

**2° Quarter 07  
Financial Results**

**August 10, 2007**

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## Key Points

### 2°Q07 Results

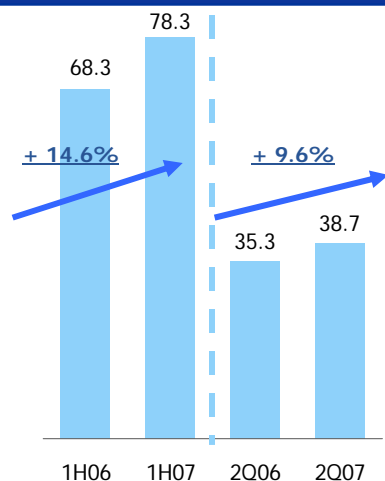
- 9.6% Revenues growth to €38.7m ( €35.3 in 2Q06)
- Ebitda: €12.1m, increased by 5.1% vs. 2Q06
- Ebit: €1.8m vs €2.4m in 2Q06
- Ebit and Ebitda, negatively impacted by a non-recurrent cost of 0.6m€ (change in Italian regulation for post-retirement benefits)
- 2Q07 Adjusted Ebitda €12.6 m
- 2Q07 Adjusted Ebit €2.4m
- Net income: €3.9m vs a €2.0m in 2Q06

### Operations and recent events

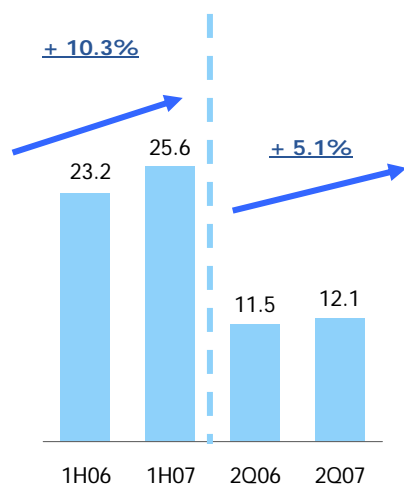
- Asian revenues 25.3€ mm with an increase of 6.8% vs. 1Q07
- Purchase of equipment and technologies for the production of photovoltaic cells.
- Signed supply contract for silicon for EEMSolar S.p.A future production of photovoltaic cells and panels
- Signed with ABN Amro a contract for a Multicurrency Credit Facility of €105m

## Financial performance

### Revenue Growth (€ million)



### EBITDA (€ million)



■ Significant revenues growth in €: up 9.6% vs. 1Qtr 2006

■ First Qtr revenues growth in Usd: +18.1%

■ Negative impact of exchange and selling prices

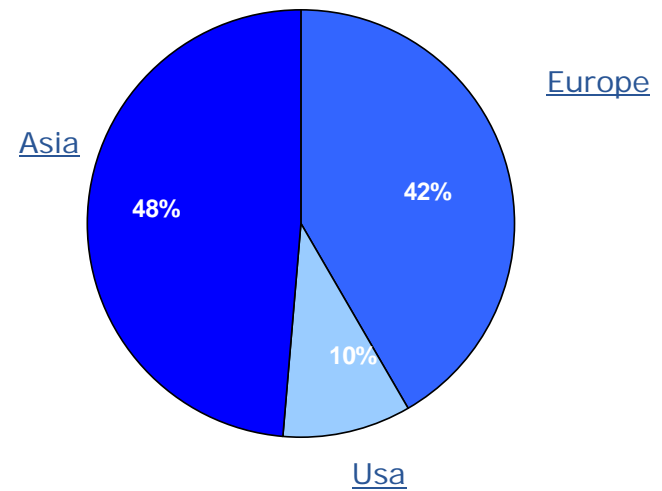
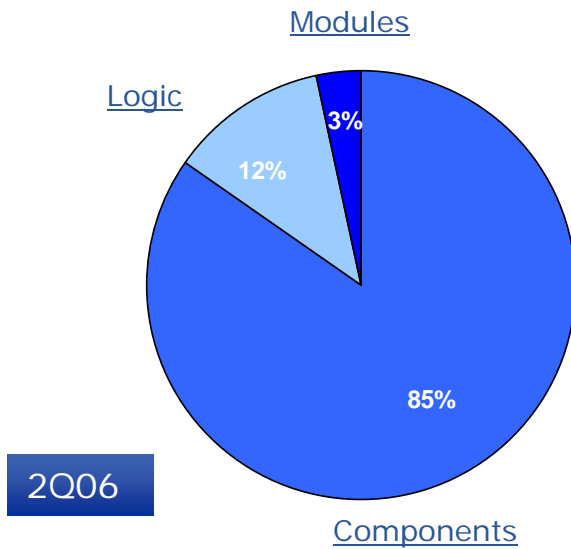
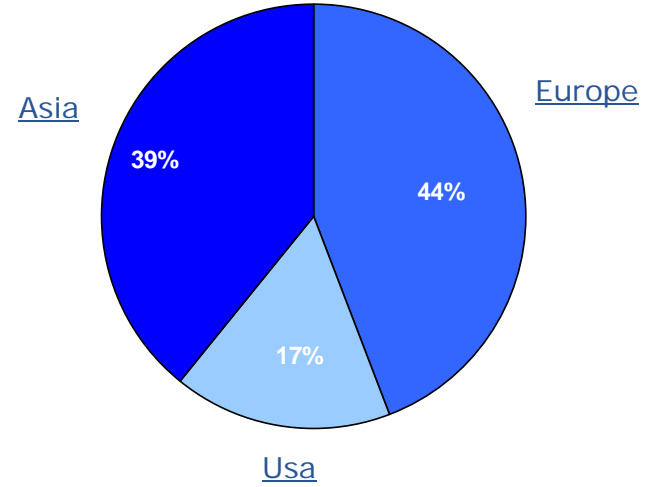
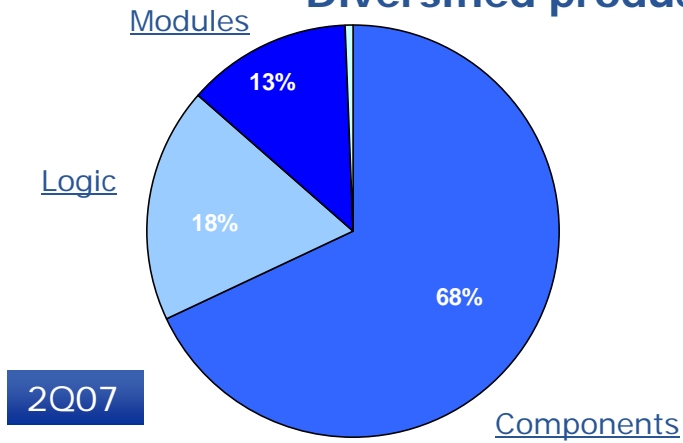
■ 2Qtr '07 Ebitda impacted by a non-recurrent cost of 0.6m€ for change in Italian regulation for post-retirement benefits

