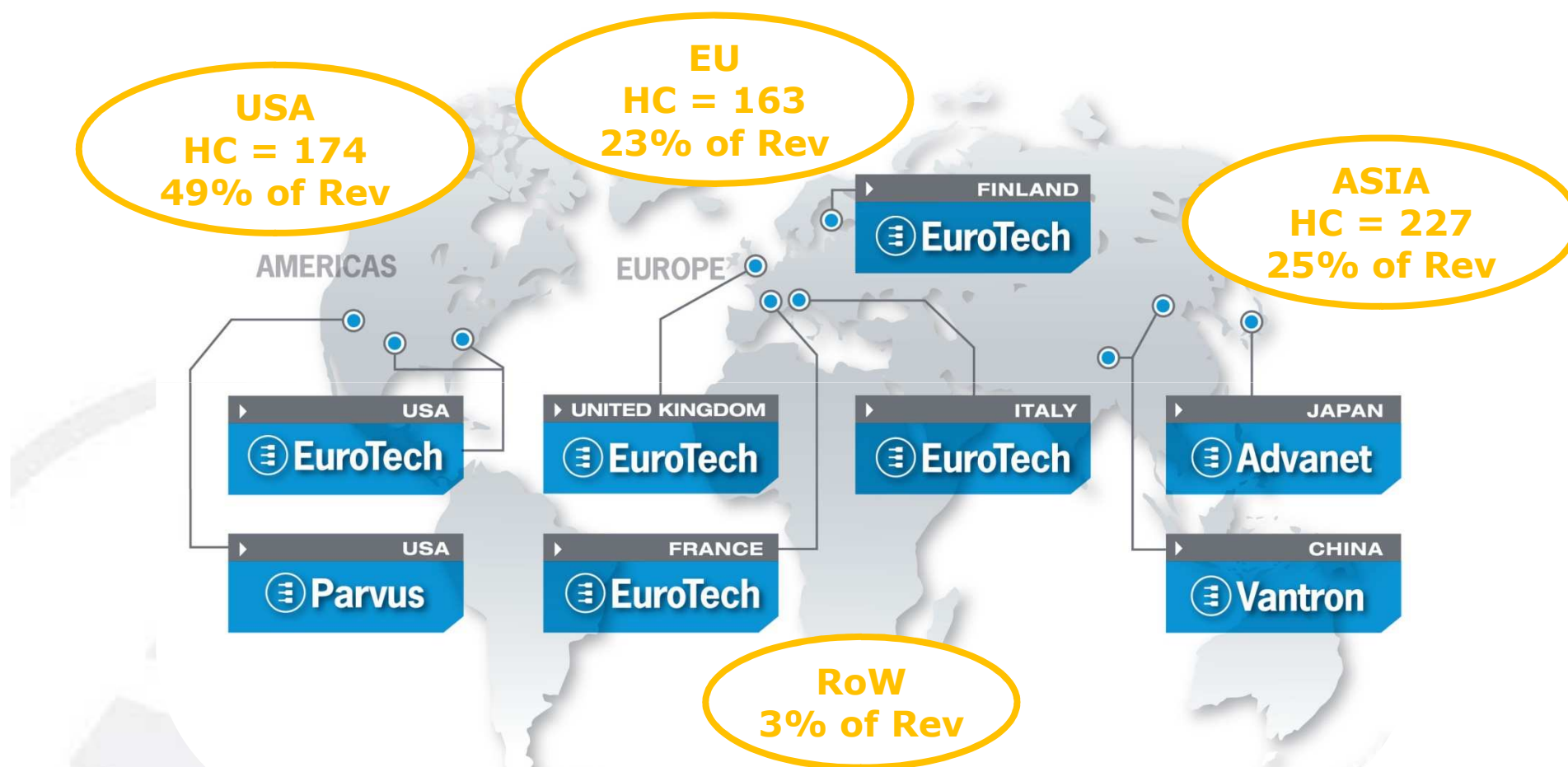
COMPANY ESSENTIALS



A Story of Acceleration

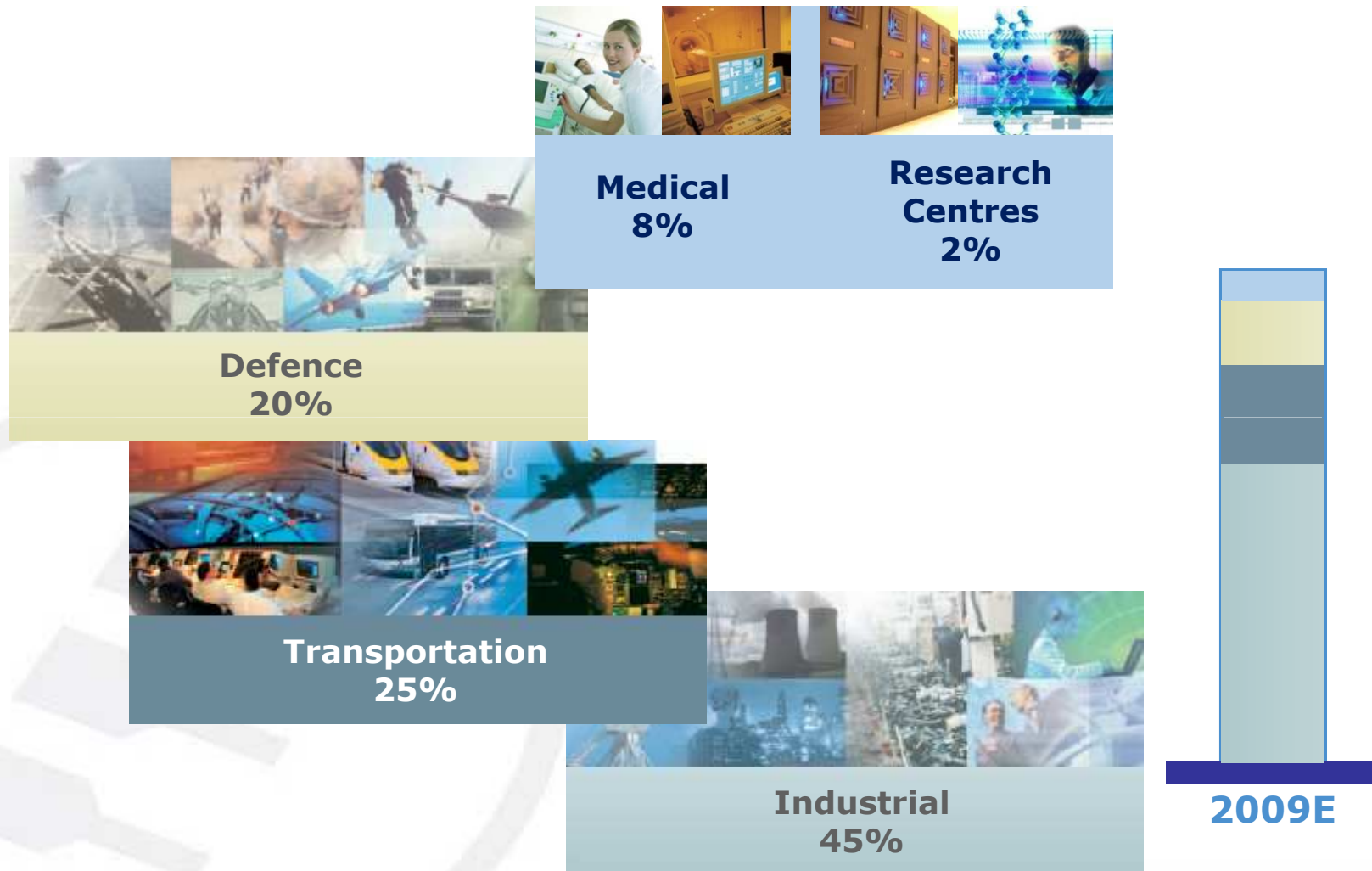


Group Global Footprint



("Rev" stands for Consolidated Group Revenues at 30 June 2009)

