

## ***2Q '06 Financial Results***

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*August, 4th 2006*



# Key Points

## 2° Q06 Results

- Total Revenues: €35.3m, increased by 42,7% vs. 2Q05
- Ebitda: €11.5m, increased by 22.6% vs. 2Q05
- Ebit: €2.4m, increased by 12,3% vs. 2Q05
- Net Income: €2.0m vs. a €0,2m net loss of 2Q05

## Operations

- Asian revenues 16,7€ mm with an increase of 60% vs. 1Q06
- China plant capacity growing month after month
- Italian restructuring program completed
- Asian development program accelerated by a USD 27m capital injection
- One new customer on board + 2 potential new customers currently under qualification
- Expanding into next door buildings (China + Singapore)
- Call Option on a land to build a third facility in China
- Outstanding financial indebttness has been switched to Usd to increase natural hedging

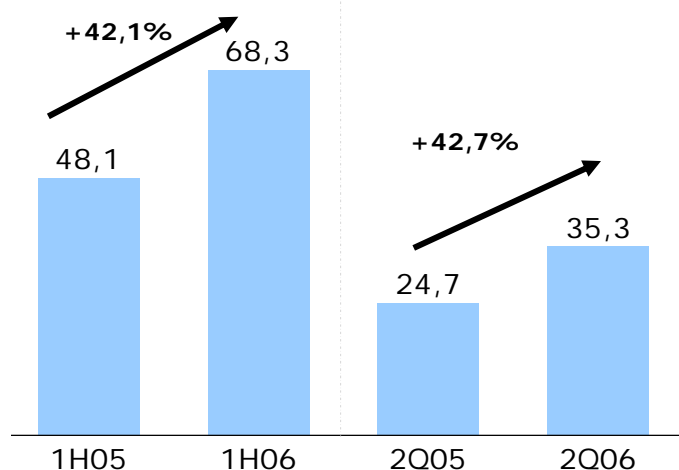
# Key Financial Results 2Q '06

€ mln	2Q '06 Reported	YoY Reported	YoY Recurring*	Highlights
<b>Revenues</b>	<b>35,3</b>	<b>42,7%</b>	<b>42,7%</b>	<ul style="list-style-type: none"> <li>✍ USD Revenues 44 mm. 12% up vs 1Q06</li> <li>✍ Asian activities' Revenues &amp; Ebitda growing month after month</li> <li>✍ ASP profile as expected</li> <li>✍ Additional D&amp;A for €2.1 mm vs Q205 as a result of Asian Capex and DDR2 transition in Italy</li> <li>✍ Increase in cash due to IPO proceeds</li> </ul>
<b>Ebitda</b>	<b>11,5</b>	<b>22,6%</b>	<b>33,3%</b>	
<b><i>Ebitda Margin</i></b>	<b>32,7%</b>	<b>-5.4pp</b>	<b>-2.4pp</b>	
<b>Ebit</b>	<b>2,4</b>	<b>12,3%</b>	<b>62,8%</b>	
<b><i>Ebit Margin</i></b>	<b>6,9%</b>	<b>-1.9pp</b>	<b>-1.1pp</b>	
<b>Capex</b>	<b>32,0</b>			
<b>Net Cash</b>	<b>3,6</b>			

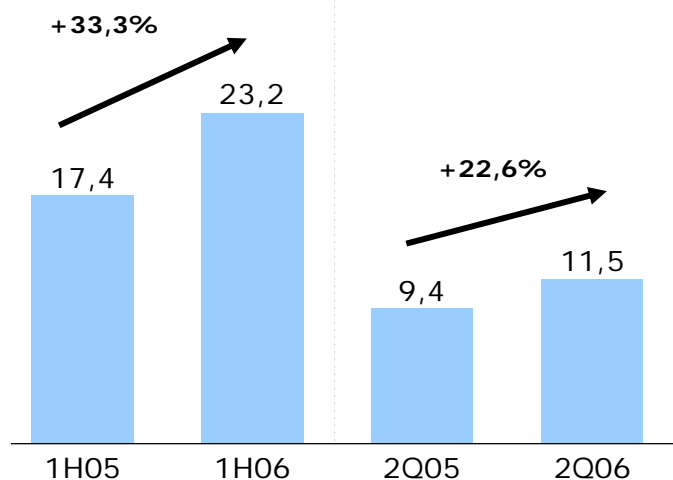
\* Excluding FX impact related to working capital adjustments

