

Eurotech Group Introduction

DIGITAL TECHNOLOGY FOR A BETTER WORLD
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EUROTECH
G R O U P

03. 2008

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 **COMPANY OVERVIEW**

 **PRODUCT PORTFOLIO**

 **STRATEGY & FUTURE**

 **CONCLUSION**

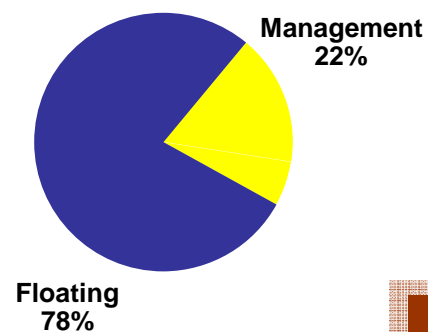
Speakers :

 **ROBERTO SIAGRI PRESIDENT & CEO**

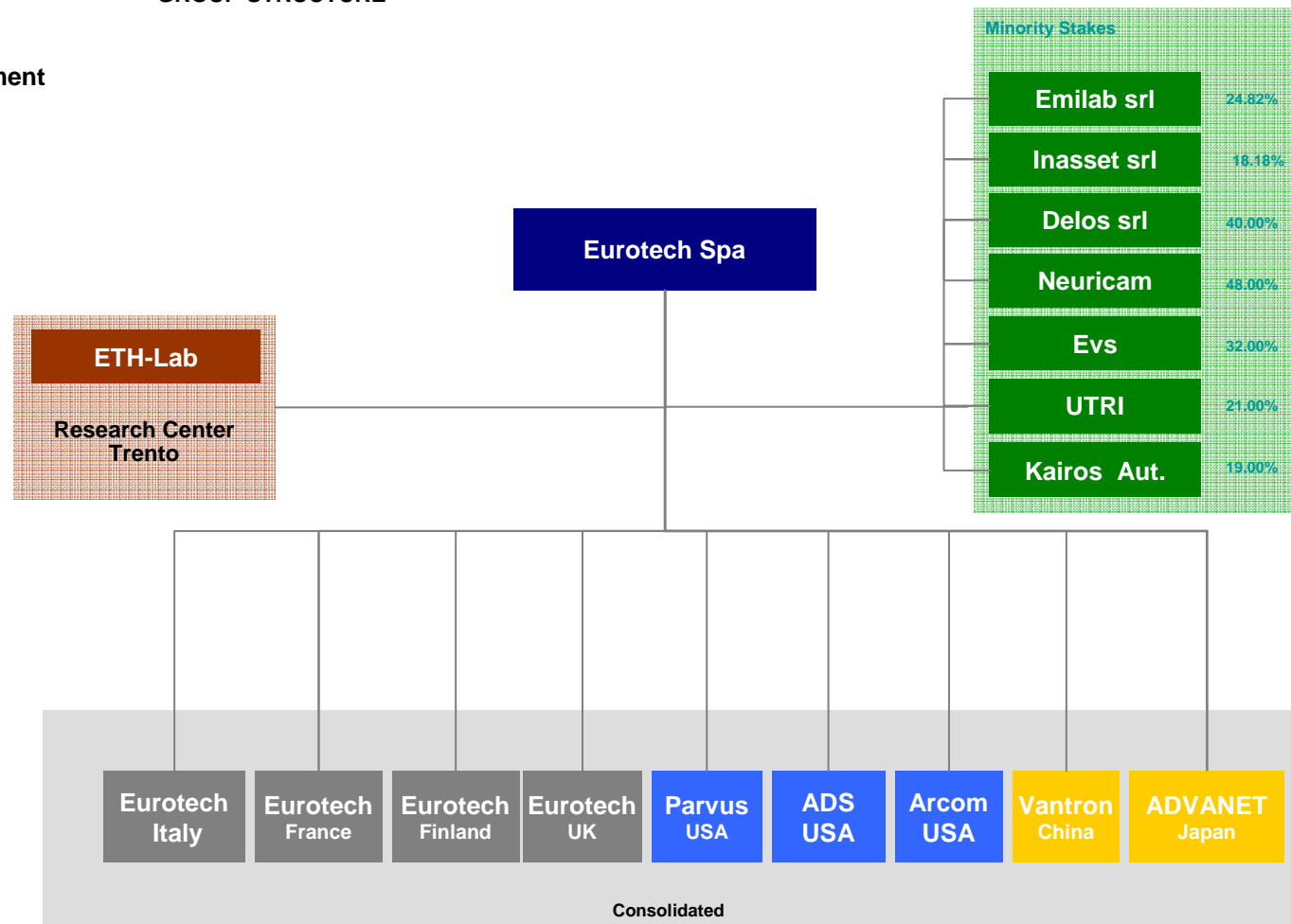
 **MASSIMO MAURI VICE PRESIDENT**

Ownership & Group Structure

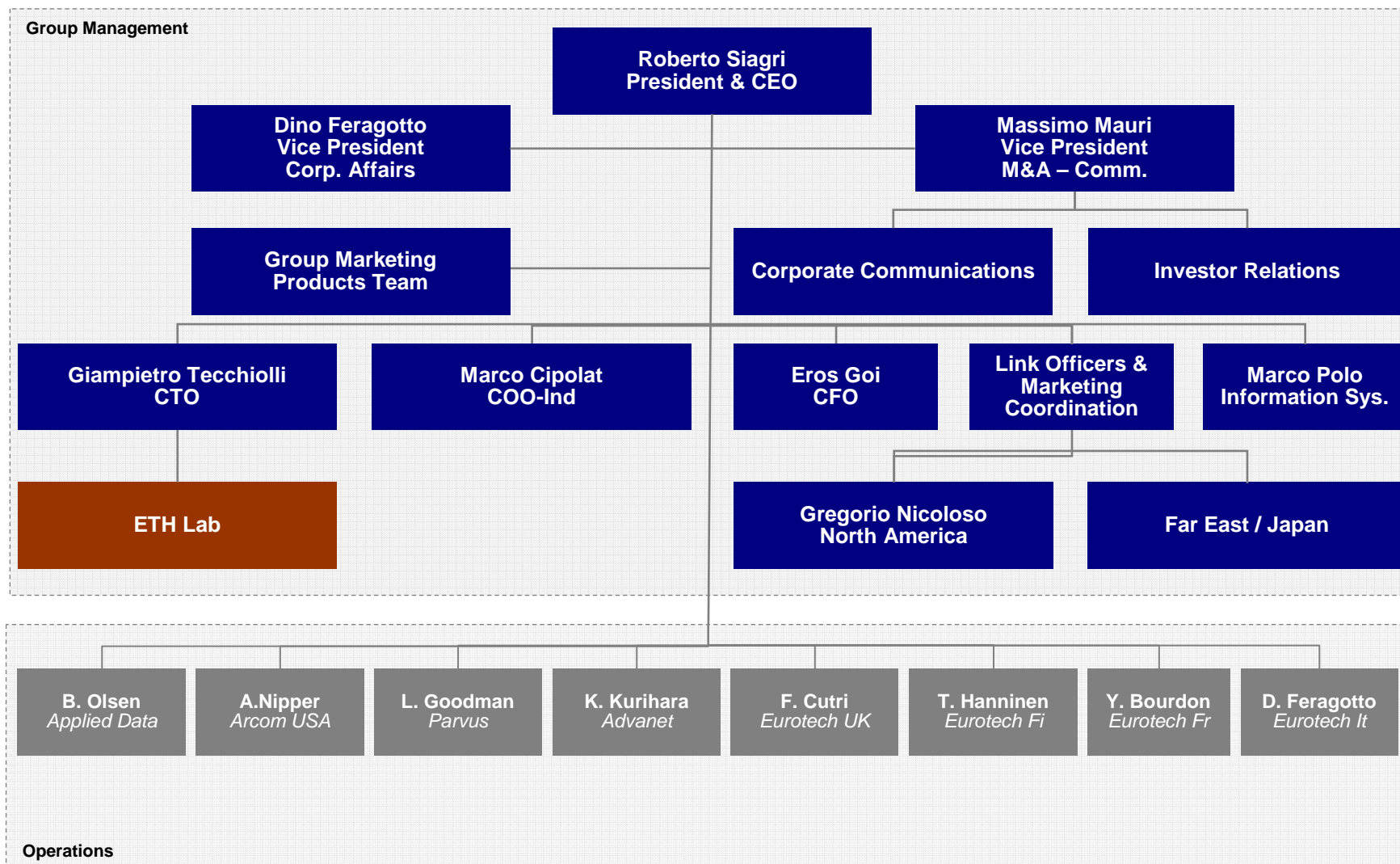
OWNERSHIP



GROUP STRUCTURE

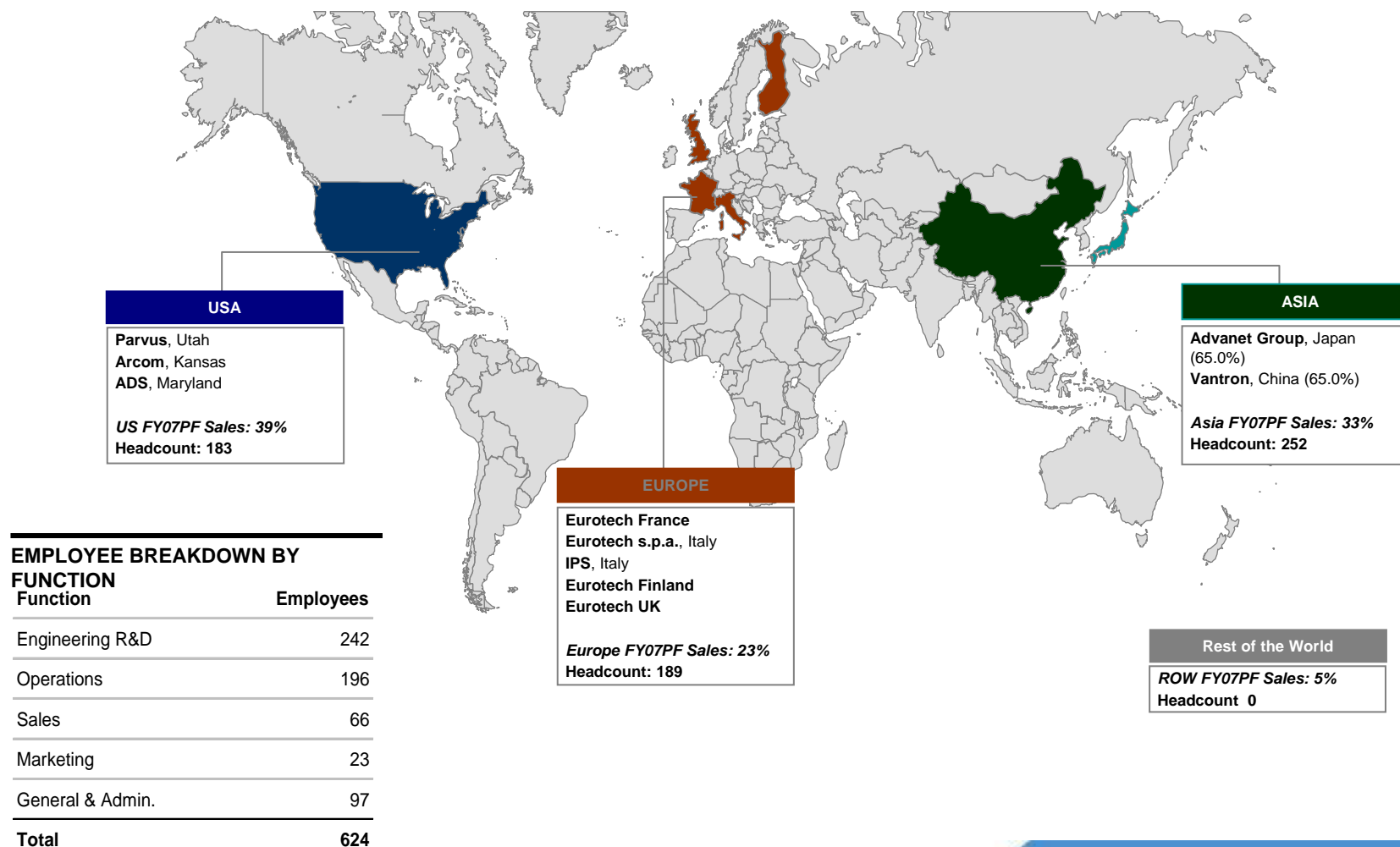