Revenues breakdown by end market



Some of Our Customers



Defence



Transportation



Industrial



Medical



Research
Centres

Main Value Drivers

why Customers should choose Eurotech?

- ③ Global company and a major player in the market
We're close to Customers and we know the business
- ③ Ability to manage complex solutions
We help Customers focusing on their core competences
- ③ Strong relations with key players in the Industry
We know what's next

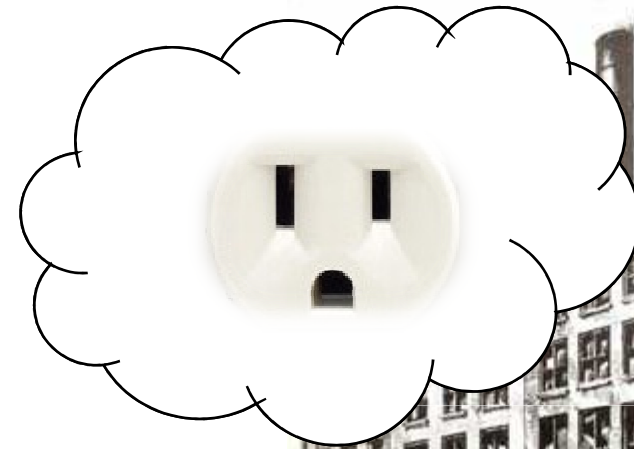
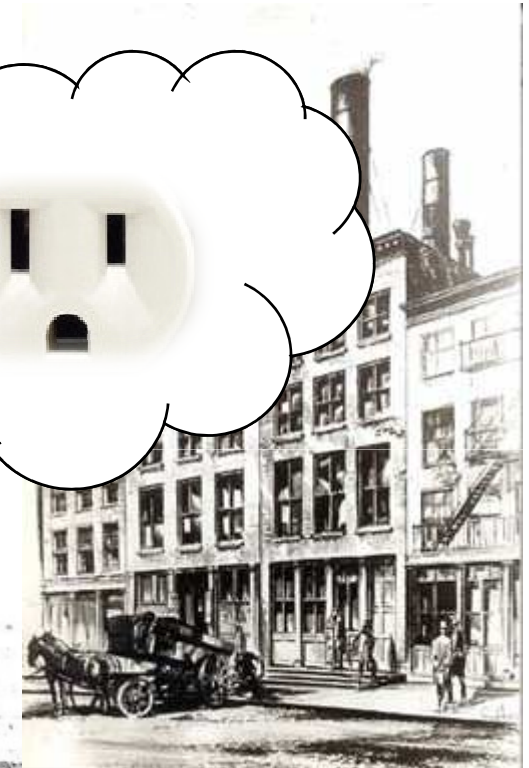
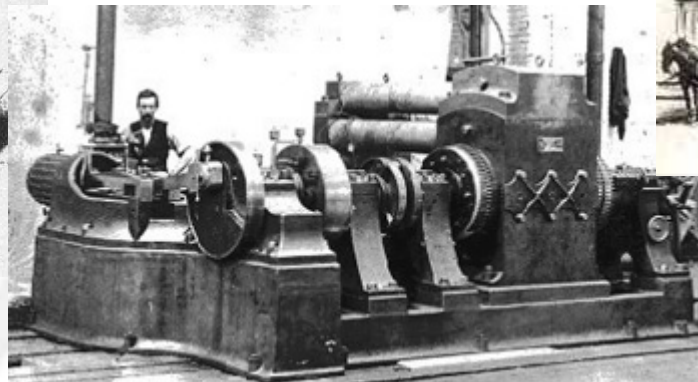
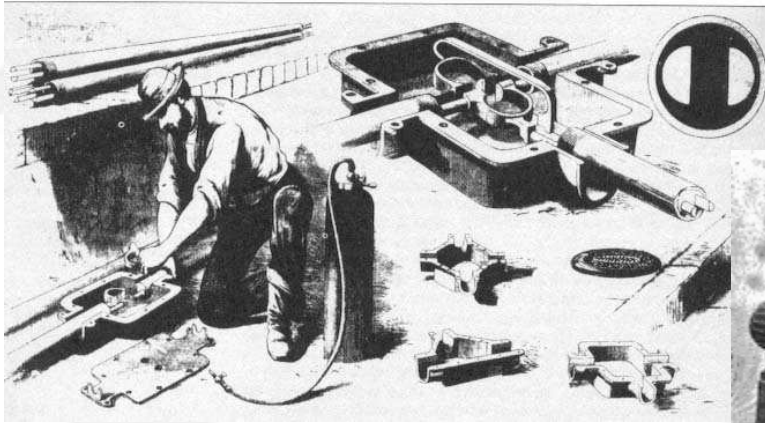


WHERE ARE WE GOING?

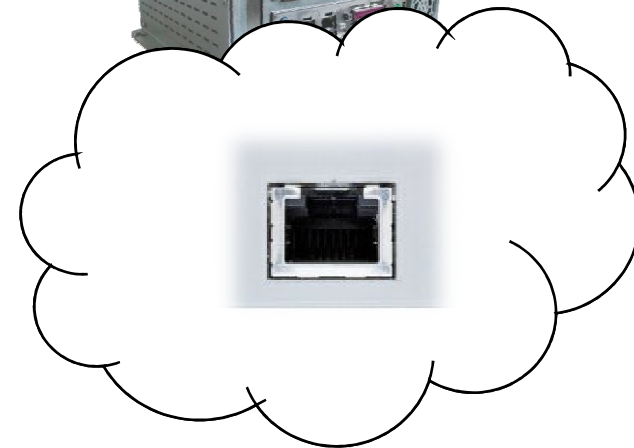
**... EVER HEARD ABOUT
A THING CALLED “CLOUD”?**