# Revenues

## By Business Activity

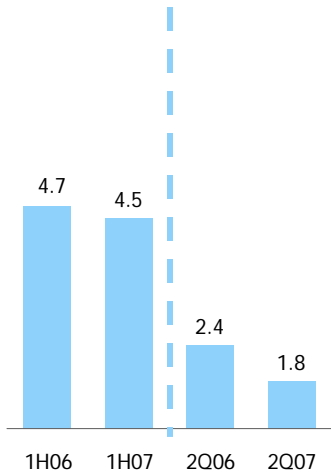
## By Geographical Region

### Diversified product and geographic mix



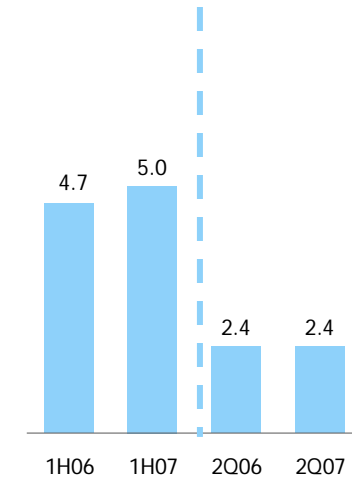
# Financial performance

EBIT (€ million)

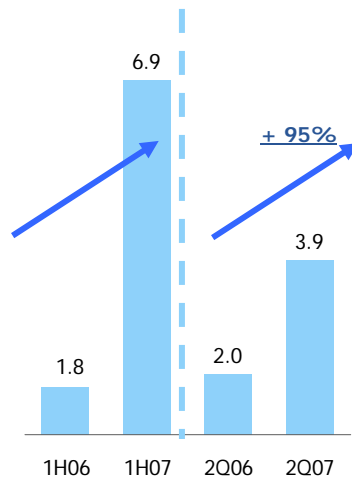


- **\*\*Adj:** Non recurrent cost of 0.6m €
- Increase in depreciation costs
- 2Q07 Adjusted Ebit in line with 2Q06

EBIT Adjusted\*\* (€ million)