Management Team



Geographic Footprint

Operations in Three Principal Markets (US, Europe and Asia)



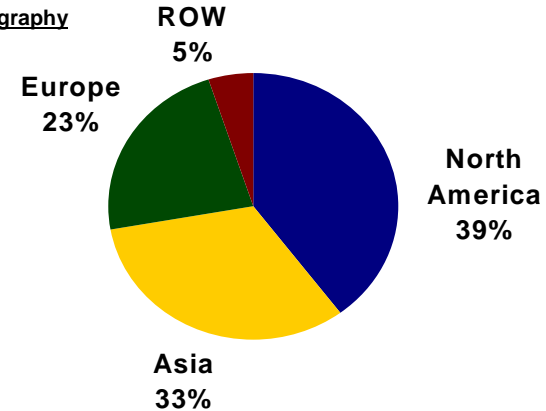
Overview

Leading Player in Field of Pervasive Computers

- ◆ Eurotech researches, designs, manufactures and sales **embedded PC**.
- ◆ The company also produces high performance computers (**HPC**)
- ◆ Eurotech has grown rapidly through **strategic acquisitions**:
 - ◆ **ARCOM ,ADS and Advanet**
- ◆ The Company currently has:
 - **Strategic partnership** with
 - **Finmeccanica**
 - **Technology partnerships** with
 - **Cisco, IBM and Intel**