The first CLOUD was about electricity

EDISON 1.0: Electric Power Distribution



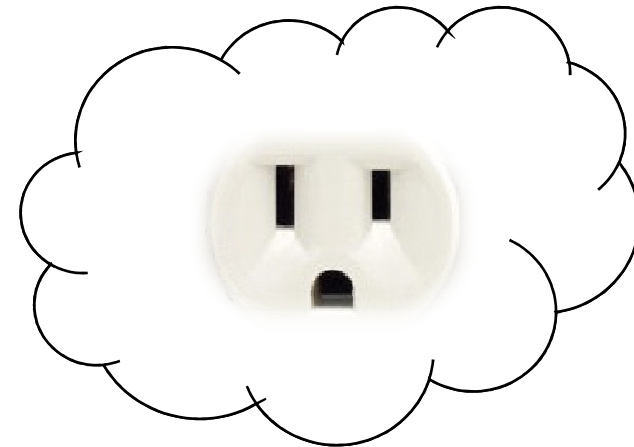
The second CLOUD is proving to be about computing & communication



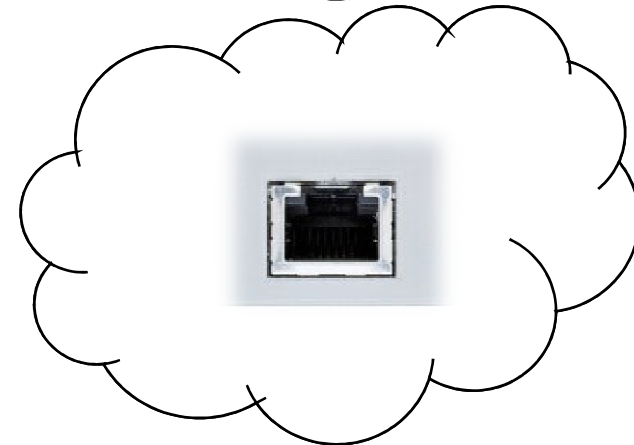
EDISON 2.0:
Computing & Communication
Power Distribution
= *Distribution of Digital Services*

Power is there, and you don't need to care

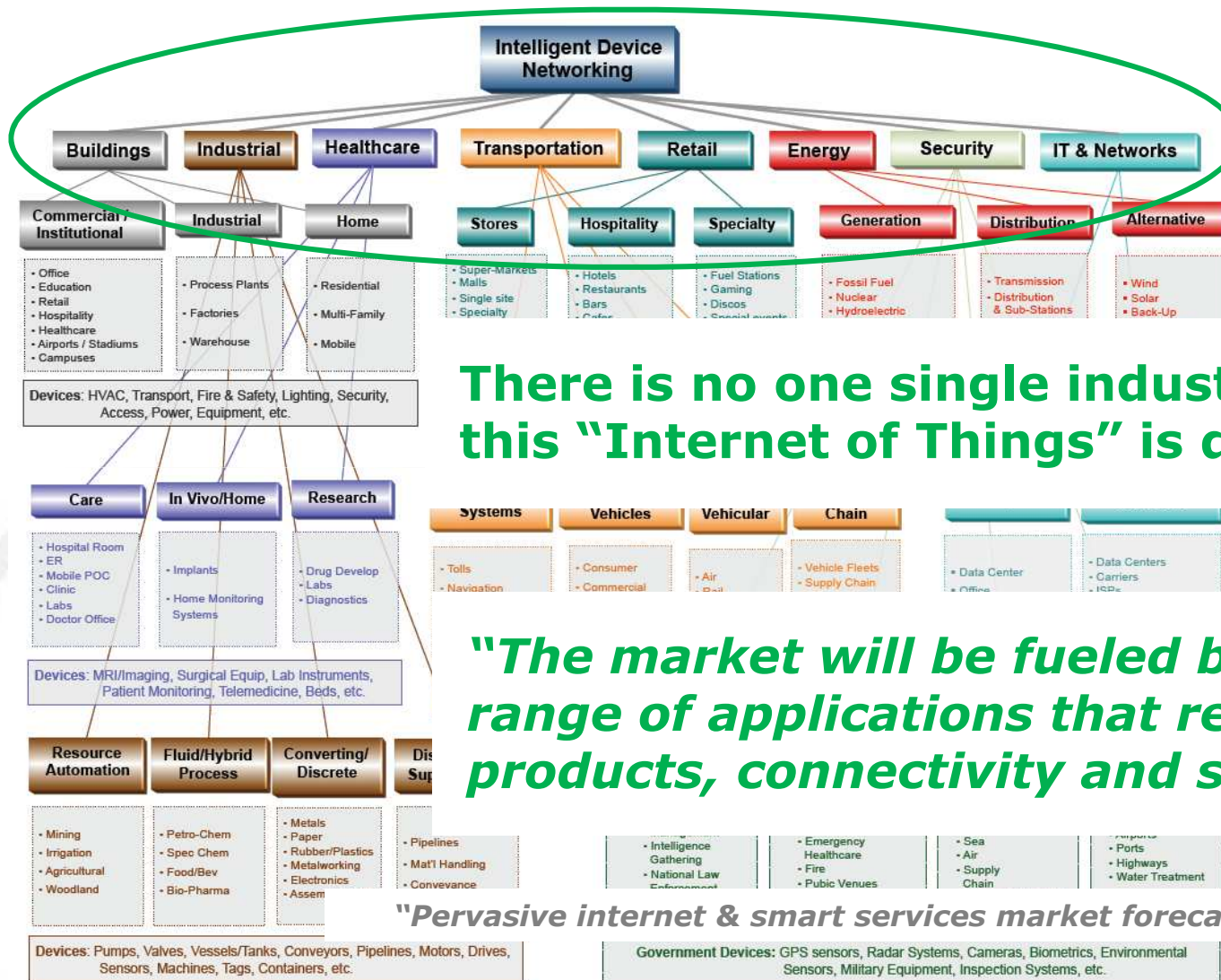
**EDISON 1.0:
Electric Power Distribution**



**EDISON 2.0 = CLOUD:
Digital Services Distribution**



The Cloud has a big potential...



There is no one single industry upon which this "Internet of Things" is dependent

"The market will be fueled by a wide range of applications that require varied products, connectivity and support"

"Pervasive internet & smart services market forecast", Harbor Research, 2009

COMPANY VISION & MISSION

VISION

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

They will merge with the surroundings of everyday life until they become indistinguishable from them, to improve our sensorial and perceptive capabilities.



MISSION

Integrate the state-of-the-art of Computing and Communication technologies to develop highly innovative applications, able to anticipate market demand.