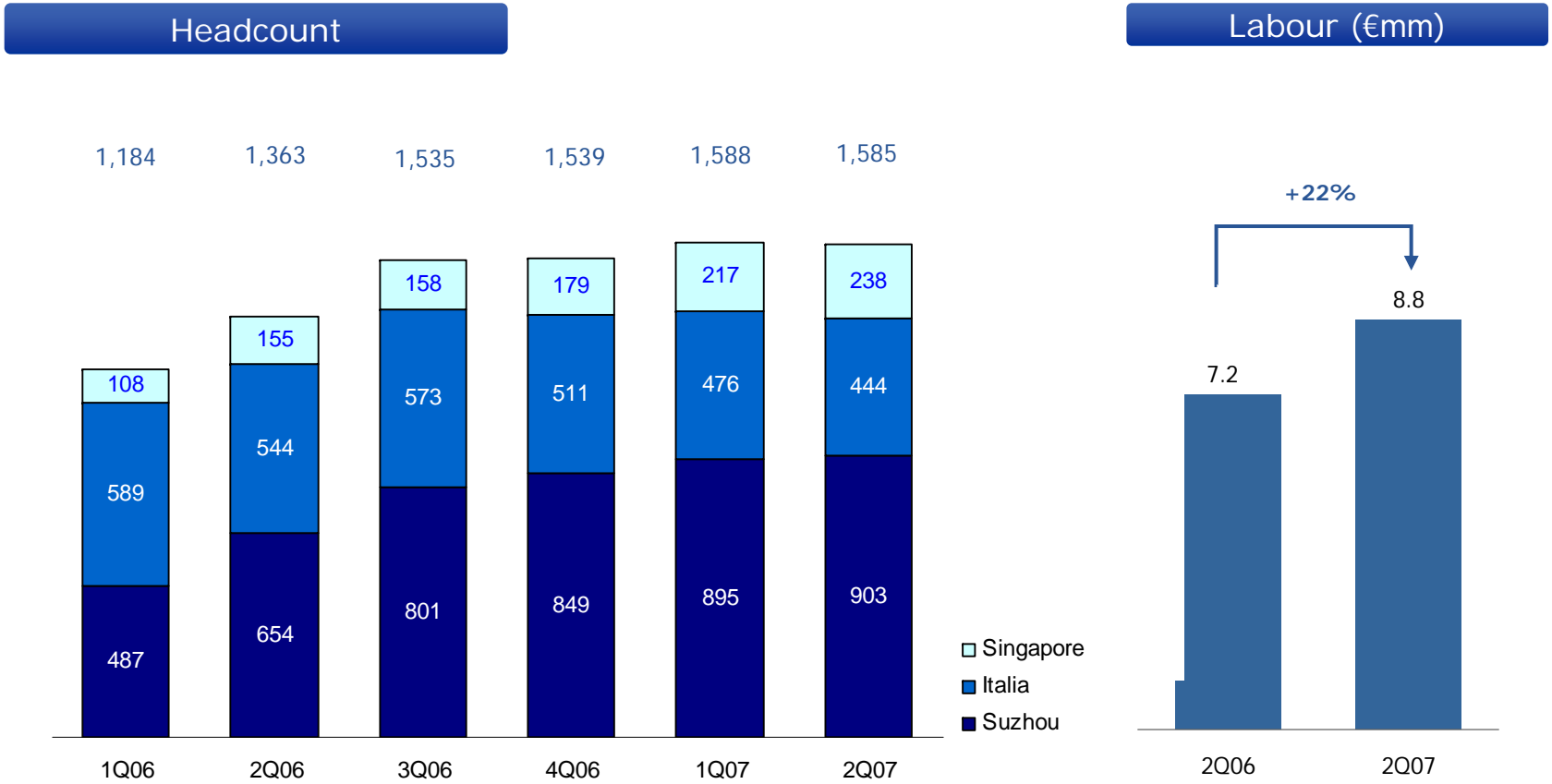


Net Income (€ million)



- Lower interest costs and FX impact
- Additional deferred tax liabilities release
- Investment allowance and deferred tax asset recognition