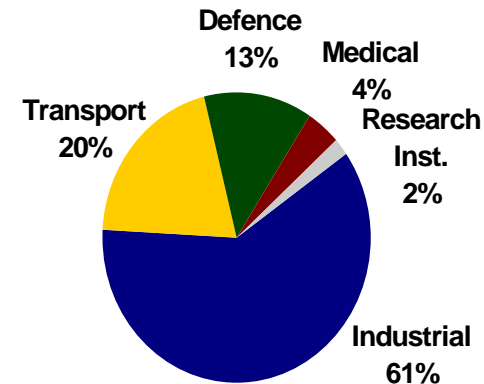
FY07PF SALES

By Geography



FY07PF⁽⁵⁾ Sales:
€102m

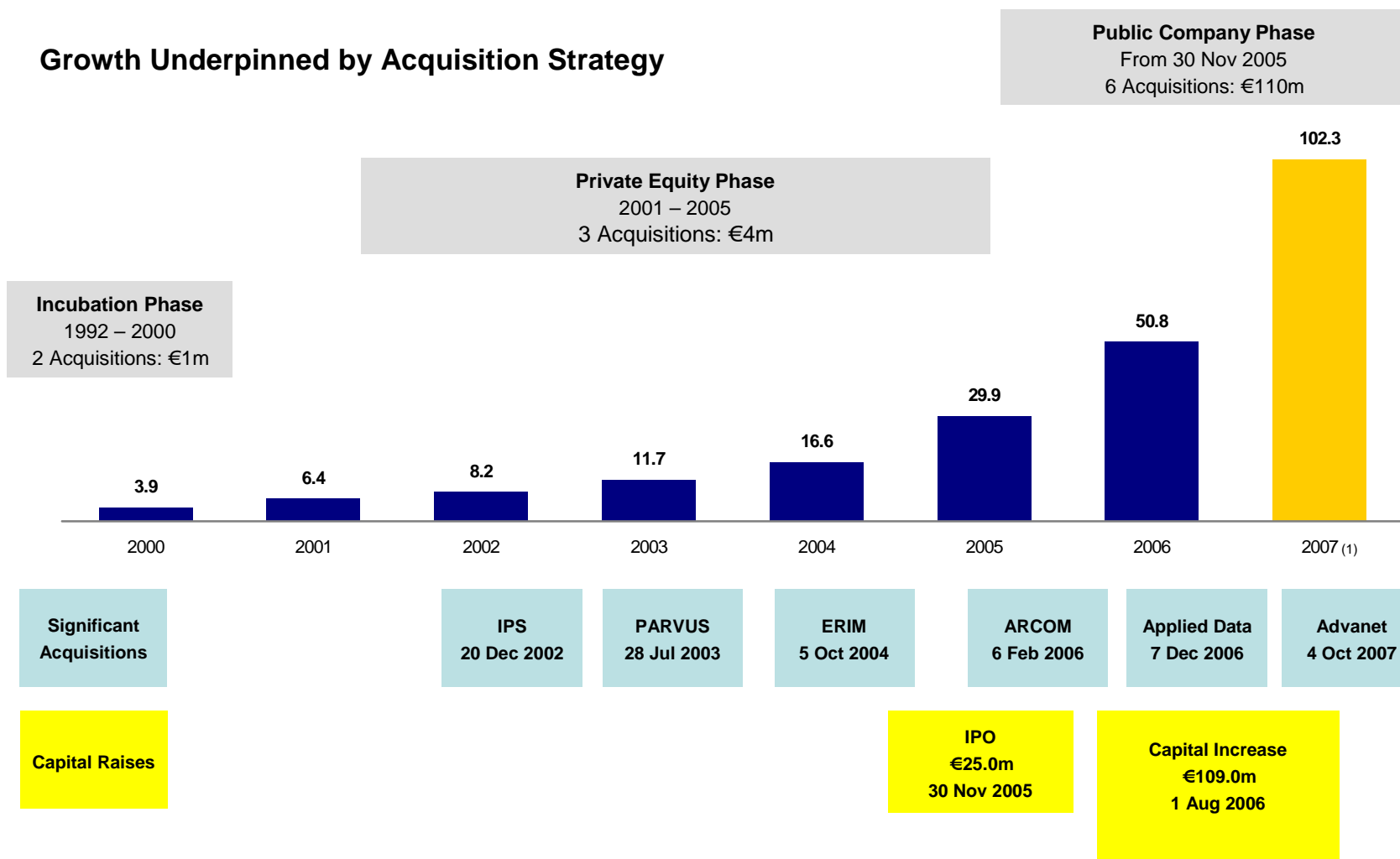
By End Market



(5)

History

Growth Underpinned by Acquisition Strategy



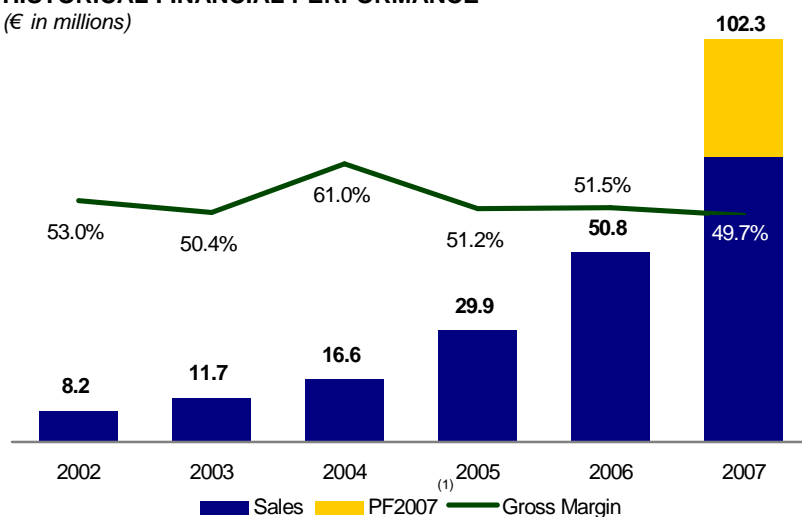
Financial Overview

INCOME STATEMENT

(€ in millions)	31/12/2005	31/12/2006	31/12/2007	FY2007PF ⁽¹⁾
Sales	29.9	50.8	76.5	102.3
Gross profit	15.3	25.5	38.1	53.6
EBITDA	3.3	2.4	1.8	8.8
D&A ⁽²⁾	1.0	2.7	5.9	7.3
EBIT	2.3	(0.3)	(4.1)	1.5
Profit before tax	2.0	1.9	(3.9)	NA
Group net profit (loss)	1.1	0.6	(3.2)	NA
Diluted EPS	€ 0.10	€ 0.02	(€ 0.09)	NA

HISTORICAL FINANCIAL PERFORMANCE

(€ in millions)



BALANCE SHEET

(€ in millions)	31/12/2005	31/12/2006	31/12/2007
Current assets	17.4	27.7	50.8
Current liabilities	13.7	17.7	26.5
Net working capital	3.7	10.0	24.3
Total assets	52.9	182.8	228.6
Total liabilities	19.9	42.0	89.2
Net asset value	33.0	140.8	139.4
Short-term borrowing	2.6	3.8	10.0
Medium-/long-term borrowing	2.6	15.9	34.2
Cash & cash equivalents	25.6	119.6	56.6
Net debt / (Cash)	(20.3)	(99.9)	(12.5)