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

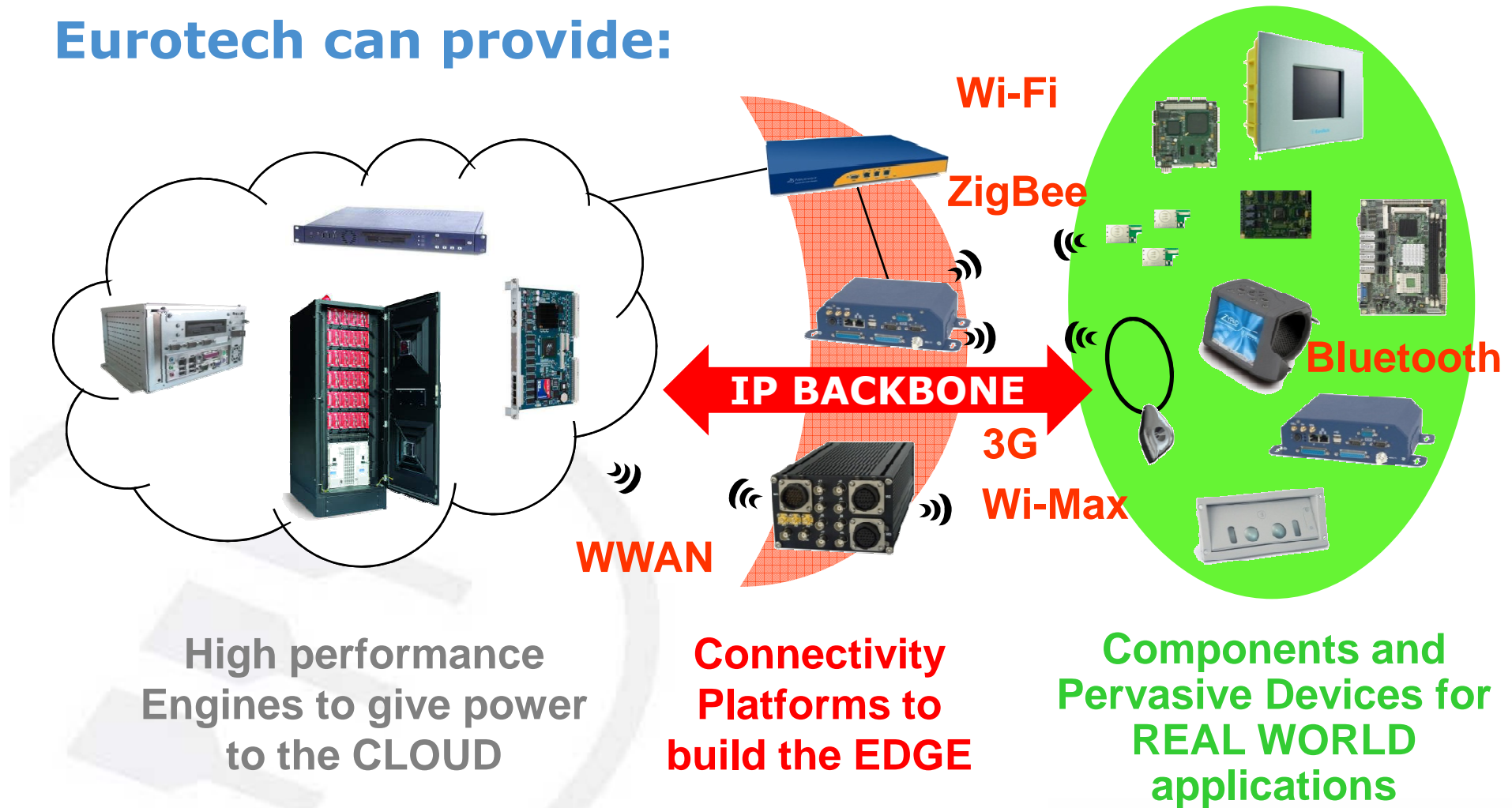


STRATEGY BASICS

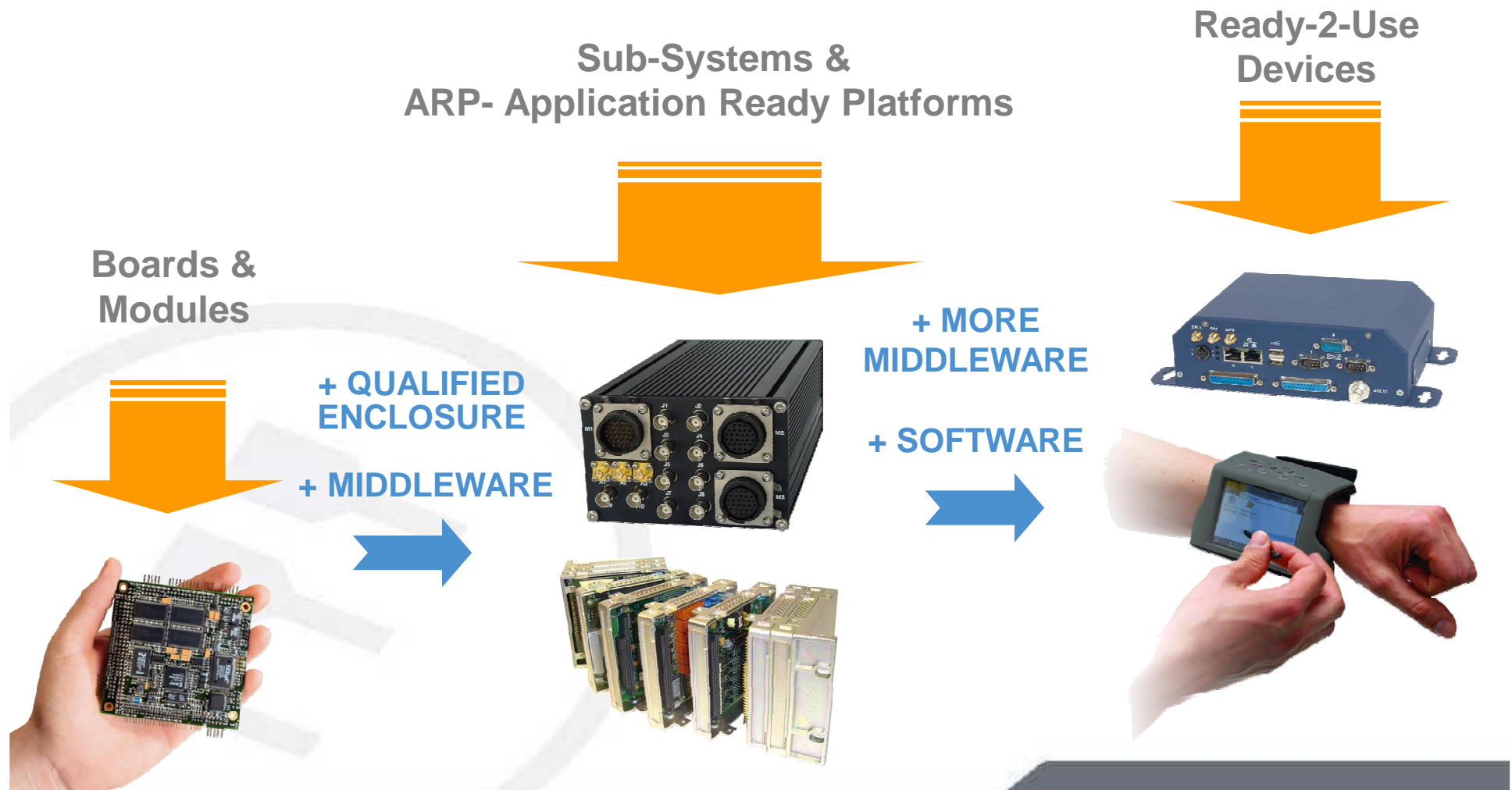


The “Cloud” is our domain

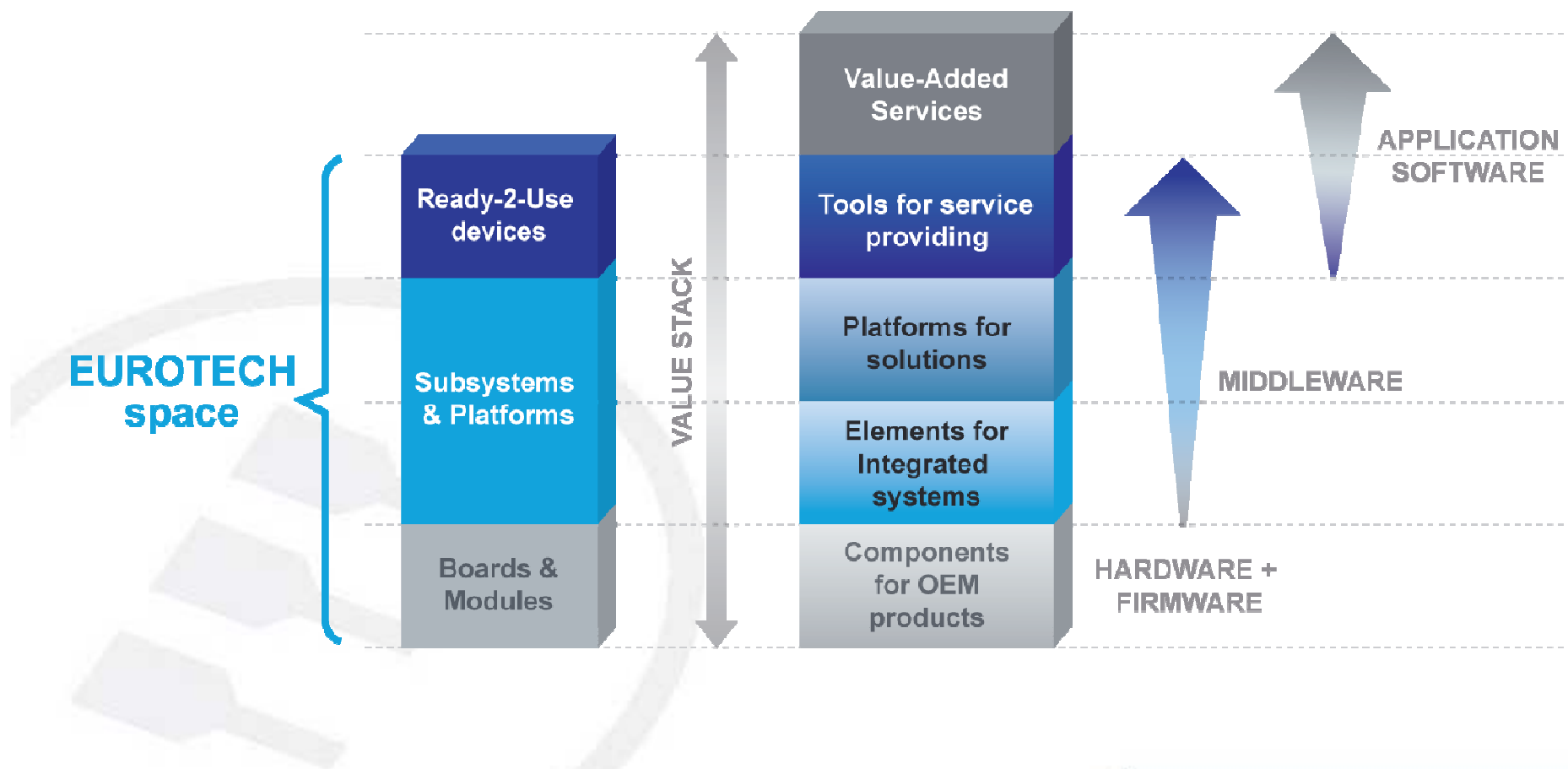
Eurotech can provide:



Strategic approach to Products evolution: boards, plus sub-systems, plus devices



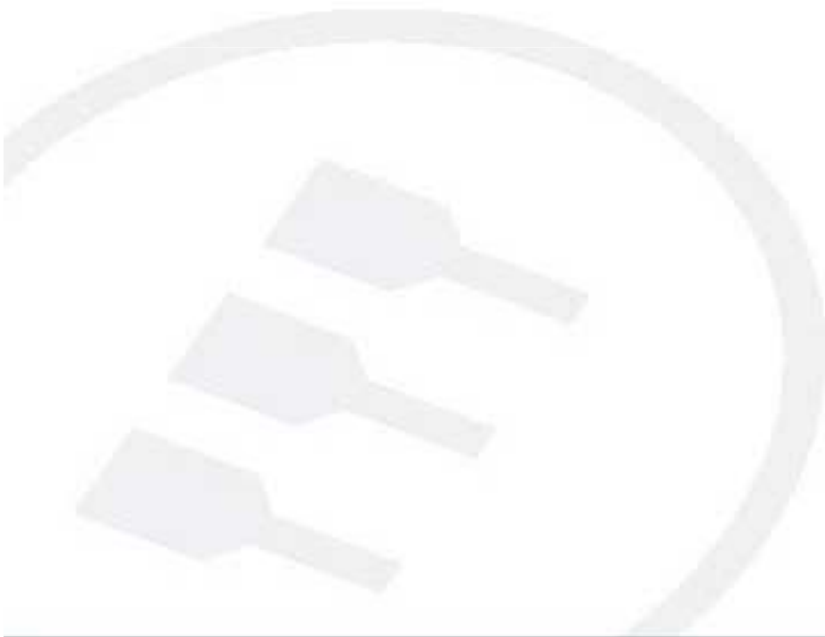
Strategic approach to Customers: enabling the pervasive computing cloud



Eurotech's role in the Pervasive Computing Scenario



SURFING 2009 WAVES TODAY



Gaining efficiency looking forward to world economy's recovery

- 2009 is going to be a marking-time year
- So far, global crisis affected Eurotech less than other companies thanks to:
 - balanced international positioning in three continents
 - only indirect involvement in decline of the consumer sector
- We took world economy's slowdown as an opportunity to create an even more efficient and agile organisation
- We are preparing the ground to maximise the benefit of imminent recovery in terms of fast increase of the margins as soon as revenues will start to ramp up

Presence in the US Defence market still growing double-digit

- Despite the global economic scenario, some areas of business are proving to resist much better than others
- US Defence market, and the defence market in general, is proving to be one of the strongest markets in this scenario
- Eurotech can take advantage of this:
 - 8 of the top 10 contractors already Eurotech customers
 - Strong reputation built up over the years via our subsidiary Parvus
 - Good basis for continuation – or even acceleration – of this growth
 - Sufficient critical mass to attract major orders

Increasing presence in Medical and Transport market sectors

- We continued our strategy of strengthening presence in the Medical and Transport sectors
- These sectors proved to be anti-cyclical, with a few local exceptions mainly in Italy due to a low level of public spending
- When the recovery materialises, the change in sectors mix should give us better medium- and long-term visibility than in the past
- In the end, we will be better balanced between Industrial, Medical, Transport and Defence sectors

High potential of Aurora, Eurotech's new generation of High Performance Computers

