

Introducing Eurotech: Current and Future directions

Milan, 25 March 2009

DIGITAL TECHNOLOGIES FOR A BETTER WORLD
www.eurotech.com



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COMPANY OVERVIEW



What does Eurotech do?

Embedded Electronics for Pervasive Computing Applications

That is...

Proven Applications

MASS TRANSPORTATION

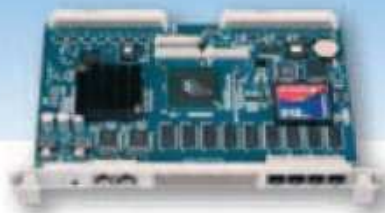


LOGISTICS



Proven Applications

MACHINE AUTOMATION



PROCESS CONTROL



Proven Applications

MEDICAL



INSTRUMENTATION, TEST & MEASUREMENT



Proven Applications

DEFENSE AND AEROSPACE



COMPUTING CENTRES

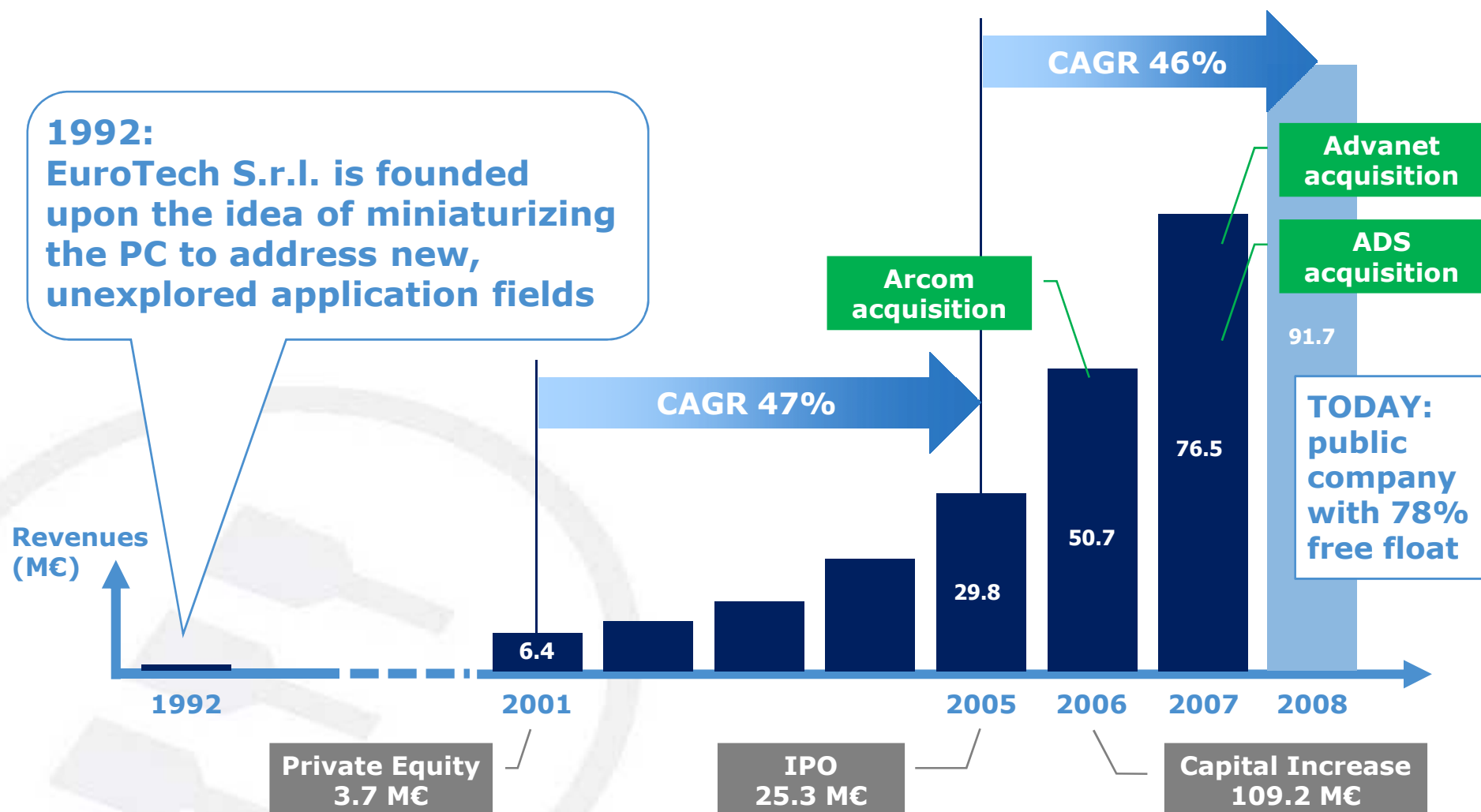


(pictures of Eurotech's HPC)

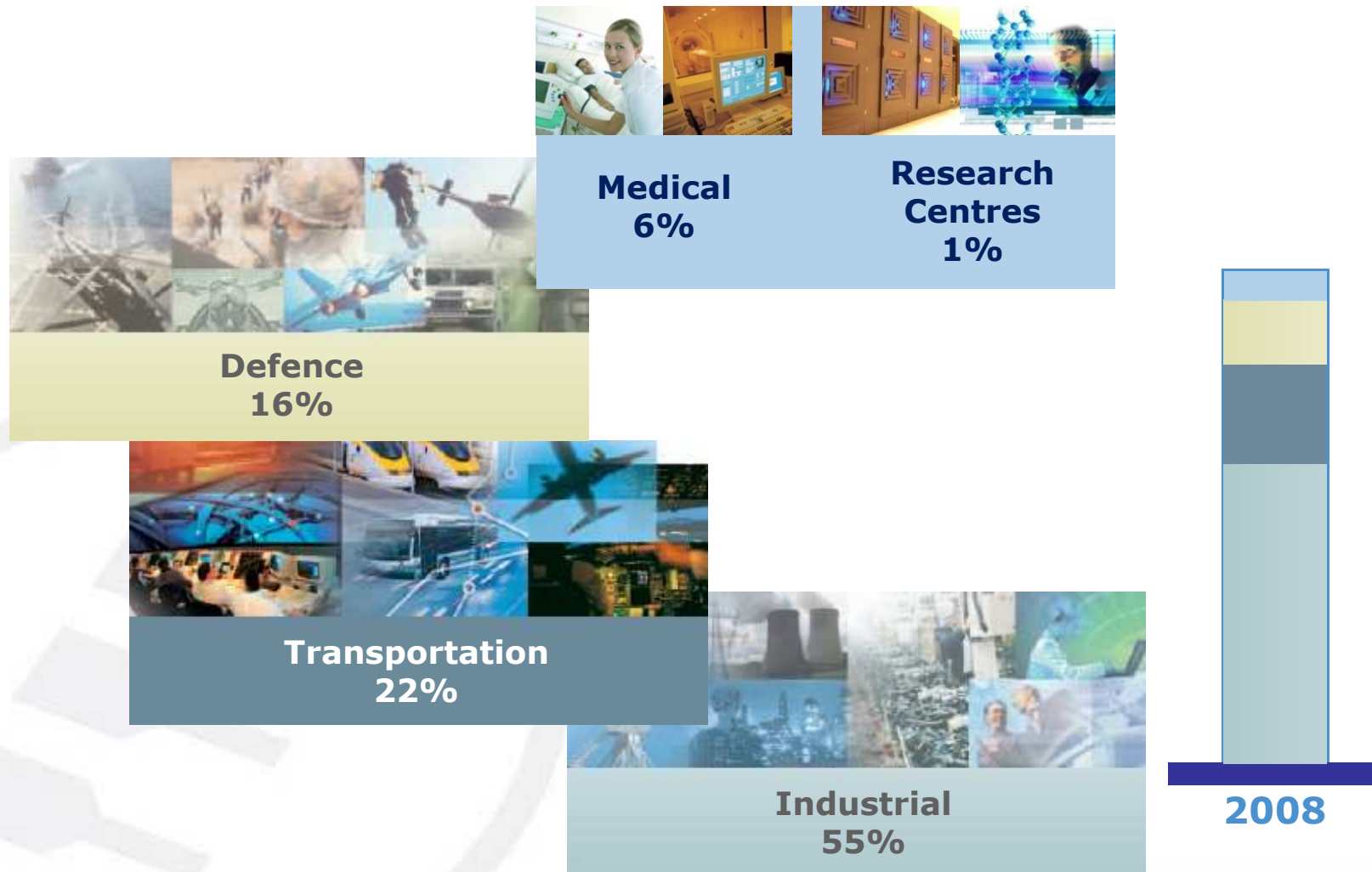
COMPANY ESSENTIALS



A Story of Acceleration



Revenues breakdown by end market



Some of Our Customers



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

Awards

The 2008 Award of Excellence for “Growth in the Intel® Atom™ Co-Selling” from Intel’s Embedded Communications Alliance (ECA) reflects the depth and breadth of Eurotech’s sales opportunities across several vertical markets, such as medical, military, industrial control and biometric applications.