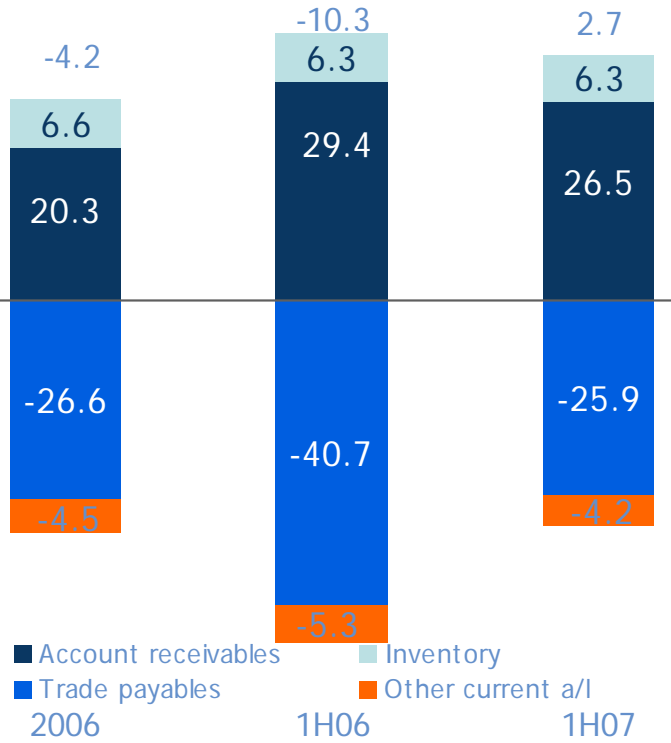
# Headcount



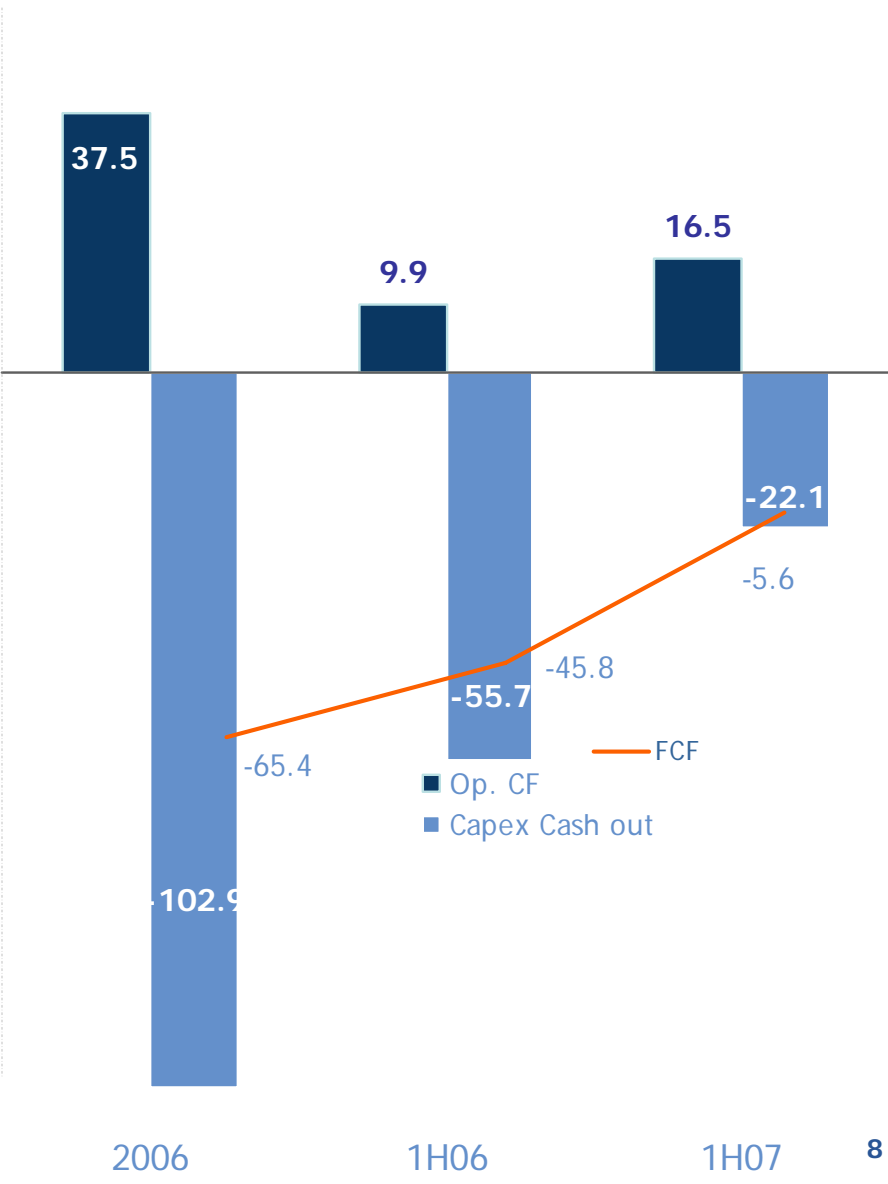
- Non recurrent cost, in Q2 2007, for change in Italian regulation for post-retirement benefits; adj growth is 13.9%
- Headcount increased by 16.3% Q2 2007 Vs Q2 2006

# Healthy Working capital

Development of working capital (€mm)