- Aurora is Eurotech's new supercomputing architecture based on the new multicore Intel Xeon® series processors
- First order for a supercomputer based on Aurora arrived in July
- The order materialised just one month after the big success achieved by the innovative Aurora platform at the recent 2009 International Supercomputer Conference (ISC) held in Germany
- This supercomputing platform should be able to give a significant boost to sales in the next few years

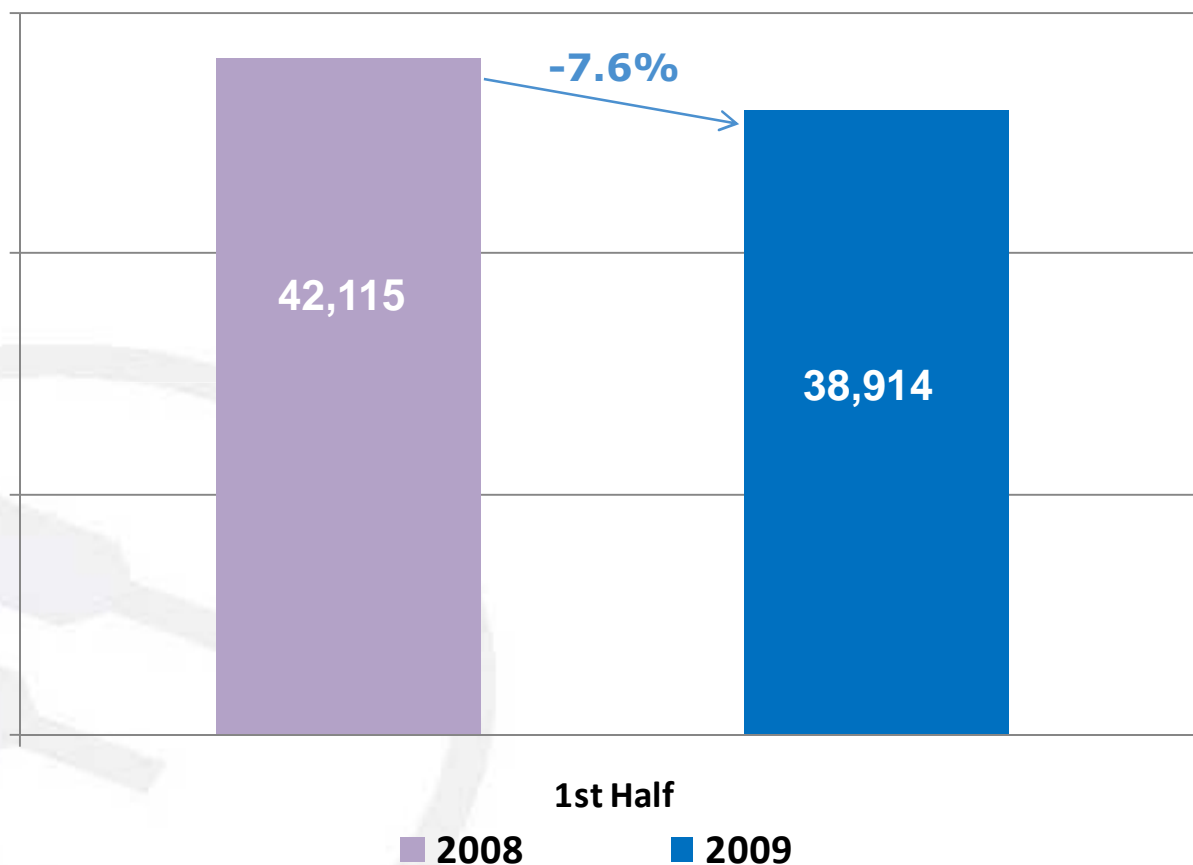


FINANCIAL HIGHLIGHTS

1st Half 2009

REVENUES

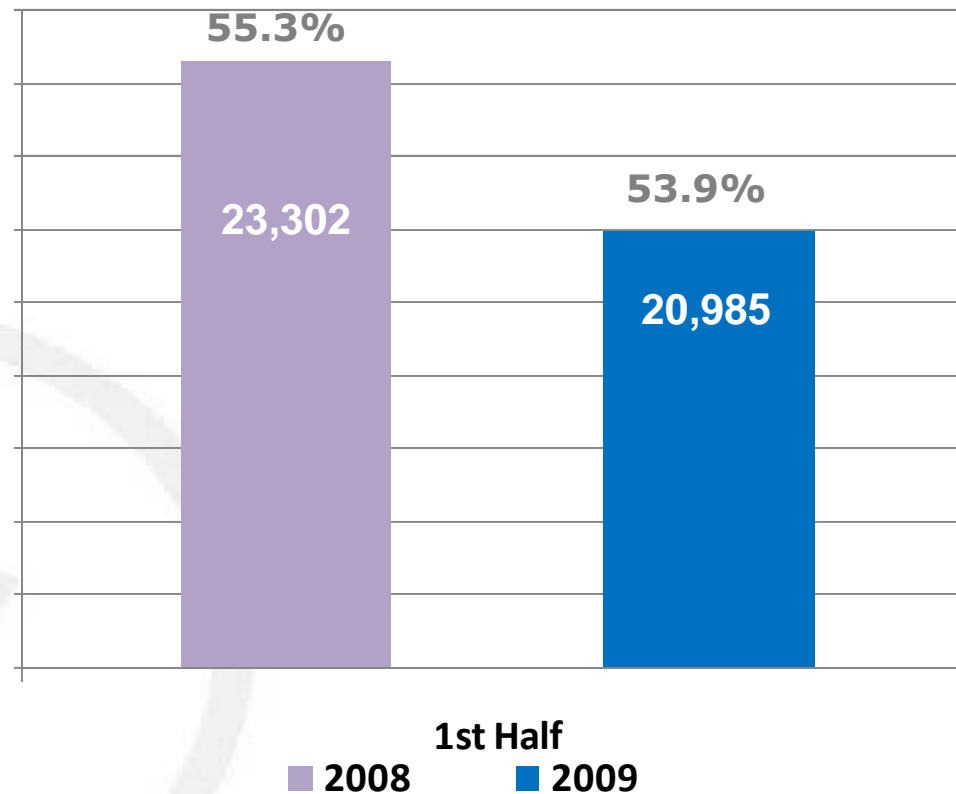
30 June 2008-2009 (€/000)