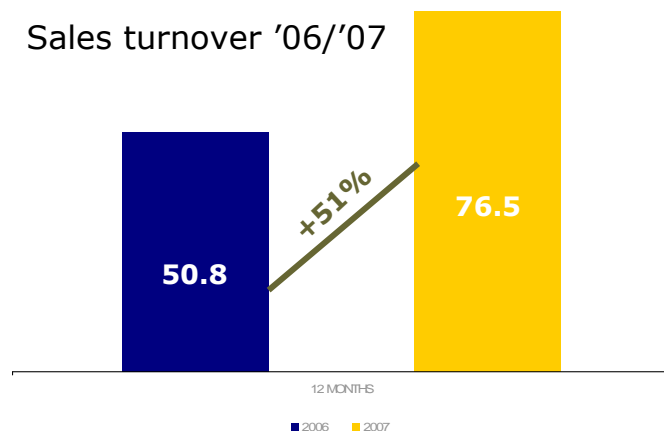
KEY RATIOS

	31/12/2005	31/12/2006	31/12/2007
Sales Growth	79.3%	70.0%	50.8%
Gross margin	51.2%	50.2%	49.7%
EBITDA margin	11.0%	4.7%	2.3%
Gearing ⁽³⁾	Net Cash	Net Cash	Net Cash
Capex as % of sales	7.7%	8.0%	NA

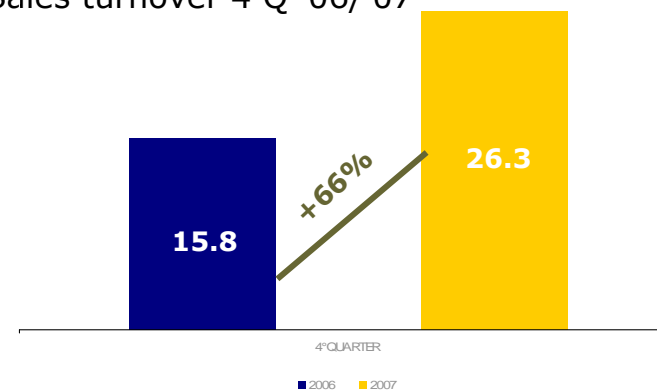


Selected Financial

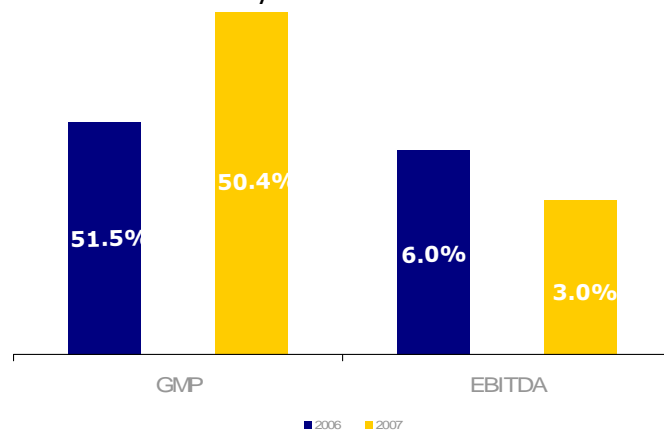
Sales turnover '06/'07



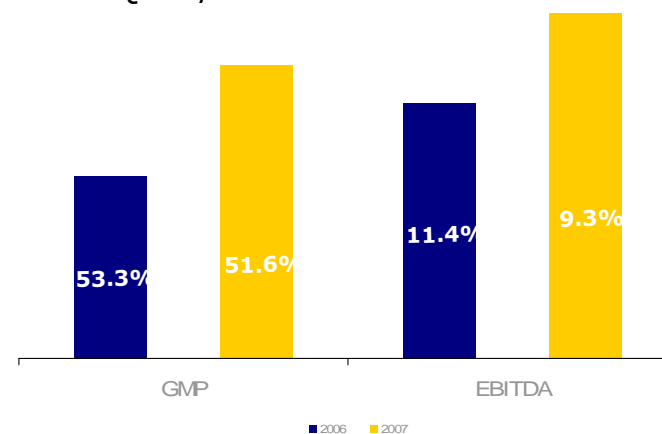
Sales turnover 4 Q '06/'07



GPM EBITDA '06/'07



GPM EBITDA 4Q '06/'07



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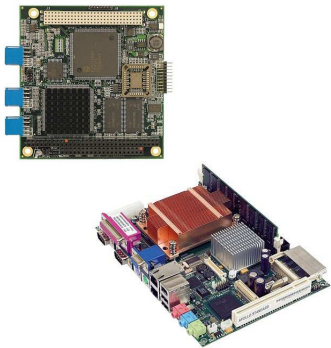
Speakers :

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 **MASSIMO MAURI VICE PRESIDENT**

Business Portfolio

NanoPC



**BOARDS,
MODULES &
SENSORS**

WEARABLE PC



MOBILE PC

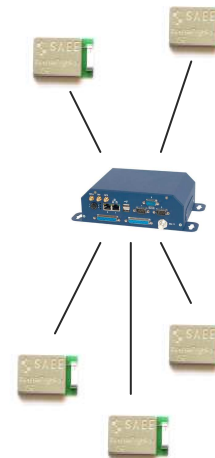


STATIC PC



AR PLATFORMS & R2U DEVICES

**SENSOR
NETWORKS**



**STATIC HPC
MOBILE HPC**



Pervasive Computing Platform Products



Product Applications and Customers

Sector	% of 2007PF Revenue	Products	Main Customers
INDUSTRIAL	61%	<ul style="list-style-type: none"> ■ Appliances Wearable Computers, Passenger Counters, WAN Optimisers, Cellular Routing Modems ■ Stationary Computers Wall-Mount Computers, Rack Computers, PCI Add-on Boards, Panel Computers, LCD Industrial Monitors ■ Embedded Boards 	    
TRANSPORT	20%	<ul style="list-style-type: none"> ■ Appliances Wearable Computers, Passenger Counters, Mobile Access Routers, Mobile Wi-Fi Hotspots ■ Mobile Computers Mobile Compact Computers, Mobile Stack 104 Computers ■ Embedded Boards 	   
DEFENCE	13%	<ul style="list-style-type: none"> ■ MIL/COTS Solutions Networking subsystems, Wearable Computers, Mobile Computers, Rugged Display ■ Custom Development Cockpit Operator Panel, Manpack radio, Flight Test Display etc. ■ Embedded Boards 	     
MEDICAL	4%	<ul style="list-style-type: none"> ■ Magnetic Resonance Imaging ■ Computerised tomography ■ X-Ray equipment 	  
RESEARCH INSTITUTES	2%	<ul style="list-style-type: none"> ■ HPC 	  



Customer Case Studies



Train Audio Matrix: Public address

- Voice/Message communication/distribution in all the new Train
- IP65 HMI with ISDN communication interface



Pipeline monitoring

- Advanced Control System
- Monitors pipeline data for maintenance e billing



Customer Case Studies



- **Portable Computer for digital Radio**
- **for Radio Video link processing**
- **Application: UAV radio link**



BAE SYSTEMS

- **Improved Operator Control Panel (IOCP)**
- **1 ATR Cockpit Computer and Display**
- **Application: EA-6B Prowler**



Customer Case Studies



Agilent Technologies

Instrumentation, Test & Measurement

- One program grew into three with other groups
- Semi-custom spin



Medical

- Adaptable for home health market
- Power thrifty
- Ruggedized



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Vision: Digital Technologies for a better World