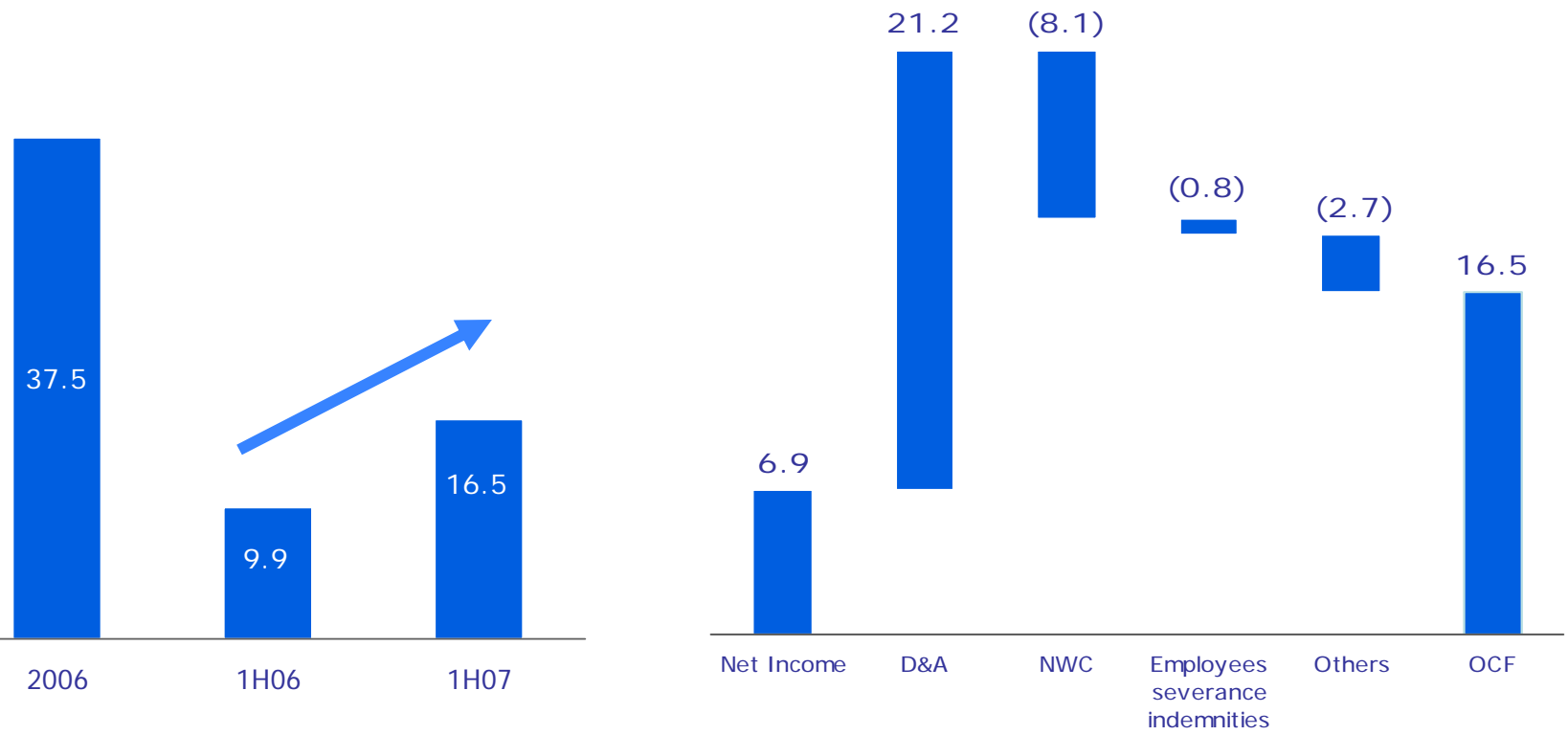
% Annual Revenues		
(2.9)%	(8.7)%	1.8%





# Operating cash flow

Operating Cash Flow (€mm)      1H07 Operating Cash Flow Reconciliation (€mm)