# Financial performance

## Revenue Growth (€ million)



## EBITDA (€ million)



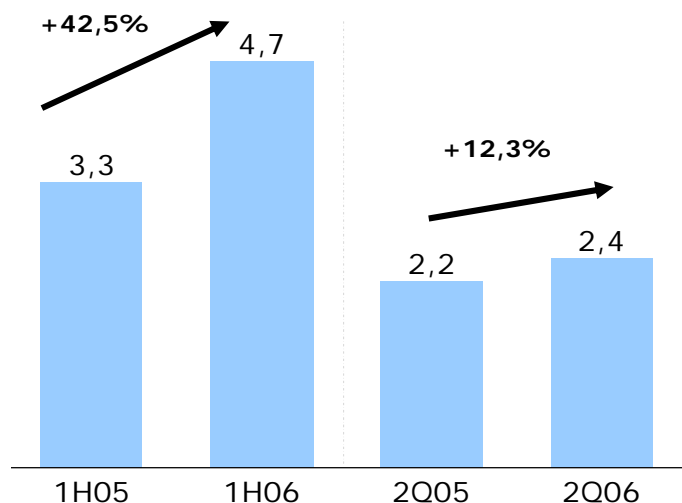
- Significant growth with revenues up 42,7% vs. Q2 05
- Number of unit billed (assembly only) +17% vs. Q106
- Chinese plant volume at 10mm units/month
- Ongoing additional expansion in Asia
- Starting of MSLP assembly activities

- Ebitda up over 22,6%
- Organic Growth up over 33,3%
- Exchange Rate Impact\* on Ebitda 0,8€ mm
- Savings in italian labour costs

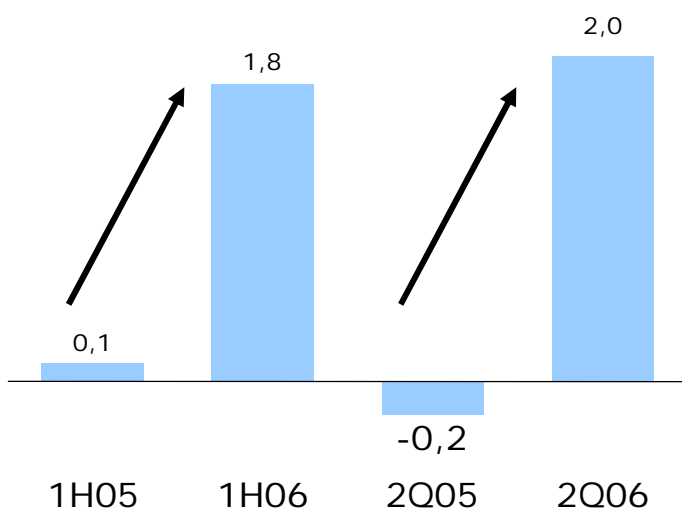
\* Related to working capital adjustments