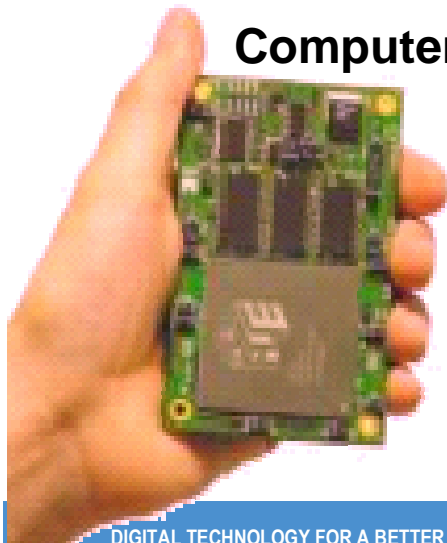


Mark Weiser

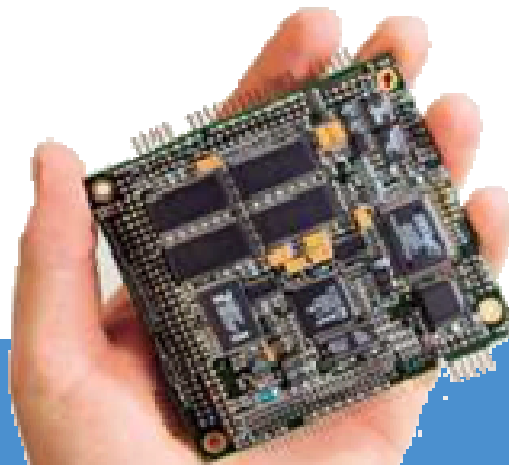
“ The **most profound technologies** are those that **disappear**. They weave themselves into the **fabric of everyday life** until they are **indistinguishable from it** ”

"The Computer for the 21st Century", Scientific American - 1991

Computer on board



System on board



Computer “mote”



The Scenario :

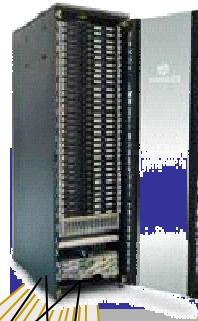
PERVASIVE Computing GRID

"Someday soon,
more than one million
businesses will be connected
to more than one billion
people by one trillion
devices"

L.V. Gerstner

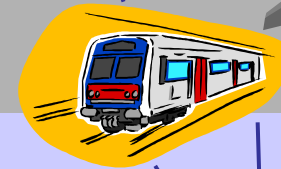
GRID

"It's already
beginning to happen ...
But we'll see even more
tremendous growth when
intelligence becomes embedded,
**when virtually everything
becomes a computing device**".



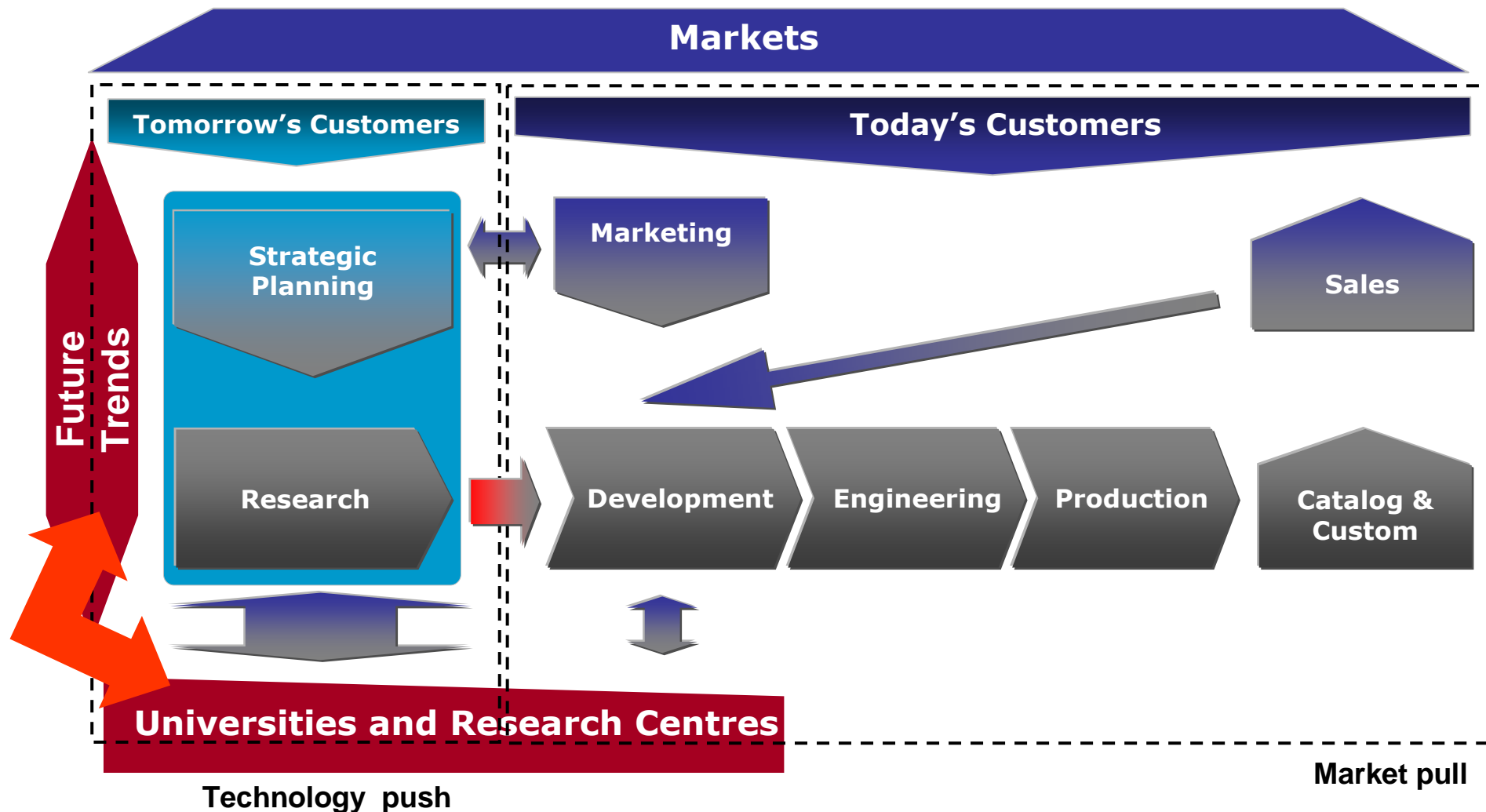
HPC

NanoPC



EUROTECH
GROUP

A BUSINESS MODEL propelled by INNOVATION

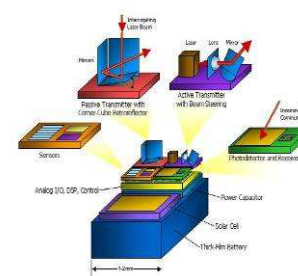
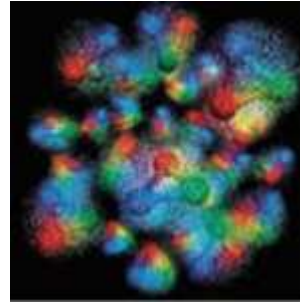


RESEARCH LINKS

Research Agreements

- Italian National Institute for Nuclear Physics (INFN)
- University of Bologna (Electronic Engineering Dept.)
- University of Milano-Bicocca
- European Centre for Theoret. and Nuclear Phys. of Trento
- Udine University (DIEGM)
- Trieste University (Physics Dept.)
- University of Trento
- University of Pisa (Informatics Dept.)