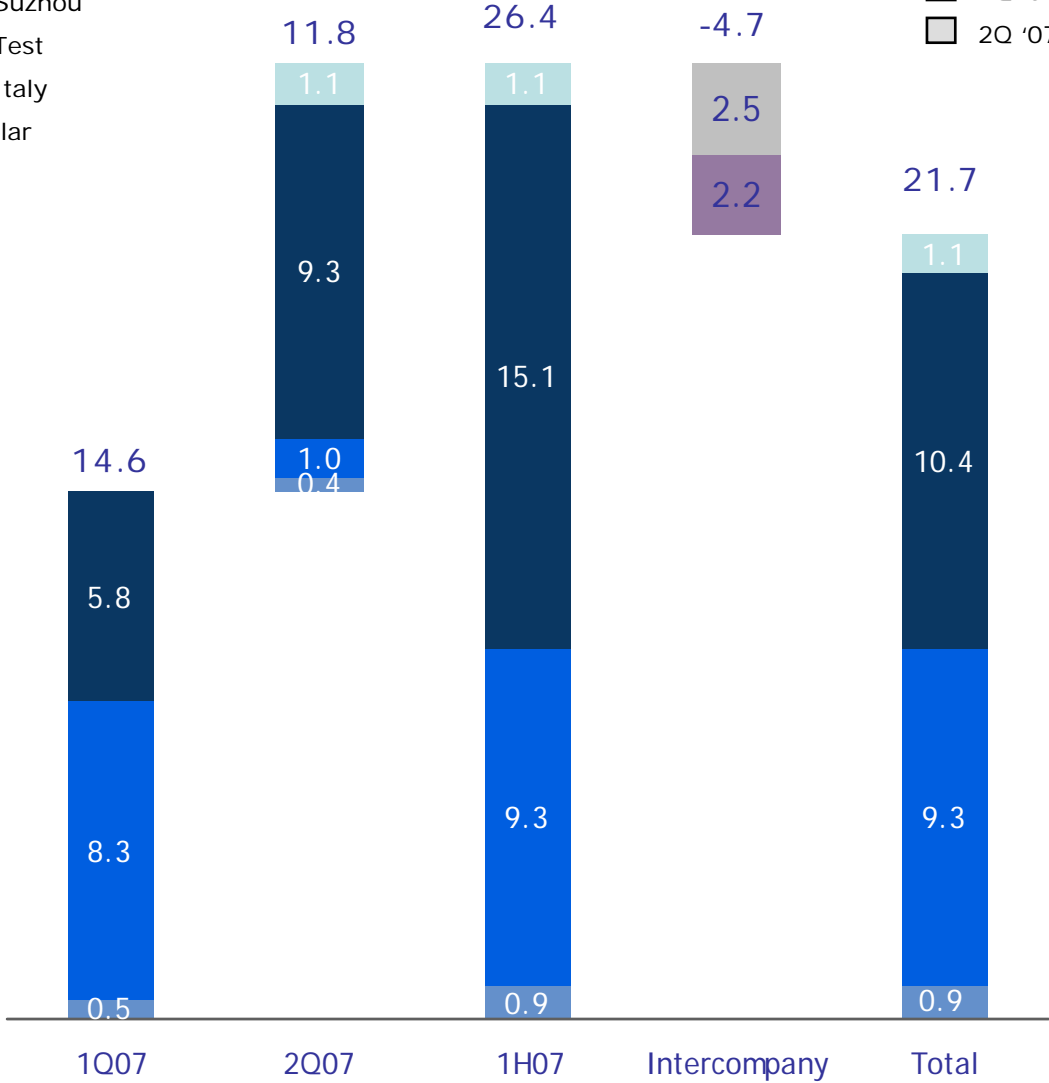
■ Increased operating cash flow generation