# Financial performance

## EBIT (€ million)

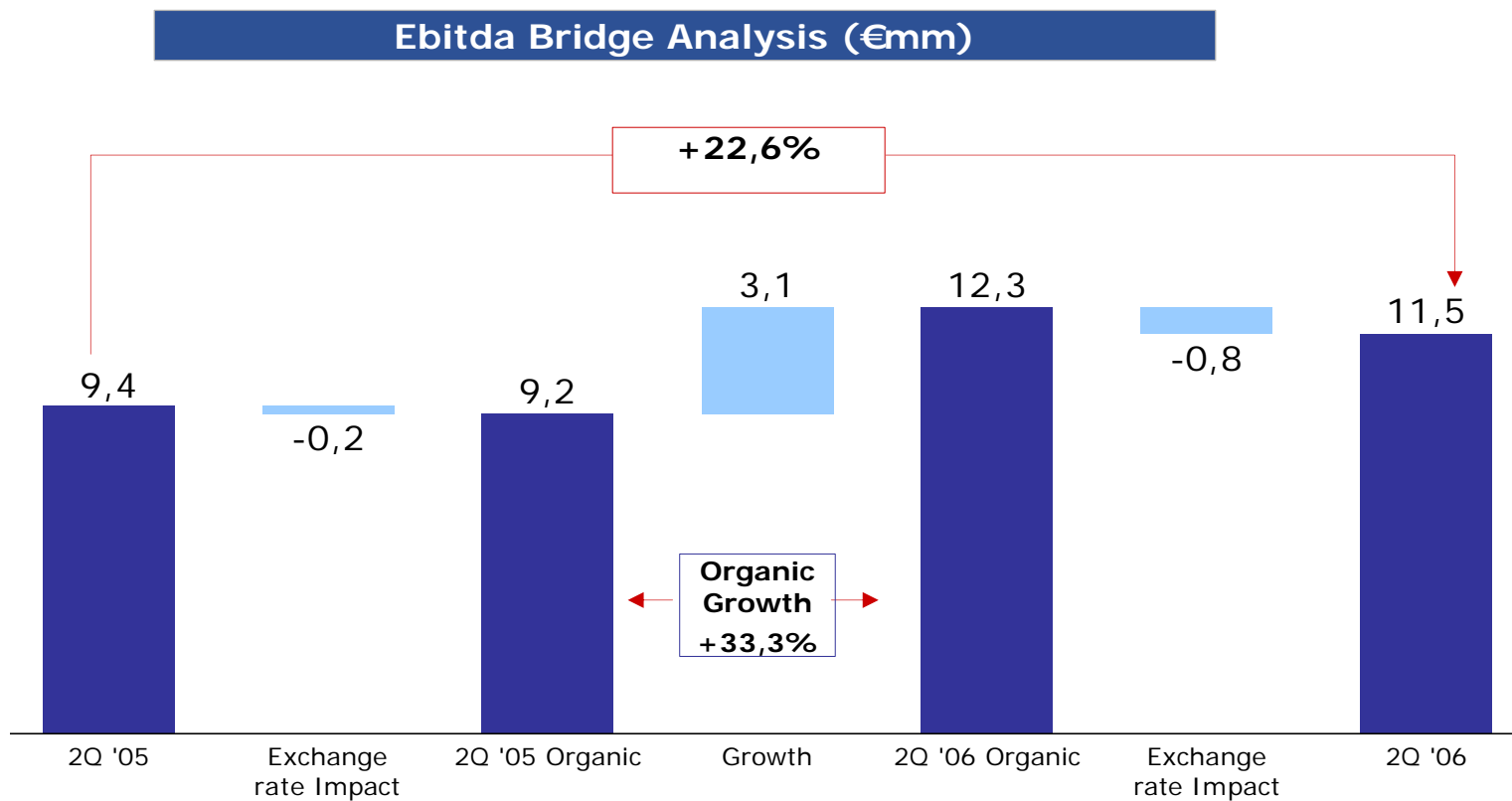


## Net Income (€ million)



- Ebit up over 12,3%
- Organic Growth up over 62,8%
- Additional D&A for €2.1 mm vs. Q205 as a result of Asian Capex and DDR2 transition in Italy
  
- Increase in Net Income despite :
  - Exchange rate impact (1,4€ mm) due to USD's weakness
  - Expensed IPO's Costs (0,3€ mm)
  - Negative fair market value of Forward Contracts
- Release of CFC (Controlled Foreign Companies) Tax provisions and deferred taxes liabilities