- IIT of Mumbai
- University of Kent at Canterbury
- University of Wales at Newport
- University of Westminster at London
- University of Paris-Sud at Orsay
- University of Bielefeld
- DESY Lab at Berlin
- University of Zaragoza



HPC
Pervasive Computing
HPC
HPC
Pervasive Computing
Quantum Computing
Pervasive Computing
HPC

Pervasive Computing
Pervasive Computing
Pervasive Computing
Pervasive Computing
HPC
HPC
HPC
HPC



SAVING LIFE

➤ HEALTHCARE



➤ TOURISM

DISCOVERING NEW WORLDS

New frontiers for wearable computing

ZYPAD

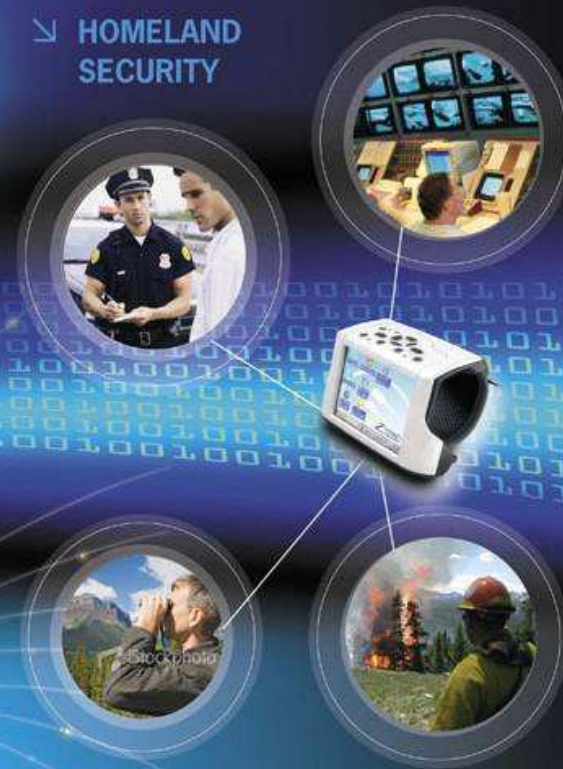


ENHANCE YOUR EXPERIENCE OF THE WORLD

- Ergonomic design
- Hands free operations
- High computing capacity

BEING SAFER

➤ HOMELAND SECURITY



➤ AMBIENT MONITORING

➤ FOREST SERVICE



Zypad family: Wrist Wearable Computer

- Zypad WL1100

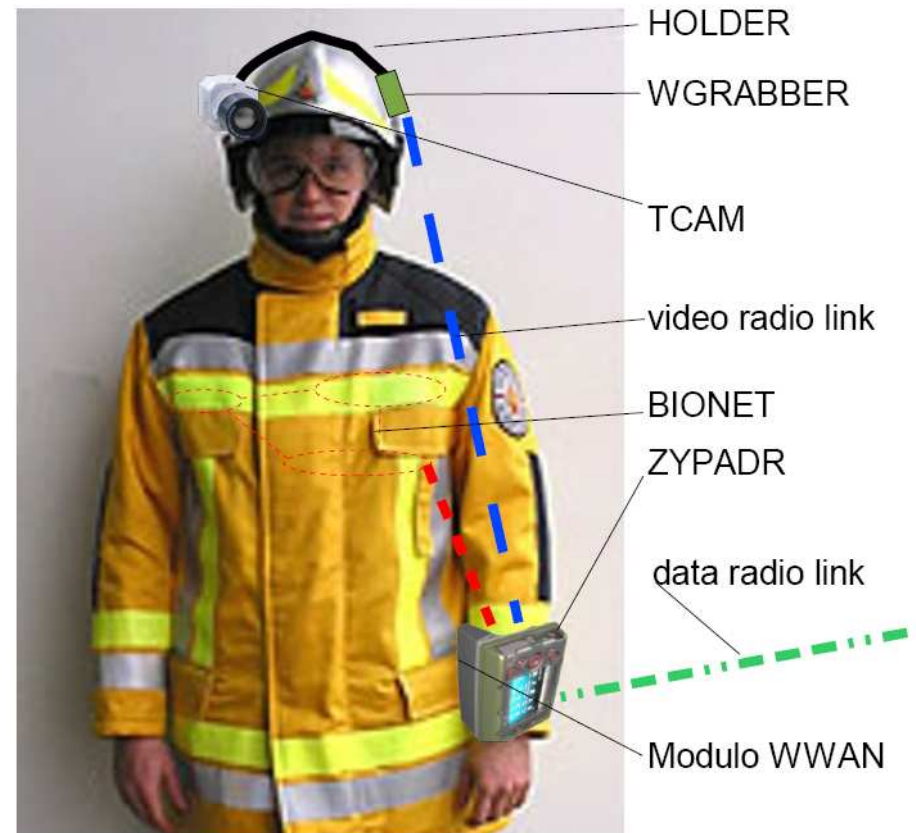


- ④ Zypad WR1000 (samples 1Q '08, production expected for 3Q '08)