# Capex

## Key Financial Data - Capex

- Eems Suzhou
- Eems Test
- Eems Italy
- EEMSolar

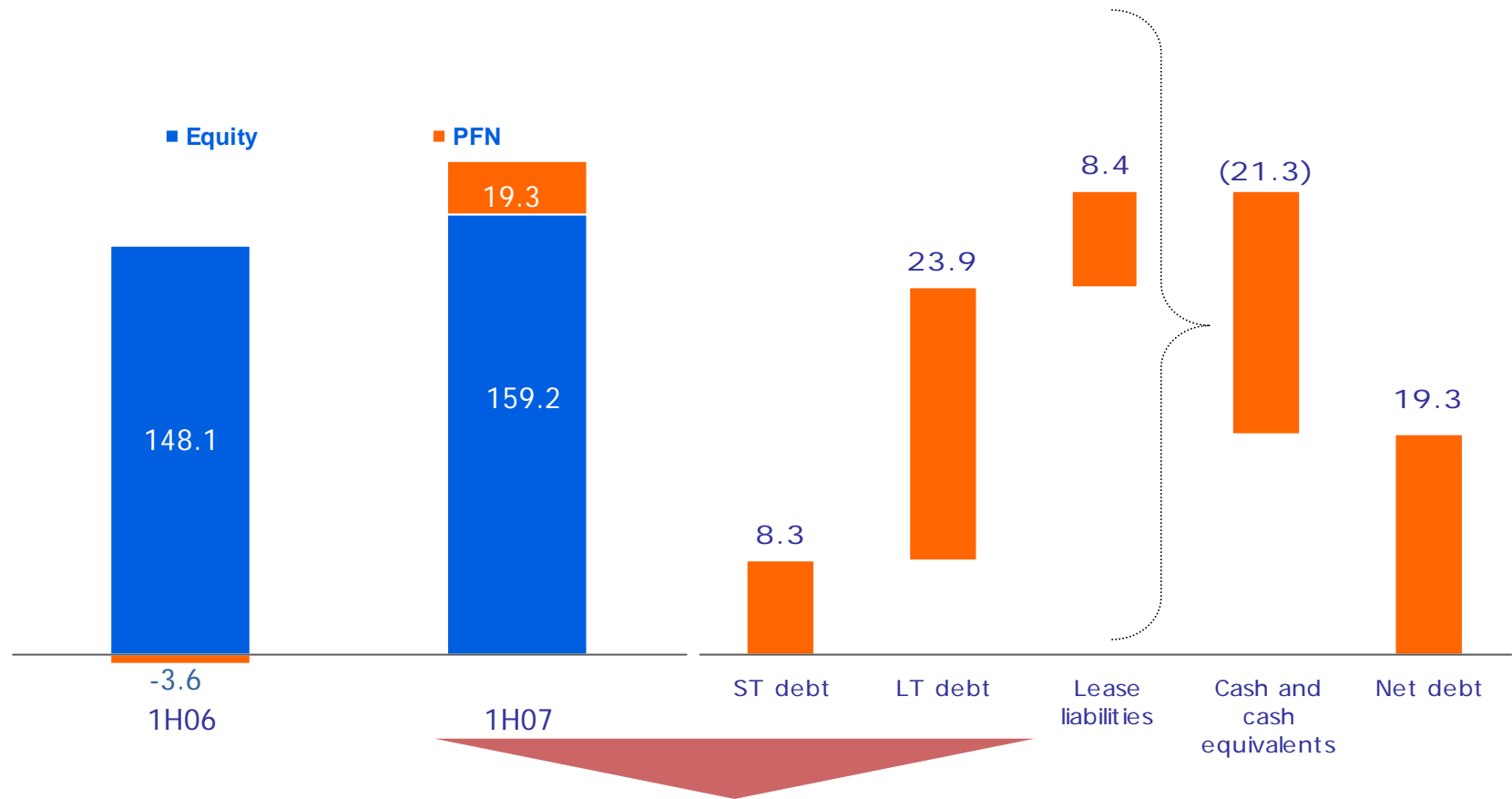
- 1Q '07
- 2Q '07



# Capital Structure

Development of capital structure (€mm)

Net debt as of June 30, 2007 (€mm)



■ Pre-payment of 11,5 € mm debt

■ Signed a new credit facility (105€m, 2 years availability + 3 years repayment, multicurrency)

## The Path Ahead

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### Further Expansion in Asia

- Construction in progress for 3rd Facility – Ready by year end
- Consolidating and expanding current Customers
- Continuing to expand Mixed Signal business
- Qualifying some new Customers

### Solar business start up

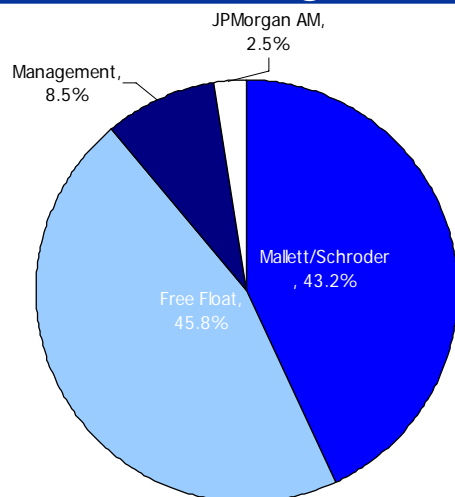
- Committed Manufacturing Equipment for 30 MWp
- Option for additional 30 MWp capacity in 2nd Half 2008
- Facilities equipment installation to be completed by year end.
- Secured long term wafer supply. Working for short term.

### Cost Control

- Tigh expense control both on Manufacturing and G&A
- Tighter expense control on Italian G&A
- Successfull pricing negotiation with material vendors
- Rationalizing expenses among sites

# Company Profile

## Shareholding (1)



## Share information

Number of shares: 42,435,345

Price @ 08/08/07: € 5.41

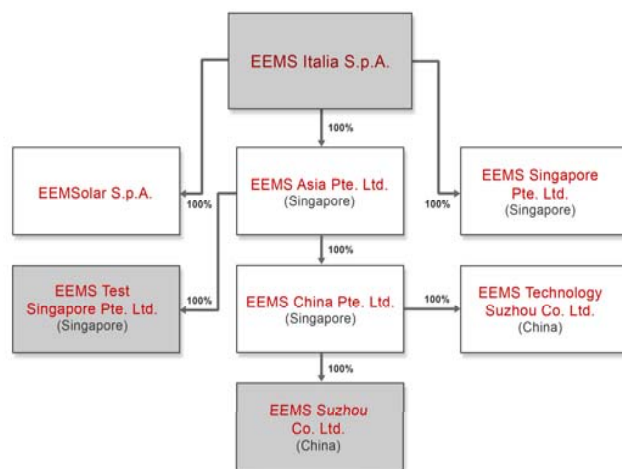
Market Cap: € 230,2 mm

Italian Stock Exchange - Segmento TechSTAR

Specialist: Intermonte

Auditors: Ernst & Young

## Group Structure



## Board of Director

**Giovanni Battista Nunziante – Chairman (Independent)**

**Vincenzo D'Antonio – CEO\***

**Roberto Biondi - Director\***

**Guido Cottini - Independent Director**

**Albert NG – Director\***

\* Member of Operating Committee

(1) As of Aug 08, 2007

# Appendix

## Financial Highlights - P&L

(thousands of Euro)