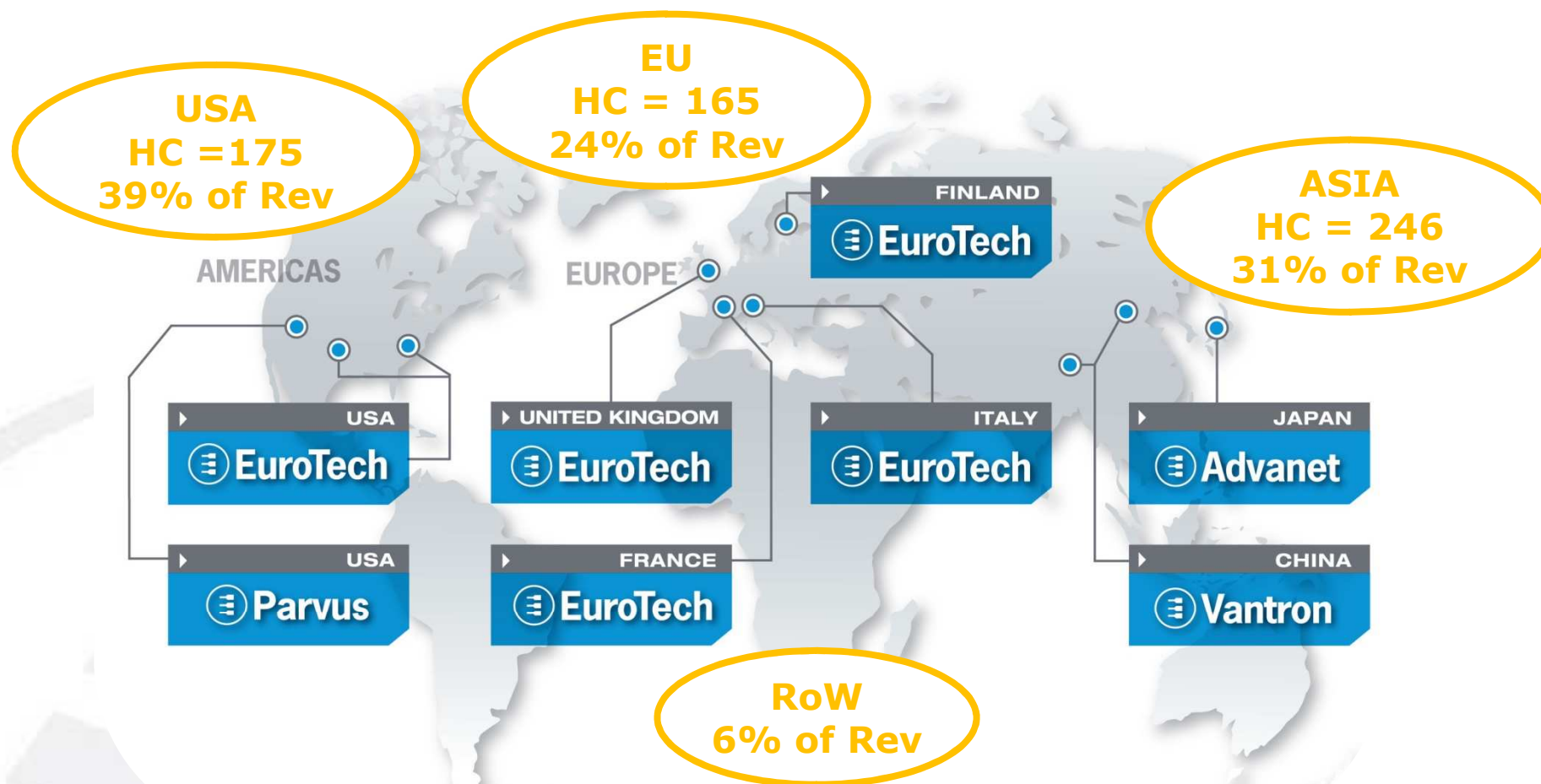


The “2008 Platinum Embedded Board Vendor” award is the result of a deep survey conducted by VDC Research Group among the top users of merchant computer boards, and underlines the excellent characteristic of Eurotech in providing a full service to all the users of its solutions.

Users placed Eurotech at the highest level, Platinum, based on ratings of more than 45 selection criteria.

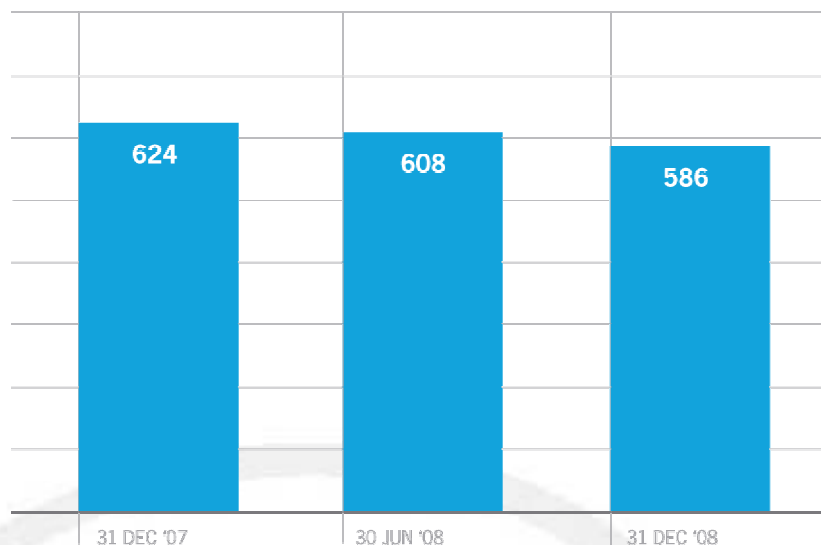


Group Global Footprint



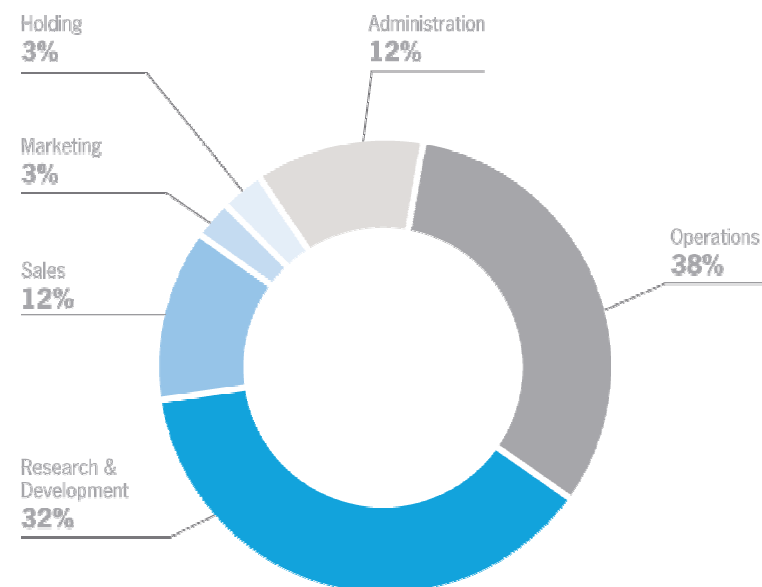
("Rev" stands for Consolidated Group Revenues)

Group Human Resources

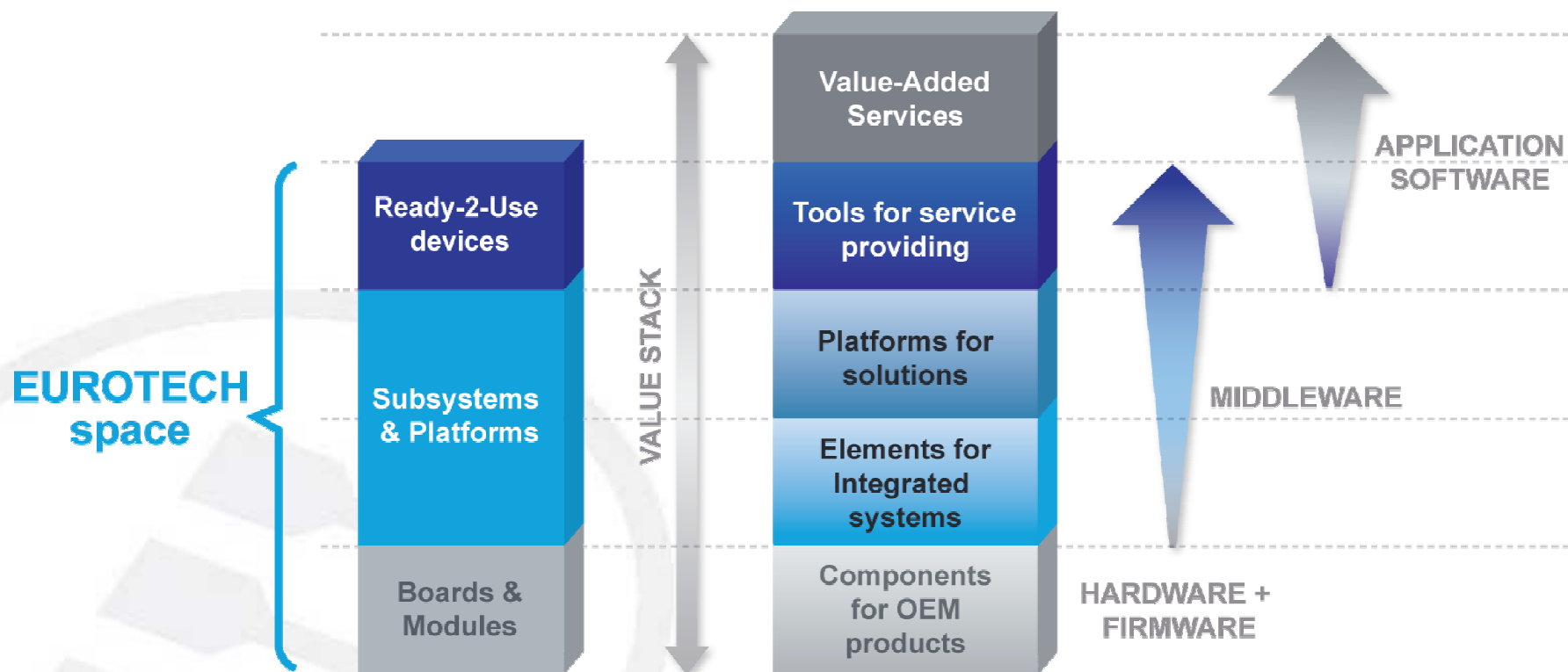


Natural reduction of headcount coming from subsidiaries' integration and Group structure rationalisation