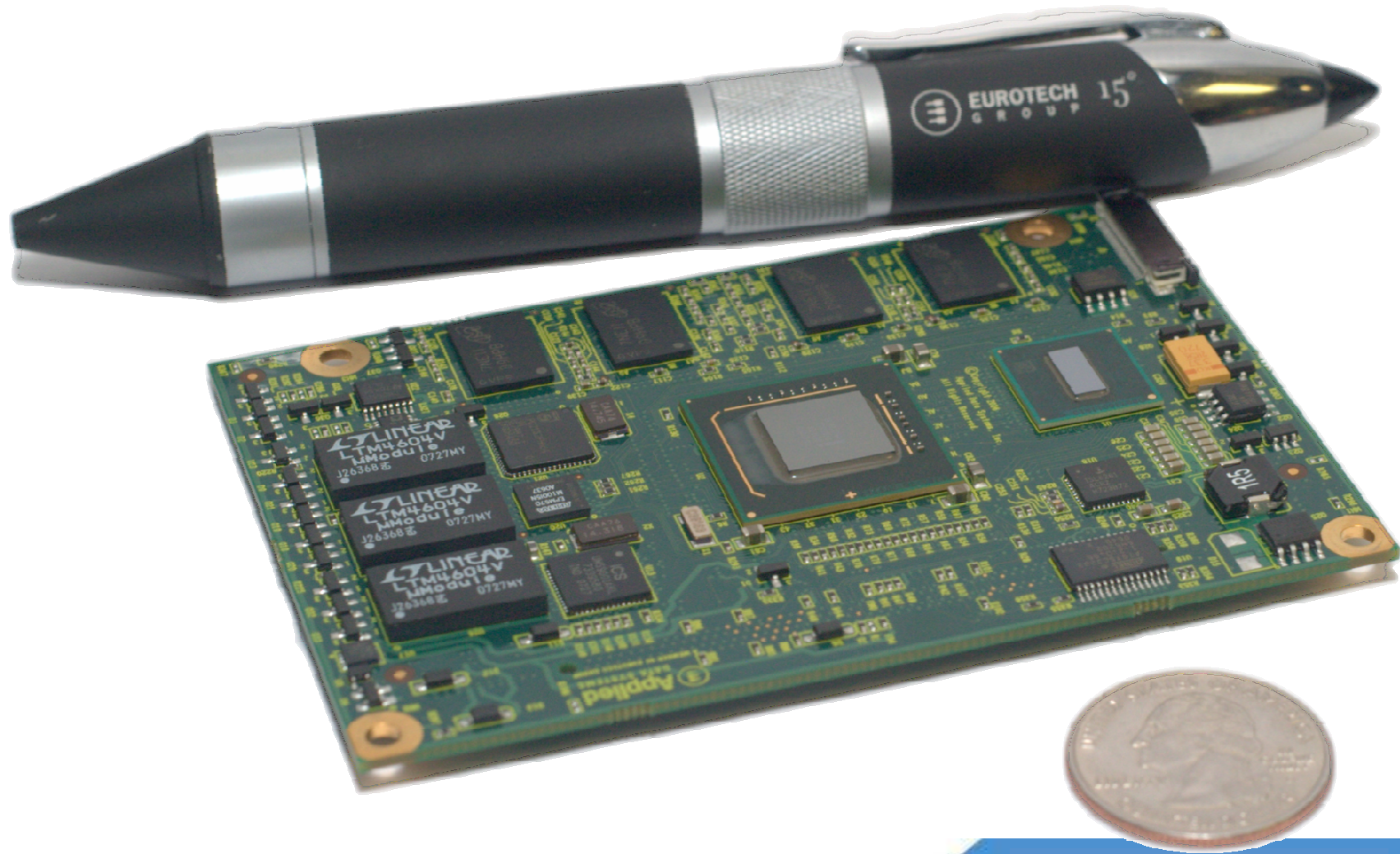


Zypad-R

- FVG Civil Protection



Catalyst Module



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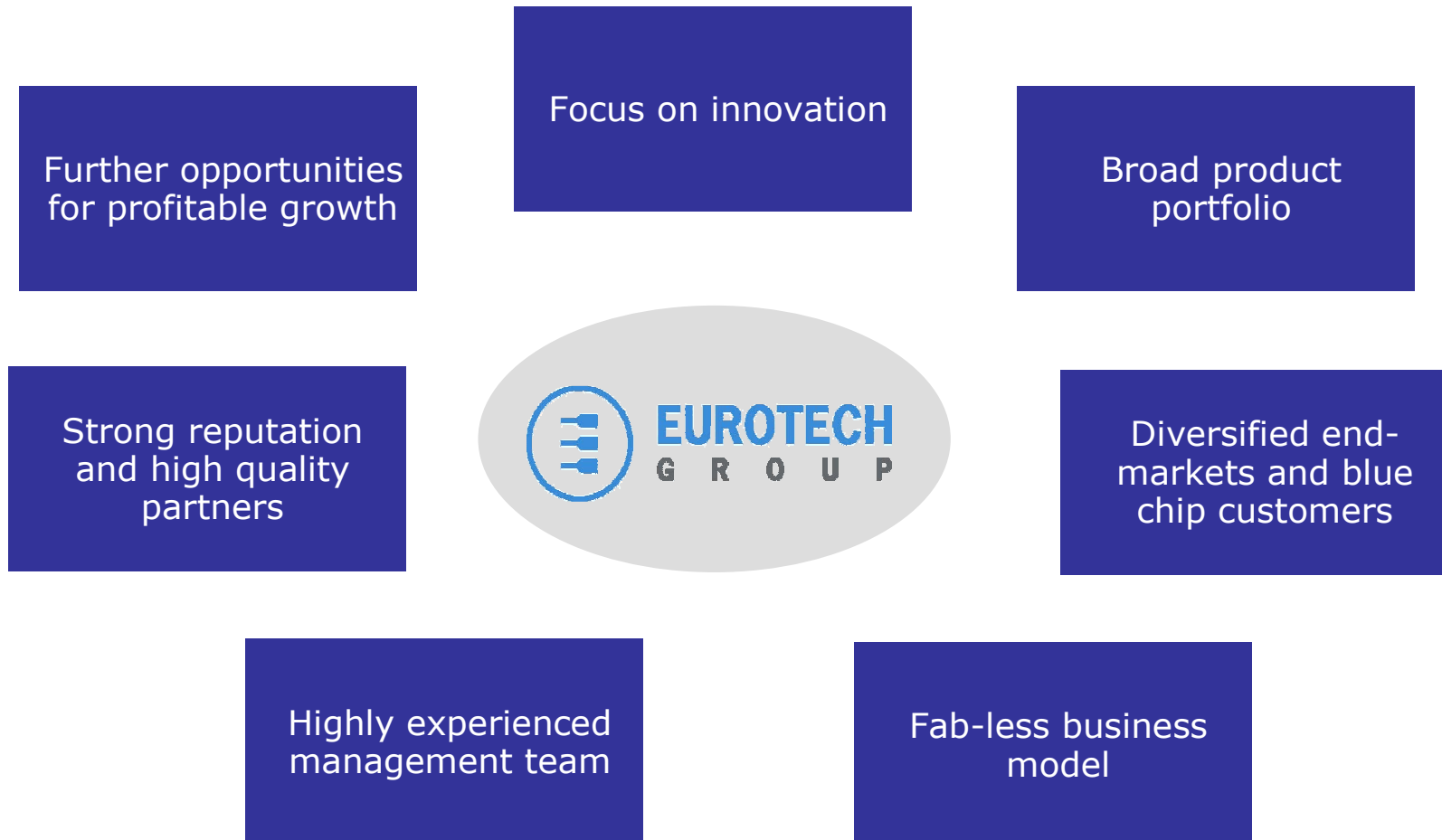
 **CONCLUSION**

Speakers :

 **ROBERTO SIAGRI PRESIDENT & CEO**

 **MASSIMO MAURI VICE PRESIDENT**

Key Investment Highlights



THANK YOU FOR YOUR ATTENTION













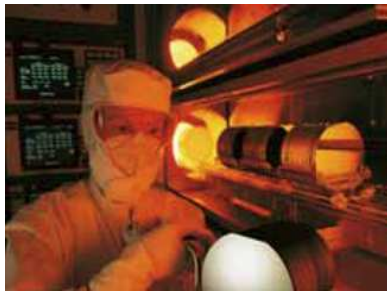
"The future belongs to those who believe
in the beauty of their dreams."