GROSS PROFIT MARGIN

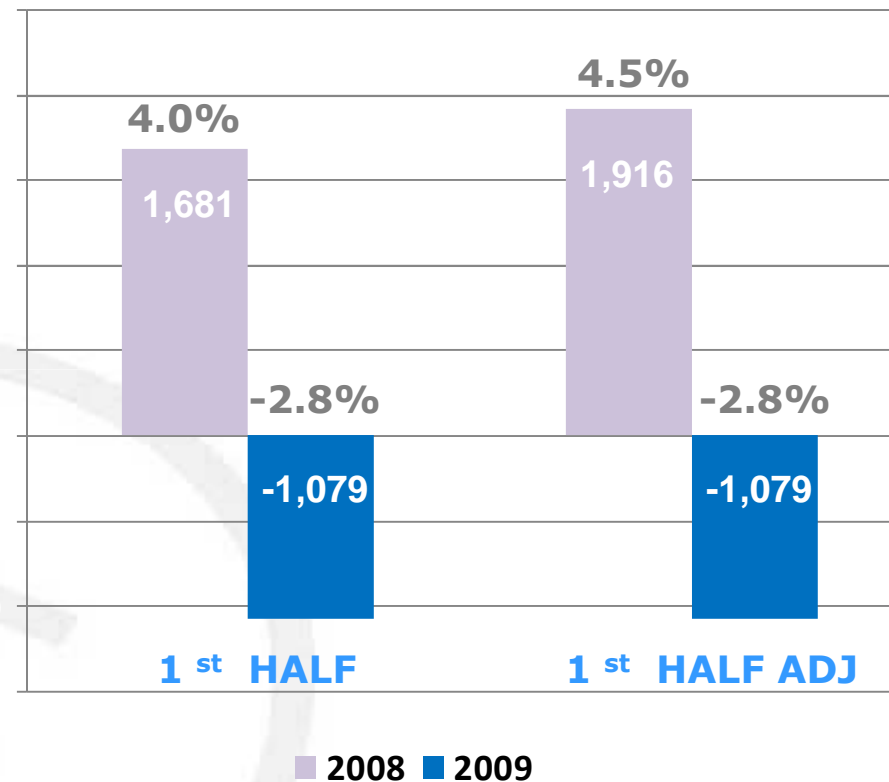
30 June 2008-2009 (€/000)

A change in the sales mix of 1H-2009 led to a different contribution to sales, compared with 2008, of products featuring higher margins.



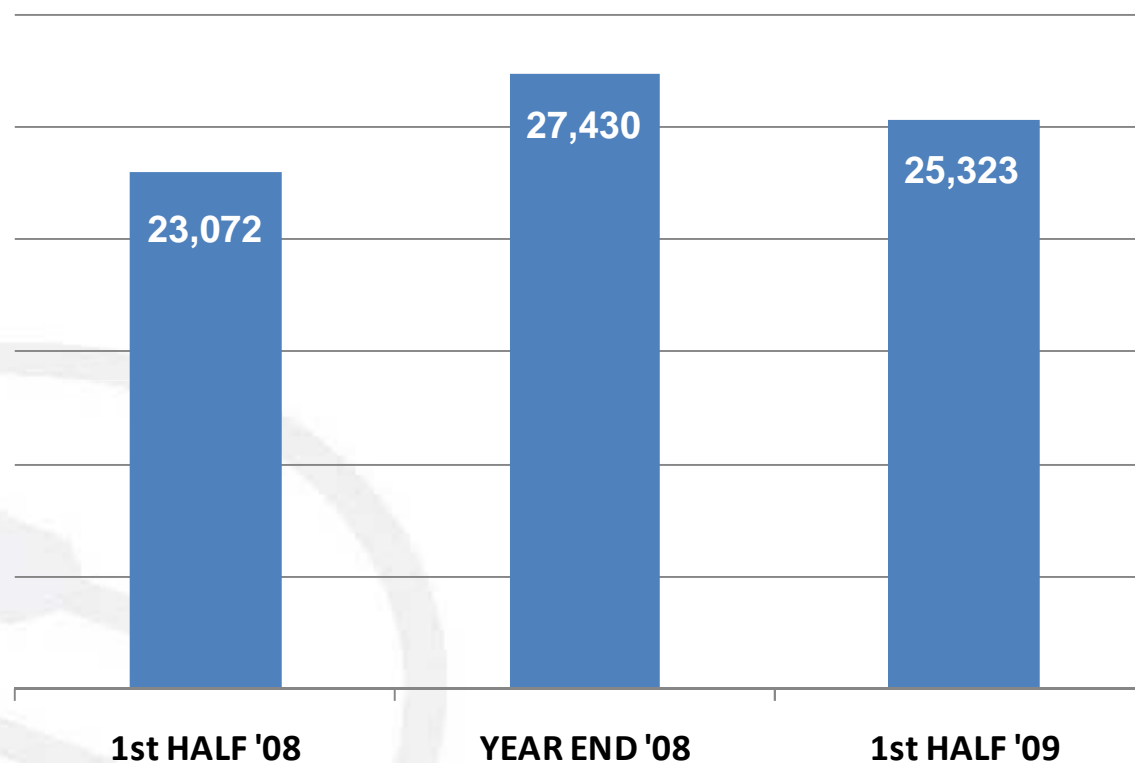
EBITDA

EBITDA & EBITDA adj, 30 March 2008-2009 (€/000)