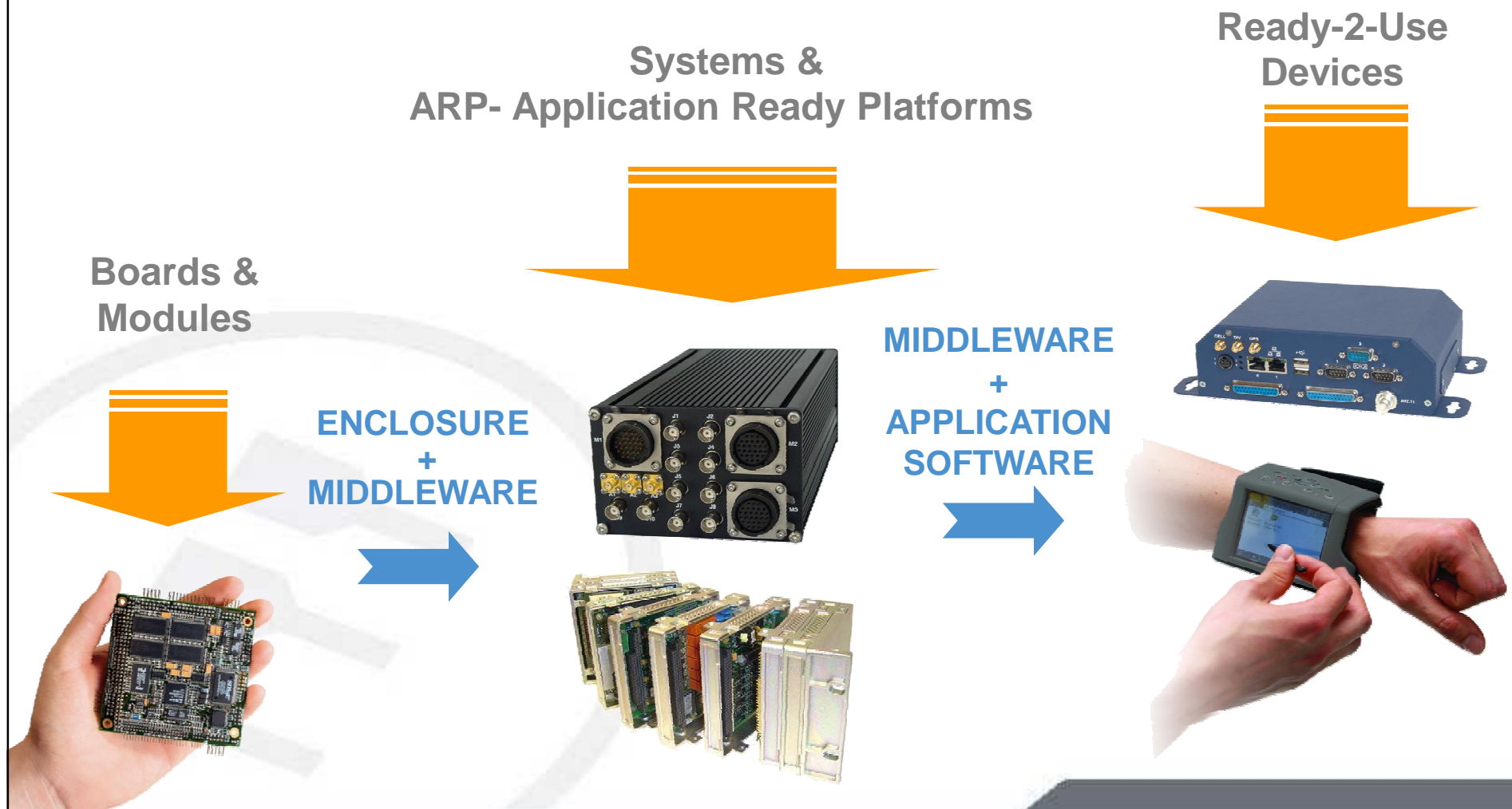
Trend in Mix evolution: less Operations and Development, more Marketing and Sales



From Embedded Boards to Pervasive Computing Devices



Product evolution: towards solution selling



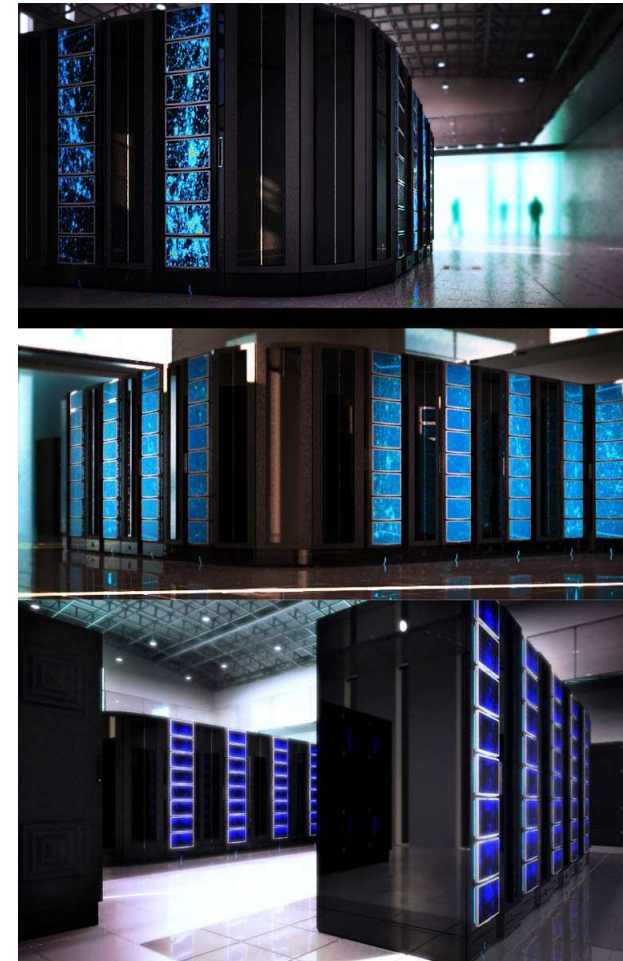
Strategic co-marketing agreement with Intel to jointly promote Aurora

- Aurora represents Eurotech's new class of supercomputing machines based on the new multicore Intel Xeon® series processors
 - Aurora sets a milestone in terms of price/performance, processors density and low power consumption
- 
- Eurotech is the sole European Partner of Intel for HPC architectures
 - Joint co-marketing activities will address big HPC projects – in the range of PetaFlops – for industrial, medical and scientific applications

Strategic agreement with RSC, PSI and Intel to address Russian and European HPCs market

- Eurotech has signed a scientific, industrial and commercial collaboration agreement to address the growing market of supercomputers in the Russian Federation, CIS and Europe
- Partners in this collaboration are: RSC SKIF, Program System Institute (PSI) and Intel
- **Russian Market size estimates* for Aurora HPCs: 400 M\$**

() Source: prof. Sergei Abramov, Director of PSI, the leading Research Institute on High-performance computing of the Russian Academy of Sciences*