	2Q07	2Q06	2Q07	2Q06
<b>Revenues</b>	<b>38,687</b>	<b>35,306</b>	<b>100.0%</b>	<b>100.0%</b>
Raw Material and Others	12,425	11,963	32.1%	33.9%
Services	5,073	3,779	13.1%	10.7%
Labor	8,800	7,198	22.7%	20.4%
Other Operating expenses	265	832	0.7%	2.4%
<b>EBITDA</b>	<b>12,124</b>	<b>11,534</b>	<b>31.3%</b>	<b>32.7%</b>
Depreciation and amortization	10,384	9,127	26.8%	25.9%
Impairments	(48)	(33)	-0.1%	-0.1%
<b>EBIT</b>	<b>1,788</b>	<b>2,440</b>	<b>4.6%</b>	<b>6.9%</b>
Financial Income	165	282	0.4%	0.8%
Financial expenses	(418)	(1,943)	-1.1%	-5.5%
<b>Income before income taxes</b>	<b>1,535</b>	<b>779</b>	<b>4.0%</b>	<b>2.2%</b>
Income taxes	(2,386)	(1,200)	-6.2%	-3.4%
<b>Net Income (Loss)</b>	<b>3,921</b>	<b>1,979</b>	<b>10.1%</b>	<b>5.6%</b>
Attributable to parent company	3,921	1,957	10.1%	5.5%
Attributable to third parties	-	22	0.0%	0.1%

## Financial Highlights - P&L

(thousands of Euro)

	1H07	1H06	1H07	1H06
<b>Revenues</b>	<b>78,328</b>	<b>68,316</b>	<b>100.0%</b>	<b>100.0%</b>
Raw Material and Others	25,037	20,668	32.0%	30.3%
Services	10,056	7,241	12.8%	10.6%
Labor	16,627	15,981	21.2%	23.4%
Other Operating expenses	980	1,261	1.3%	1.8%
<b>EBITDA</b>	<b>25,628</b>	<b>23,165</b>	<b>32.7%</b>	<b>33.9%</b>
Depreciation and amortization	20,985	18,394	26.8%	26.9%
Impairments	181	25	0.2%	0.0%
<b>EBIT</b>	<b>4,462</b>	<b>4,746</b>	<b>5.7%</b>	<b>6.9%</b>
Financial Income	433	473	0.6%	0.7%
Financial expenses	(1,376)	(2,712)	-1.8%	-4.0%
<b>Income before income taxes</b>	<b>3,519</b>	<b>2,507</b>	<b>4.5%</b>	<b>3.7%</b>
Income taxes	(3,399)	712	-4.3%	1.0%
<b>Net Income (Loss)</b>	<b>6,918</b>	<b>1,795</b>	<b>8.8%</b>	<b>2.6%</b>
Attributable to parent company	6,918	1,444	8.8%	2.1%
Attributable to third parties	-	351	0.0%	0.5%



## Financial Highlights – Balance Sheet

(thousands of Euro)

	30/06/07	31/12/06
Intangible Assets	12,847	11,889
Tangible Assets	177,244	178,913
Other non-current assets	569	187
<b>Total Non-Current Assets</b>	<b>190,660</b>	<b>190,989</b>
Inventories	6,278	6,625
Trade receivables	26,502	20,331
Tax receivables	1,200	1,715
Cash and cash equivalent	21,327	36,540
Other current assets	2,372	651
<b>Total Current Assets</b>	<b>57,679</b>	<b>65,862</b>
<b>Total Assets</b>	<b>248,339</b>	<b>256,851</b>
<b>Total Shareholders' Equity</b>	<b>159,164</b>	<b>153,884</b>
Non-Current financial Liabilities	27,659	26,330
Employee severance indemnities (TFR)	8,304	7,927
Deferred taxes	6,103	10,115
Others	354	226
<b>Total Non-Current Liabilities</b>	<b>42,420</b>	<b>44,598</b>
Current financial liabilities	13,087	25,020
Trade payables	25,899	26,627
Taxes payables	753	867
Others current liabilities	7,016	5,855
<b>Total Current Liabilities</b>	<b>46,755</b>	<b>58,369</b>
<b>Total Liabilities</b>	<b>89,175</b>	<b>102,967</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>248,339</b>	<b>256,851</b>

## Financial Highlights – Cash Flow

(thousands of Euro)

	1H'07	1H'06
Net cash provided by operating activities	16,459	9,935
Net cash used in investing activities	(22,128)	(55,733)
Net cash and cash equivalents used in financing activities	(9,285)	72,800
Effect of change of exchange rate on cash and cash equivalent	(259)	(738)
<b><u>Increase (decrease) in cash and cash equivalents</u></b>	<b><u>(15,213)</u></b>	<b><u>26,264</u></b>