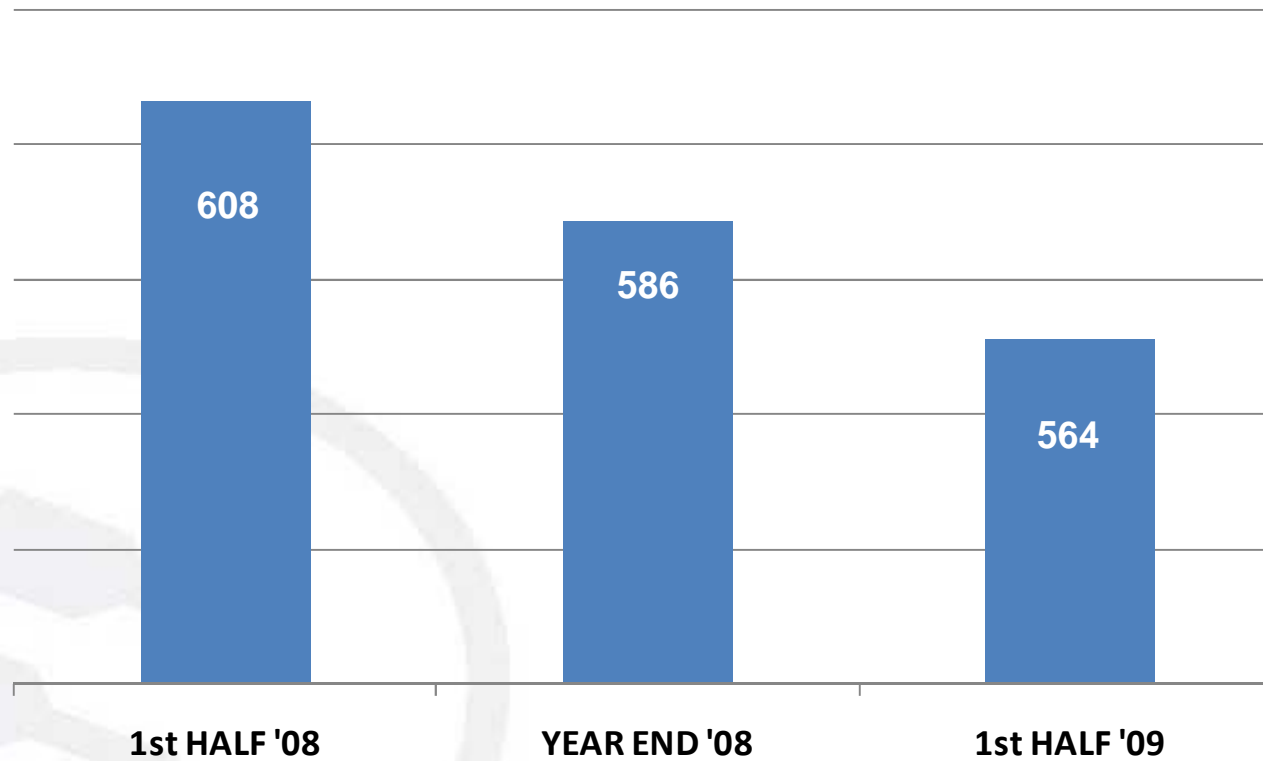
NET WORKING CAPITAL

30 June 2008 – 31 December 2008 – 30 June 2009 (€/000)



EMPLOYEES

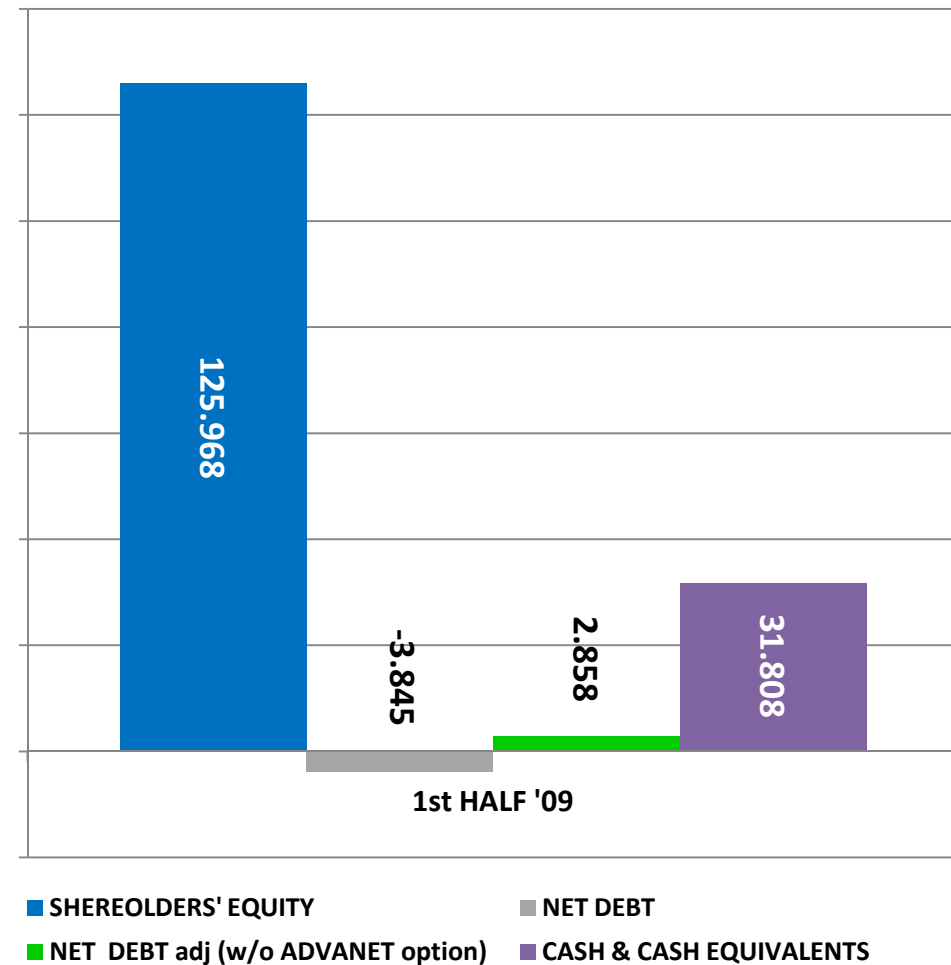
Headcount at the end of specified period



Financial strenght to sustain growth

As of June 30th, 2009:

- Cash over 31M€
- Net Debt to Equity ratio = 0,03
- LT Debt to Equity ratio = 0,29
- LT Debt to Assets ratio = 0,19
- Liquidity ratio (acid test) = 1,84



CONSOLIDATED INCOME STATEMENT

OPERATING RESULTS €'000	1st Half '08	%	1st Half '09	%	1st Half '08 adjusted	%	1st Half '09 adjusted	%
SALES REVENUES	42.115	100,0%	38.914	100,0%	42.115	100,0%	38.914	100,0%
GROSS PROFIT	23.302	55,3%	20.985	53,9%	23.537	55,9%	20.985	53,9%
EBITDA	1.681	4,0%	(1.079)	-2,8%	1.916	4,5%	(1.079)	-2,8%
EBIT	(2.658)	-6,3%	(5.088)	-13,1%	(43)	-0,1%	(3.518)	-9,0%
PROFIT (LOSS) BEFORE TAXES	(4.141)	-9,8%	(5.456)	-14,0%	(1.292)	-3,1%	(4.208)	-10,8%
GROUP NET PROFIT (LOSS) FOR THE PERIOD	(5.069)	-12,0%	(6.178)	-15,9%	(3.482)	-8,3%	(5.637)	-14,5%

CONSOLIDATED BALANCE SHEET

(€'000)	at December 31, 2008	at June 30, 2009	(€'000)	at December 31, 2008	at June 30, 2009
ASSETS			LIABILITIES AND EQUITY		
Intangible assets	114.399	107.906	Share capital	8.879	8.879
Property, Plant and equipment	7.885	7.221	Reservs	125.180	113.868
Investments in affiliates companies	875	852	Group shareholders' equity	134.059	122.747
Investments in other companies	249	246	Equity attributable to minority interest	3.414	3.221
Deferred tax assets	1.533	2.061	Total shareholders' equity	137.473	125.968
Miduim/long borrowing allowed to affiliates companies	0	300	Medium-/long-term borrowing	24.654	22.460
Other non-current assets	749	708	Employee benefit obligations	1.742	1.525
Total non-current assets	125.690	119.294	Deferred tax liabilities	12.556	11.253
Inventories	19.783	19.307	Other non-current liabilities	1.921	1.726
Contracts in progress	383	533	Business combination liabilities	8.049	0
Trade receivables	22.063	16.380	Total non-current liabilities	48.922	36.964
Income tax receivables	4.124	2.561	Trade payables	15.207	9.507
Other current assets	2.792	2.323	Short-term borrowing	5.782	5.271
Other current financial assets	719	0	Derivative instruments	346	511
Cash & cash equivalents	38.684	31.808	Income tax liabilities	1.461	1.007
Total current assets	88.548	72.912	Other current liabilities	5.047	5.267
Total assets	214.238	192.206	Business combination liabilities	0	7.711
			Total current liabilities	27.843	29.274
			Total liabilities	76.765	66.238
			Total liabilities and equity	214.238	192.206

THANK YOU

**You see things, and you say 'Why?';
but I dream things that never were,
and I say 'Why not?'**

George Bernard Shaw