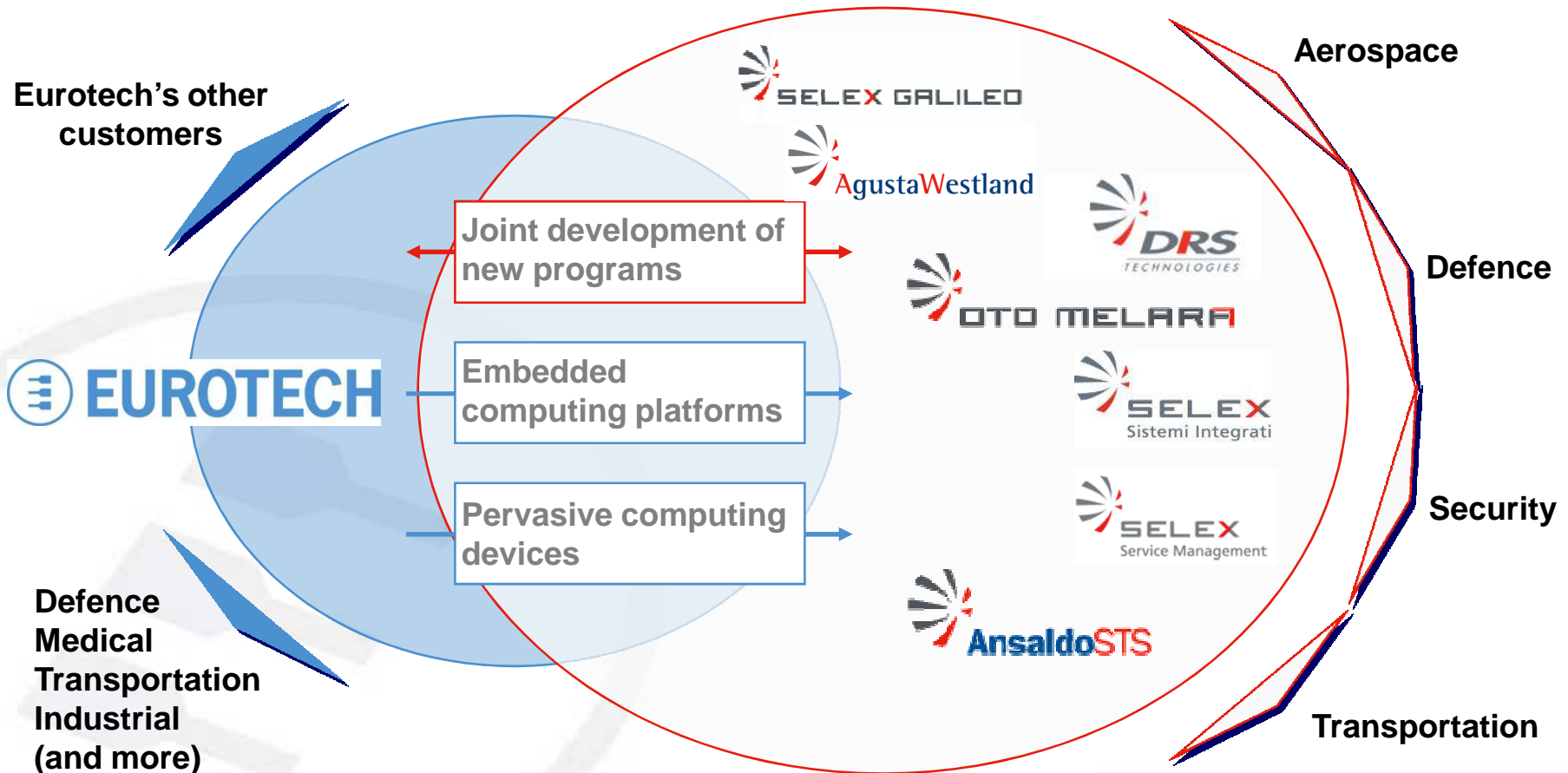


Rendering of PetaFlops installations

Opportunities scenario with Finmeccanica

Embedded / Pervasive
Technologies provider

System integrator /
Solution provider



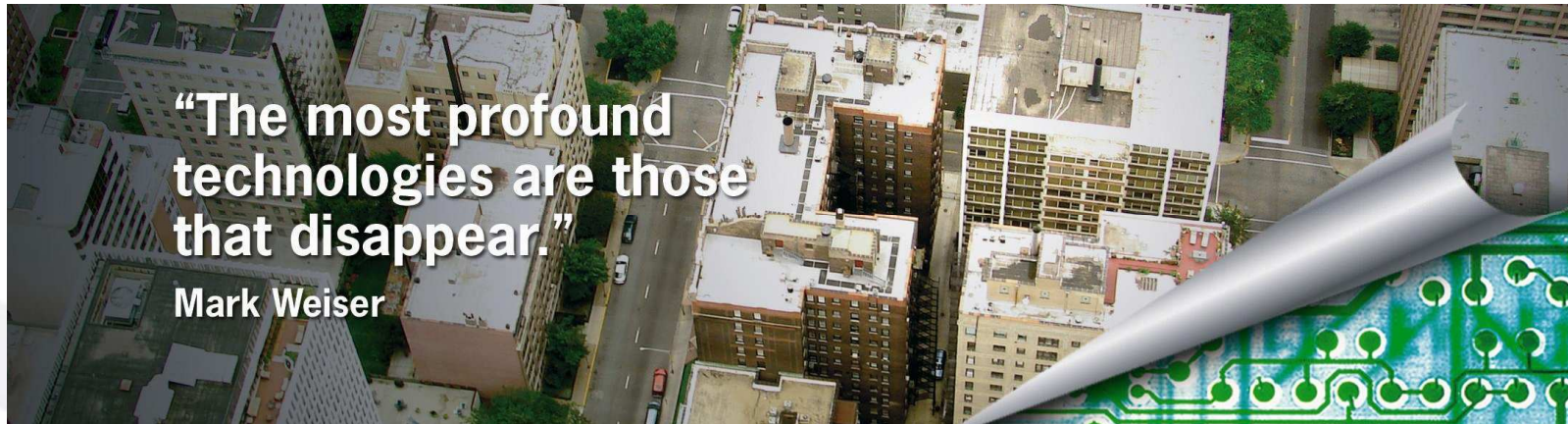
COMPANY VISION & MISSION



VISION

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

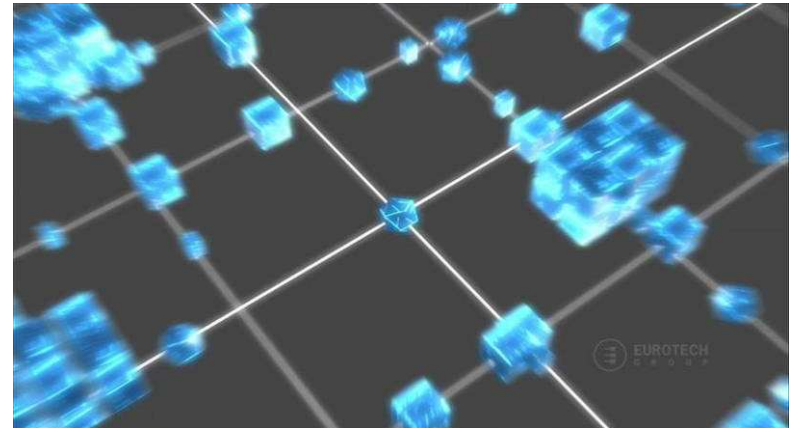
They will merge with the surroundings of everyday life until they become indistinguishable from them, to improve our sensorial and perceptive capabilities.



Our VISION in the “Computing Cloud”

DISAPPEARING, CONNECTING, AUGMENTING

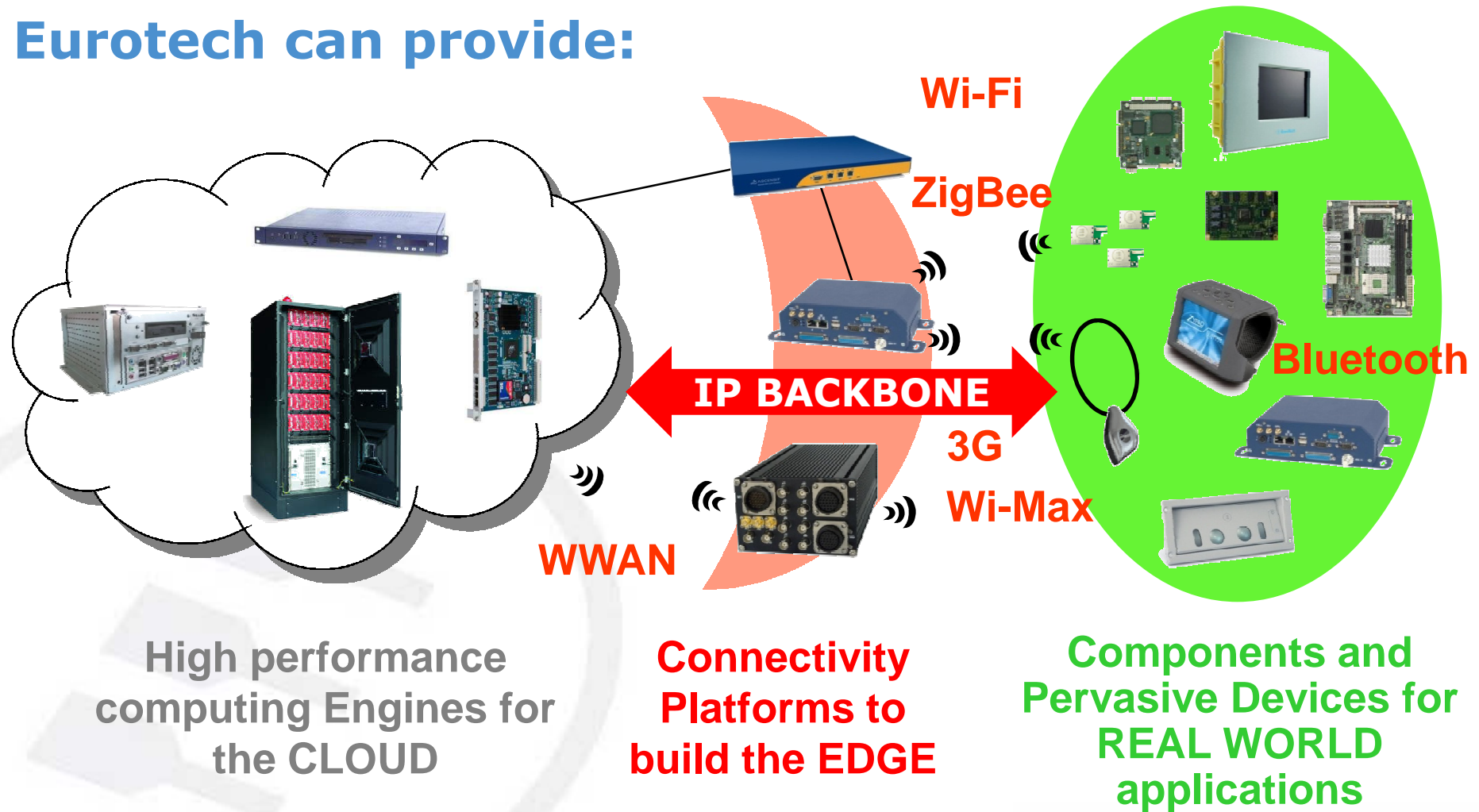
- Massive on-demand Computation through the GRID
- Continuous Ubiquitous high bandwidth Internet
- Miniature Computers embedded in
 - the environment
 - our clothing
 - our body