Eleanor Roosevelt








Product Portfolio




Unique Range of Embedded Products, Technologies and Solutions

PRODUCTS			TECHNOLOGIES
BOARDS & MODULES	APPLICATION READY PLATFORMS (ARP)	READY TO USE PRODUCTS (R2U)	
<ul style="list-style-type: none"> VME CPUs, Communication and I/O boards CompactPCI CPUs, Communication and I/O boards CompacPCI Express CPUs PMC I/O and Communication mezzanine PC/104 CPUs, I/O and Communication Modules EBX CPUs boards EPIC CPUS boards CommExpress CPU module Other Proprietary Form Factor for CPUs Modules (Bitsy, Catalyst, etc..) 	<ul style="list-style-type: none"> DURACOR: Rugged Mil spec Embedded M2M computer DURAVIS: Rugged Mil spec Display DURACOR: Rugged Embedded Computer for Transportation DURANAV: Low cost Embedded computer for AVL/AVM application. Wearable computers: standard and rugged Stack-104: modular PC/104 ICE family 19" boxes Industrial PC and Panel PCs ZigBee GP sensor interface 	<ul style="list-style-type: none"> Wearable Computer : standard and rugged Network Appliances (switch, wireless router,taglia banda. Link managers, mobile wireless router) People/Passenger counter Mobile wireless modem Mobile Access Routers Rugged switches and hubs ZigBee data logger and bridges HPC 	<ul style="list-style-type: none"> Introduction High Speed Digital Hardware Design Low power and ultra-low power Mechanical and Electrical design for: <ul style="list-style-type: none"> Defence, Transportation, Industrial Environmental Protection EMI shielding Cooling Firmware design capabilities OS adaptation (BSP), Power management and Device drivers Dev. Tools and Middleware Application code <ul style="list-style-type: none"> TCP/IP Networking routing, shaping etc Video/Image Processing Stereo Image Processing Multimedia and IP-Video
<p><u>Compact PCI Bus Boards</u></p>  <p><u>VME Bus Boards</u></p>  <p><u>PMC Boards</u></p>  <p><u>PCI Bus Boards</u></p> 	<p><u>Industrial PC</u></p>  <p><u>DuraMar</u></p>  <p><u>DuraNet</u></p>  <p><u>DuraCor</u></p>  <p><u>DuraNav</u></p> 	<p><u>Zypad</u></p>  <p><u>PeopleCounter</u></p>  <p><u>RiderNet</u></p> 	

Group Companies – Europe



COUNTRY	COMPANY	OWNERSHIP	OVERVIEW	KEY CUSTOMERS
Italy	 EUROTECH GROUP www.eurotech.it	100%	<ul style="list-style-type: none"> ◆ Founded in 1992 ◆ Headquarters of group companies located in Amaro ◆ Designs and develops standard and bespoke embedded PCs and high-performance embedded systems ◆ Complete range of products and services, supplying a broad spectrum of industries, including transportation, telecommunications, security technologies, aerospace and manufacturing industries 	<ul style="list-style-type: none"> ◆ Alstom ◆ Bombardier ◆ Desy ◆ Finmeccanica ◆ INFN ◆ Lufthansa
UK	 EuroTech Ltd www.eurotech-ltd.co.uk	100%	<ul style="list-style-type: none"> ◆ Spin-off from Arcom ◆ Aims to penetrate new and emerging markets through innovative research to develop scalable industrial, mobile and wearable computer solutions ◆ Develops products from initial concept, through complete electronic, mechanical and software design, to extended lifetime support ◆ Engineering and support teams offer experience in hardware and system design, embedded operating systems and communications protocols 	<ul style="list-style-type: none"> ◆ Applied Materials ◆ BAE Systems ◆ General Dynamics ◆ Quinetic ◆ Selex Com Airborne
Finland	 EuroTech Oy www.eurotech.fi	100%	<ul style="list-style-type: none"> ◆ Regional coverage function for: <ul style="list-style-type: none"> • Nordic countries • Russia and CIS • South and South East Asia • China and Korea 	<ul style="list-style-type: none"> ◆ Mainly regional and global system and software integrators, as well as OEMs
France	 EuroTech France www.eurotechfrance.fr	100%	<ul style="list-style-type: none"> ◆ Founded in 1981 ◆ Specialises in providing solutions for embedded PCs with an industrial focus ◆ Core products include <ul style="list-style-type: none"> • PC104 • "Stake" PC104 • Other systems and subsystems for military, industrial and transport applications 	<ul style="list-style-type: none"> ◆ Air Liquide ◆ Amesys ◆ Armee de l'Air Francaise ◆ Faiveley ◆ Secheron ◆ Thales
Italy	 EthLab	99.99%	<ul style="list-style-type: none"> ◆ Internal research centre of group ◆ Exploits worldwide network of scientific practitioners 	<ul style="list-style-type: none"> ◆ NA

Group Companies – US

COMPANY	OWNERSHIP	OVERVIEW	KEY CUSTOMERS
 www.arcom.com	100%	<ul style="list-style-type: none"> ◆ Founded in Cambridge, MA in 1982 ◆ One of the leading suppliers of standard, modified and custom solutions for embedded communication and control technology ◆ Offers a comprehensive range of industrial PC/104, EPIC, EBX and Eurocard format embedded PC and single board computer products based on x86 compatible and XScale RISC technology ◆ All the processor boards include embedded Flash memory and are supported by Flash File System software 	<ul style="list-style-type: none"> ◆ Agilent Technologies ◆ Hewlett Packard ◆ IBM ◆ J&J ◆ Sandia ◆ Siemens Energy ◆ US&S
 www.applieddata.net	100%	<ul style="list-style-type: none"> ◆ Founded in 1995 ◆ Offers off-the-shelf and bespoke embedded computer systems ◆ Extended product offerings within group, through expanded sales and partner channels in North America, EMEA, and Asia Pacific regions ◆ R&D focus on pervasive technology 	<ul style="list-style-type: none"> ◆ Agilent Technologies ◆ General Dynamics ◆ Government Agency "NSA" ◆ Medtronic ◆ Philips ◆ Tyco ◆ Voxware
 www.parvus.com	100%	<ul style="list-style-type: none"> ◆ Founded in 1983 ◆ Strategic systems engineering and development partner for aerospace, defence, transportation and industrial OEMs ◆ Specialises in the rapid design and production of turnkey embedded computing solutions for harsh environments (extreme temperature, vibration, impact, EMI/EMC). ◆ Extensive expertise in systems integration, electrical/mechanical design ◆ Complete line of rugged commercial-off-the-shelf (COTS) PC/104, PC/104-Plus, and PCI-104 computer boards and enclosures 	<ul style="list-style-type: none"> ◆ BAE Systems ◆ Boeing Company ◆ L-3 Communications ◆ Lockheed Martin ◆ Northrop Grumman ◆ Varian Medical

Group Companies – Asia

Asia

COUNTRY	COMPANY	OWNERSHIP	OVERVIEW	KEY CUSTOMERS
Japan	 Advanet Group www.advanet.co.jp	65%	<ul style="list-style-type: none"> ◆ Founded in 1981 ◆ A leading manufacturer of single board computers, I/O, data acquisition, and communication products for the embedded markets ◆ Serves the Automotive, Semiconductor, Medical, Telecom, Transportation, Power Generation, and Scientific industries ◆ Products include VME, CompactPCI, PCI & PMC boards for PowerPC and Intel Pentium 	<ul style="list-style-type: none"> ◆ Canon ◆ Hitachi ◆ Mitsubishi ◆ Nikon ◆ Yokokawa
China	 Vantron <small>A MEMBER OF EUROTECH GROUP</small> www.vantrontech.com.cn	65%	<ul style="list-style-type: none"> ◆ Provides software and embedded system development and testing service ◆ Development of audio & video process, multimedia IP delivery, MIS systems, database applications, and websites ◆ Development of embedded system such as GPRS or CDMA based mobile application, medical instruments, image processing, IP based multimedia delivery, MPEG encoder and decoder, vehicle fleet management, point sale, industrial control, gaming and cross industrial communication devices ◆ Provides bespoke solutions as well as assistance in its customers' own product development 	<ul style="list-style-type: none"> ◆ Agilent Technologies ◆ General Dynamics ◆ Government Agency "NSA" ◆ Medtronic ◆ Philips ◆ Tyco ◆ Voxware