AUGMENTED REAL REALITY

The “Computing Cloud” is a big opportunity

Eurotech can provide:



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.



SURFING 2009 WAVES



Crisis won't be evenly distributed

- Embedded market will resist:
 - Embedded technology is an enabling technology
 - Embedded technology support mission critical applications
 - 2 trends will provide insulation/protection from demand decline:
 - these technologies are ROI tools required by OEMs and Users to compete
 - companies need to aggressively defend their core. One tool is moving to merchant boards.

A proof: during 2001 crisis the Embedded market did not contract (and that crisis was rooted in tech markets)

Source: "Embedded Computing Market Update, Trends, and 2009 Outlook", VDC Research

Defence, Medical & Transportation markets will keep going

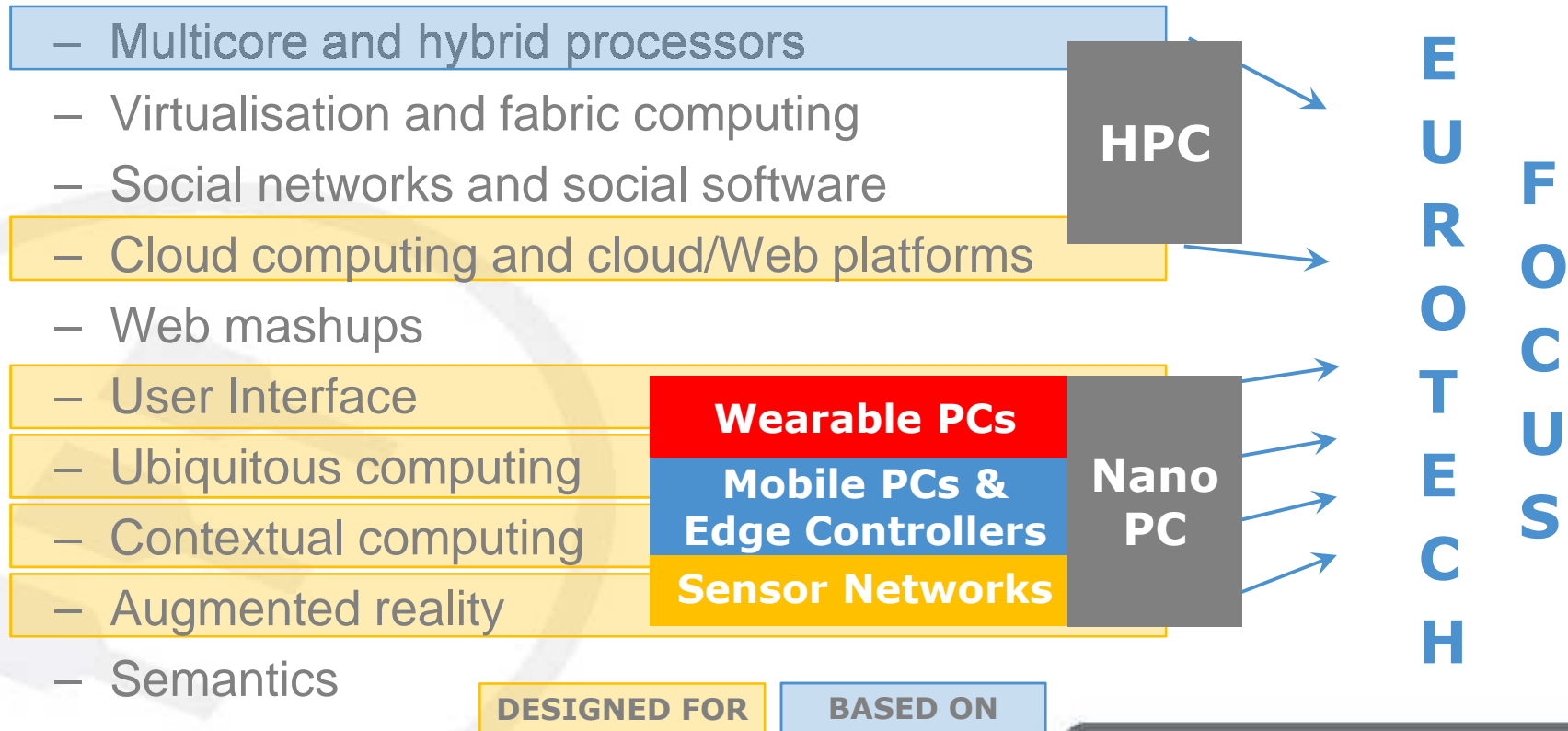
- Defence industry is paramount for US economy
 - A proof: New Administration has increased 2009 budget by 4%
- Medical, Healthcare, Eldercare will all be countercyclical
 - An example: Government's recovery plan include \$20 billion to computerize medical records
- Huge public spending will fuel transportation market
 - An example: China is starting to spend hundreds of billions of dollars on new highways, railroads and other infrastructure projects to carry the modernity of China's coasts deep into the hinterlands

Big Crisis, Big Opportunities

- Crisis will accelerate **Embedded market consolidation**: small-mid players will suffer (or die), top players will grow
 - Eurotech is already in the top 10
- Small companies will not have/find financial resources necessary to handle big orders
 - We have cash

Top 10 disruptive technologies from 2008 to 2012

- **Gartner** – the world's leading information technology research and advisory company – has identified **top 10 technologies** that will cause major changes in 'the accepted way of doing things' between 2008 and 2012:

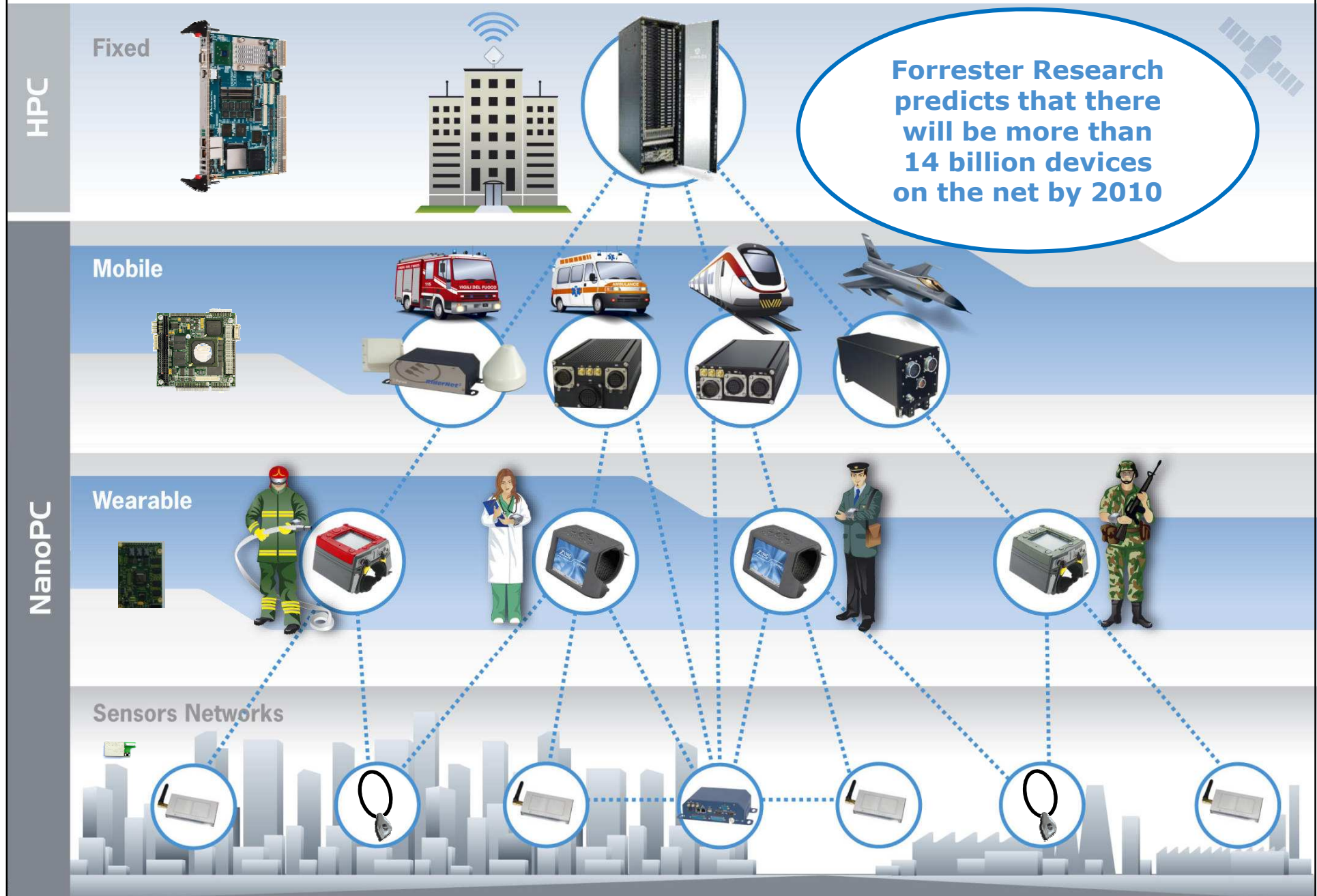


Pervasive Internet & Smart Services

- “Visionary product manufacturers and service companies are already using **embedded computing and networking technologies** to deliver smart, remotely monitorable goods that will support entirely new modes of customer-interaction and service delivery.”
- “The emergence of the **Pervasive Internet** is unleashing an age of continuous “always-on” connectivity in which every connected product turns its manufacturer into a new kind of service business we have named **Smart Services**.”
- “Leading companies in the service and manufacturing industries are looking at the Pervasive Internet and Smart Services for near term adoption because of **compelling economic and ROI potential**.”

“Pervasive internet & smart services market forecast”, Harbor Research, 2009

Eurotech's Products in the Pervasive Computing Scenario



FINANCIAL HIGHLIGHTS – FY2008



CONSOLIDATED INCOME STATEMENT

	FY 2007	%	FY 2008	%	2007 adjusted	%	2008 adjusted	%
OPERATING RESULTS €'000								
SALES REVENUES	76.537	100,0%	91.731	100,0%	76.537	100,0%	91.731	100,0%
GROSS PROFIT	38.113	49,8%	50.411	55,0%	38.627	50,5%	52.090	56,8%
EBITDA	1.897	2,5%	5.921	6,5%	2.411	3,2%	7.796	8,5%
EBIT	(4.114)	-5,4%	(13.524)	-14,7%	(563)	-0,7%	3.325	3,6%
PROFIT (LOSS) BEFORE TAXES	(4.159)	-5,4%	(15.679)	-17,1%	(347)	-0,5%	2.912	3,2%
GROUP NET PROFIT (LOSS) FOR THE PERIOD	(4.922)	-6,4%	(12.708)	-13,9%	(2.596)	-3,4%	(378)	-0,4%

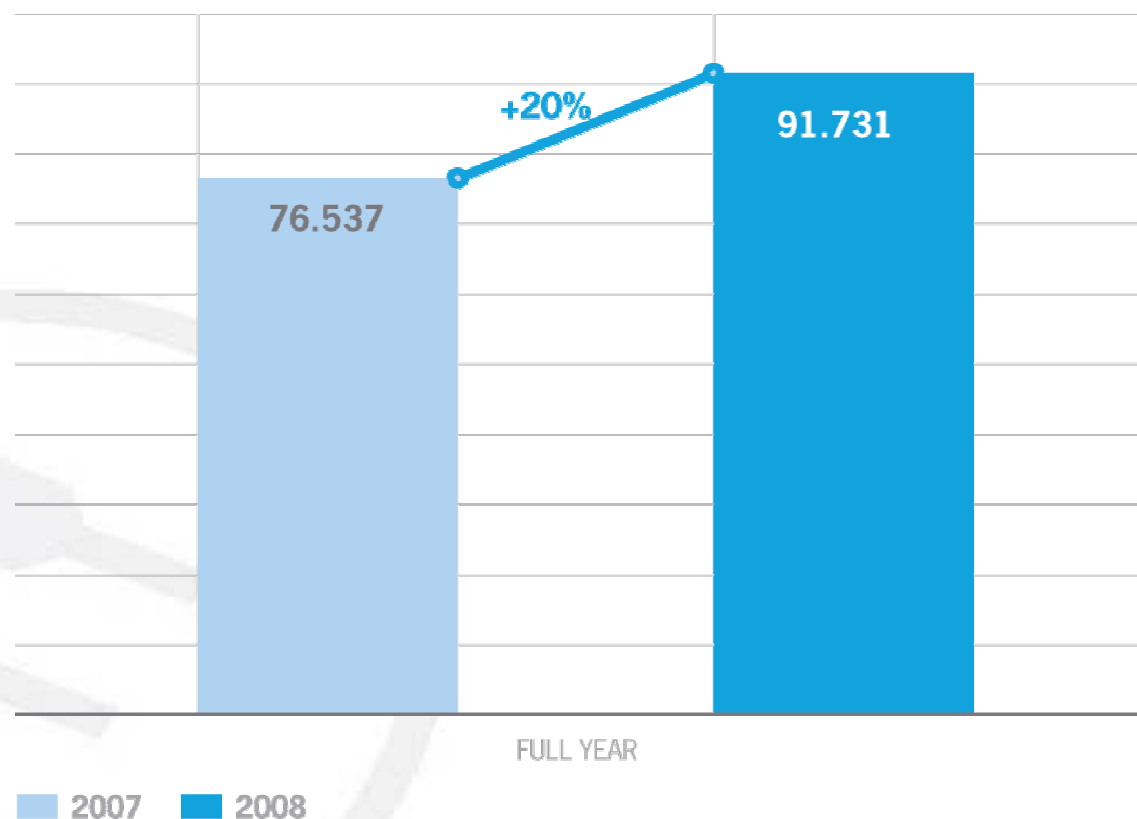
CONSOLIDATED BALANCE SHEET

(€'000)	at December 31, 2007	at December 31, 2008
ASSETS		
Intangible assets	111.918	114.399
Property, Plant and equipment	6.737	7.885
Investments in affiliates companies	109	875
Investments in other companies	930	249
Deferred tax assets	1.802	1.533
Other non-current assets	630	749
Total non-current assets	122.126	125.690
Inventories	22.129	19.783
Contracts in progress	2.364	383
Trade receivables	18.807	22.063
Income tax receivables	2.203	4.124
Other current assets	2.793	2.792
Other current financial assets	0	719
Derivative instruments	82	0
Cash & cash equivalents	56.604	38.684
Total current assets	104.982	88.548
Total assets	227.108	214.238

(€'000)	at December 31, 2007	at December 31, 2008
LIABILITIES AND EQUITY		
Share capital	8.879	8.879
Reserves	117.510	137.888
Net profit (loss) for period	(4.922)	(12.708)
Group shareholders' equity	121.467	134.059
Minority capital and reserves	2.549	3.184
Minority profit (loss) for period	(84)	230
Equity attributable to minority interest	2.465	3.414
Total shareholders' equity	123.932	137.473
Medium-/long-term borrowing	34.172	24.654
Employee benefit obligations	1.512	1.742
Deferred tax liabilities	15.055	12.556
Other non-current liabilities	1.345	1.921
Business combination liabilities	15.864	8.049
Total non-current liabilities	67.948	48.922
Trade payables	14.506	15.207
Short-term borrowing	9.787	5.782
Derivative instruments	0	346
Income tax liabilities	2.112	1.461
Other current liabilities	5.581	5.047
Business combination liabilities	3.242	0
Total current liabilities	35.228	27.843
Total liabilities	103.176	76.765
Total liabilities and equity	227.108	214.238

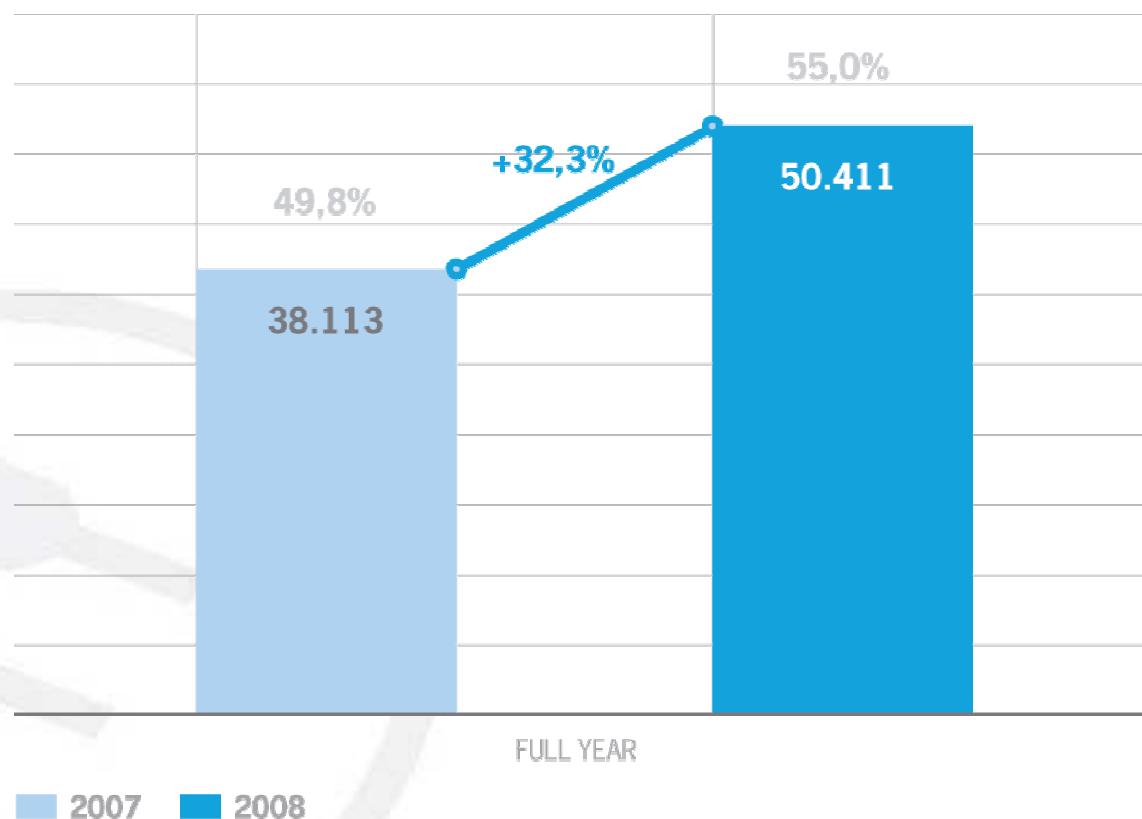
REVENUES

31 December 2007-2008 (€/000)



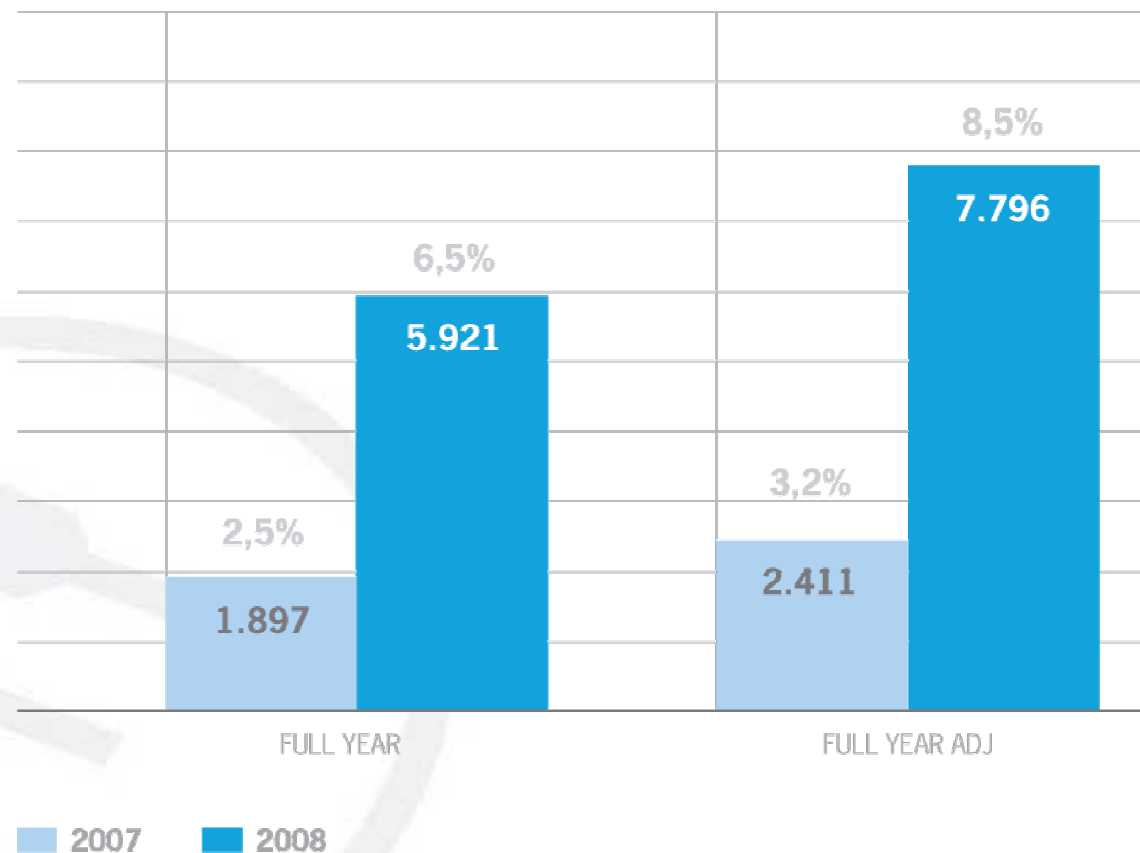
GROSS PROFIT MARGIN

31 December 2007-2008 (€/000)



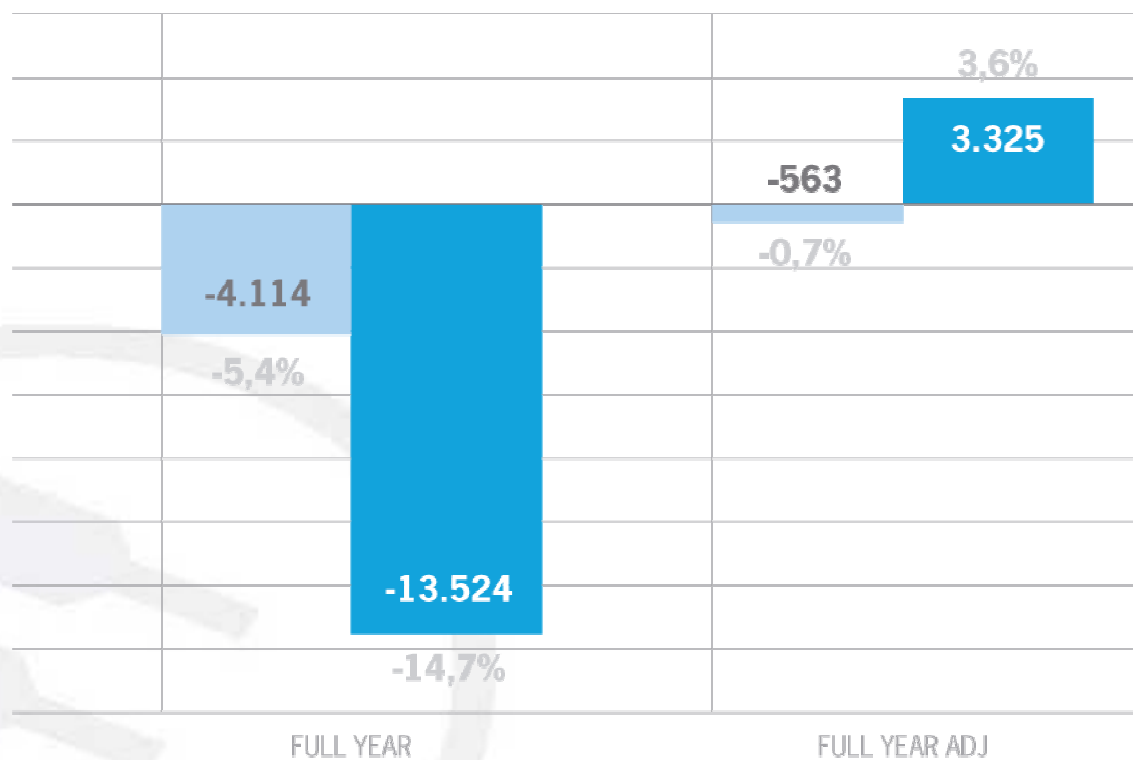
EBITDA

EBITDA & EBITDA adj, 31 December 2007-2008 (€/000)



EBIT

EBIT & EBIT adj, 31 December 2007-2008 (€/000)

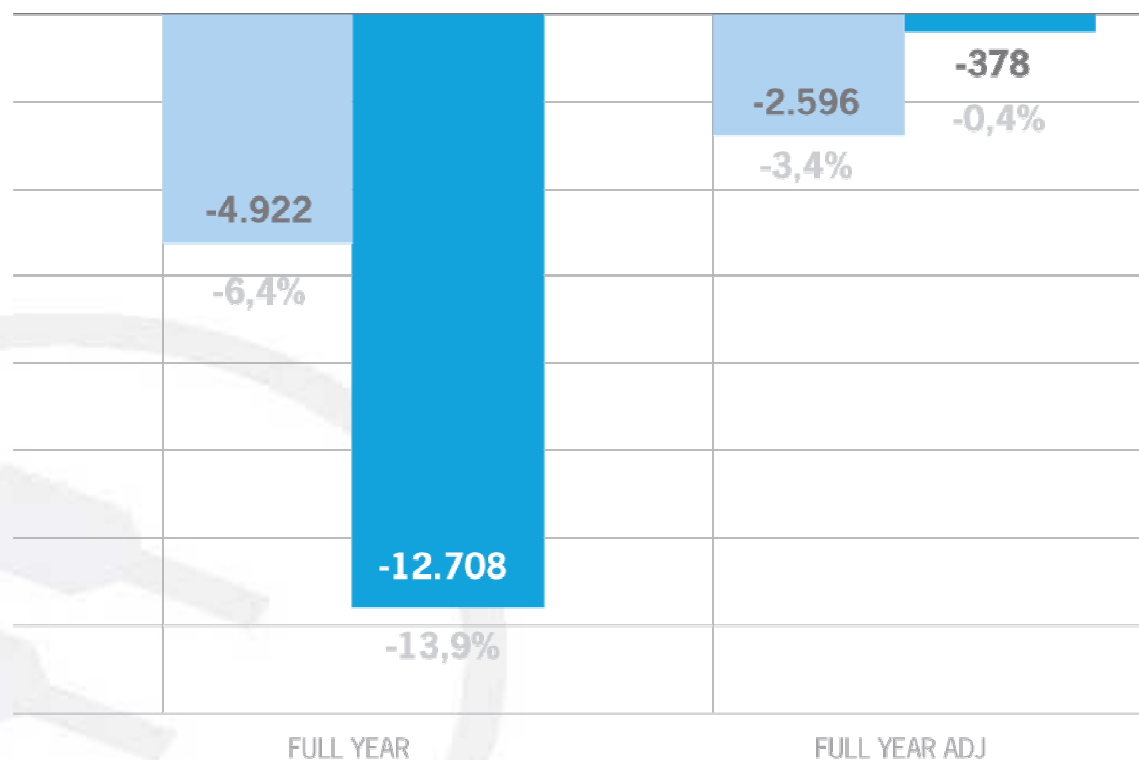


Non-monetary
effect of ADS
and Arcom
brands write-off
equal to 10.8M€

2007 2008

GROUP's NET RESULT

Group's net results & Group's net results adj, 31 December 2007-2008 (€/000)

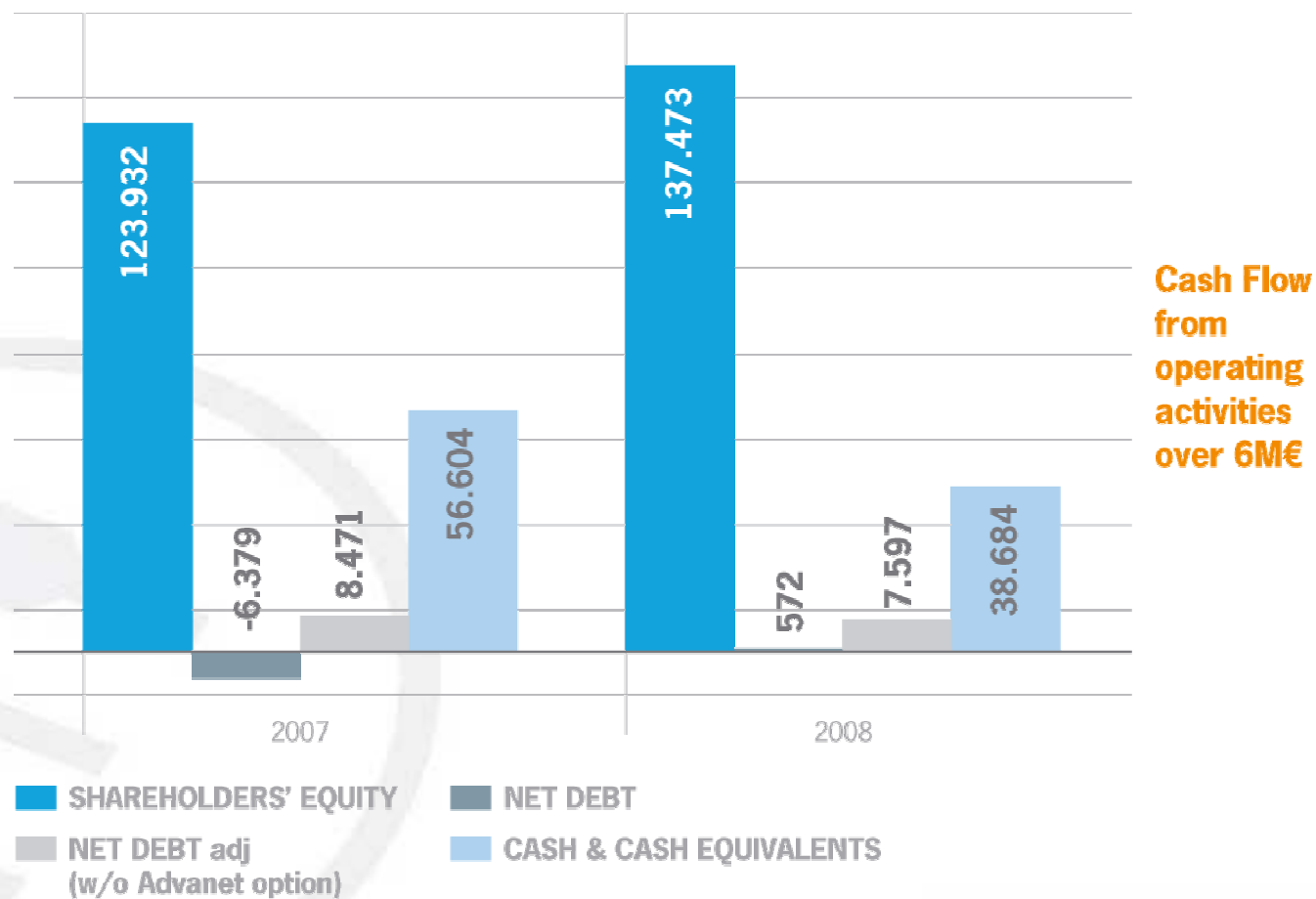


**Non-recurring
and non-monetary
effects totalling
12.33M€**

2007 2008

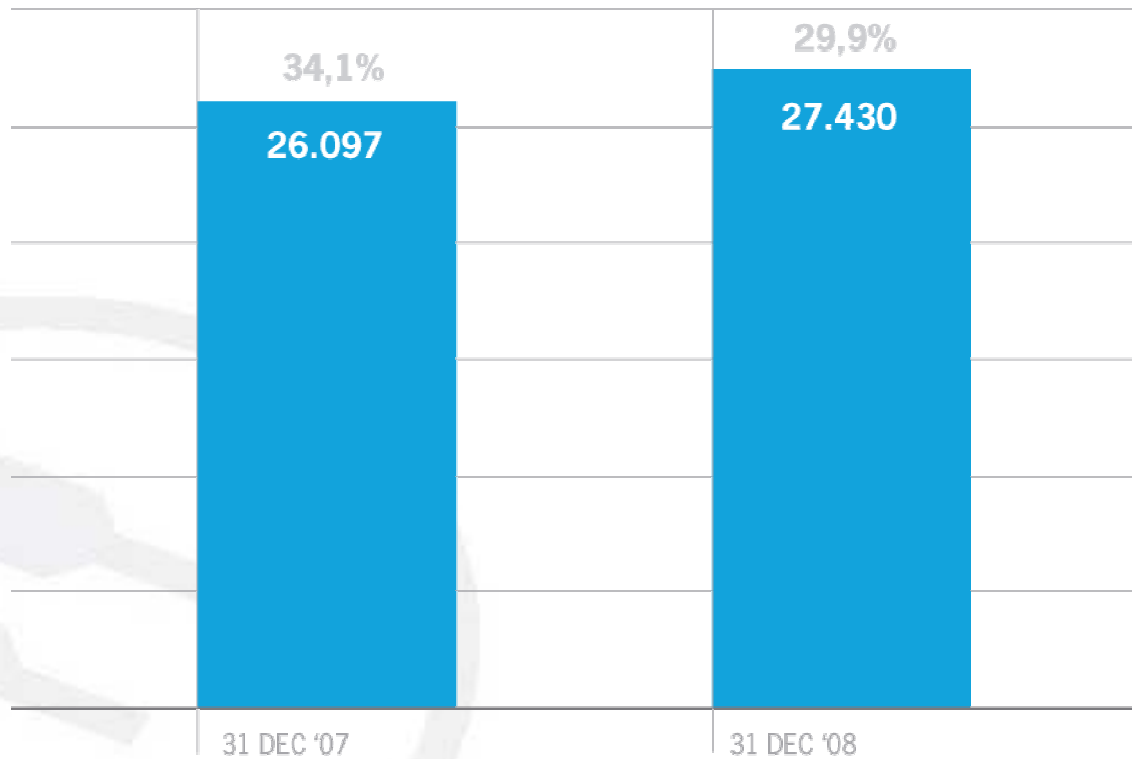
EQUITY, CASH AND NET DEBT

EQUITY, CASH AND NET DEBT , 31 December 2007-2008 (€/000)



NET WORKING CAPITAL

31 December 2007-2008 (€/000)



Q4 is historically the strongest quarter of the year, so NWC is higher at year end

THANK YOU

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

George Bernard Shaw