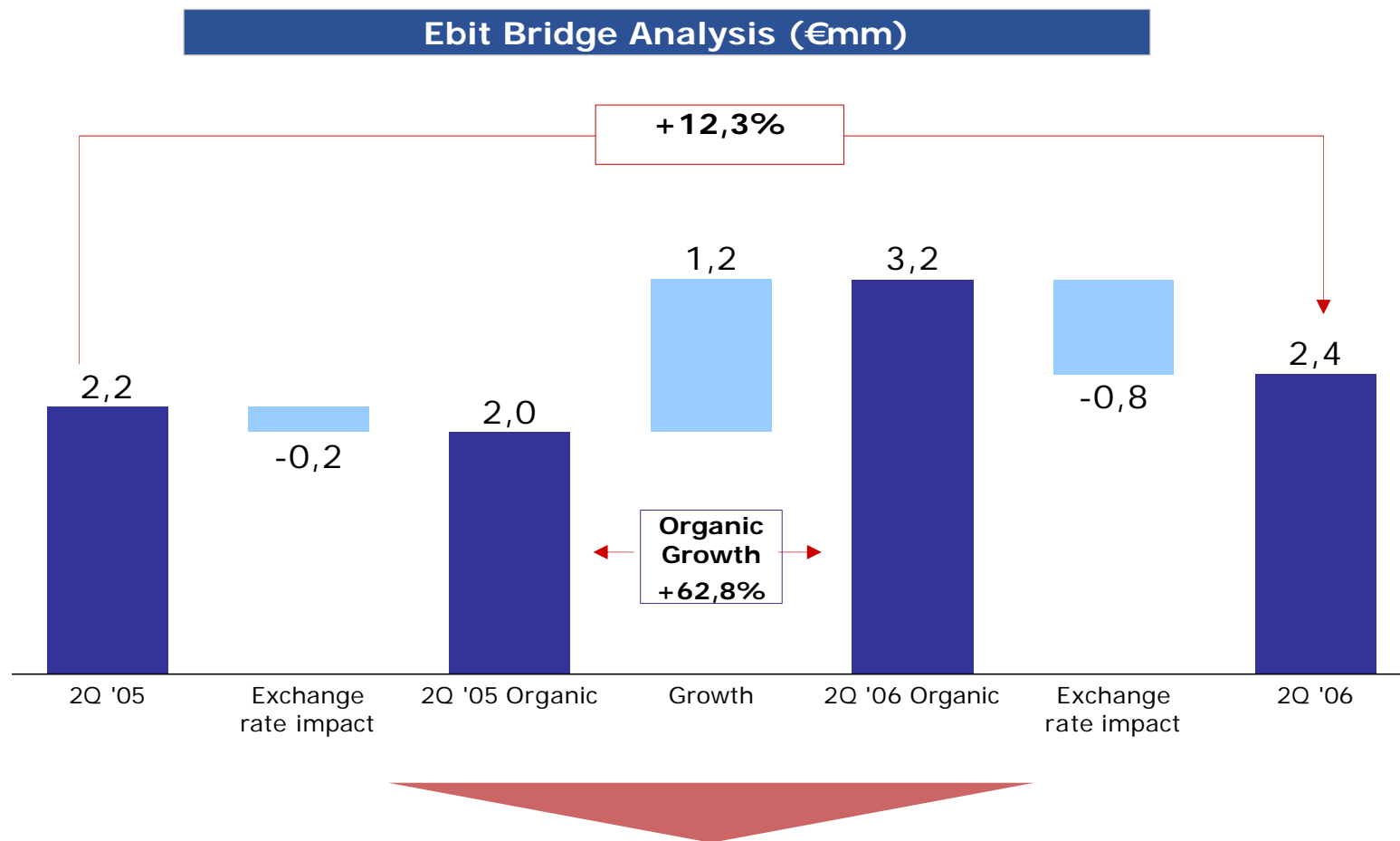
# Bridge Analysis – EBITDA



## Exchange rate trend

	30 June 05	31 Dec 05	31 March 06	30 June 06
Eur/Usd	1.2092	1.1797	1.2104	1.2713
Revenues in USD (YTD)	67%	68%	100%	100%

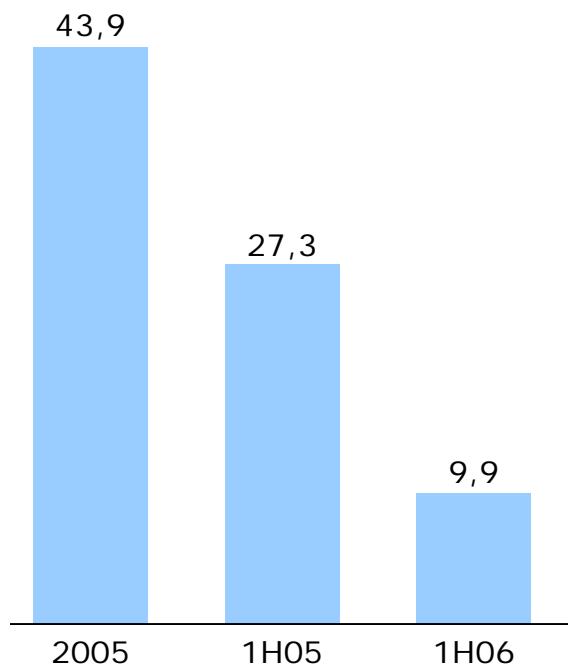
# Bridge Analysis - EBIT



Additional increase in D&A as a result of more than 44€ mm capex (ytd)

# Operating cash flow

Operating cash flow (€mm)



1H06 operating cash flow reconciliation (€mm)



- Decrease in NWC as a result of Revenue's strong growth and reimbursement of customer advance payment
- Cash out for restructuring plan in Italy

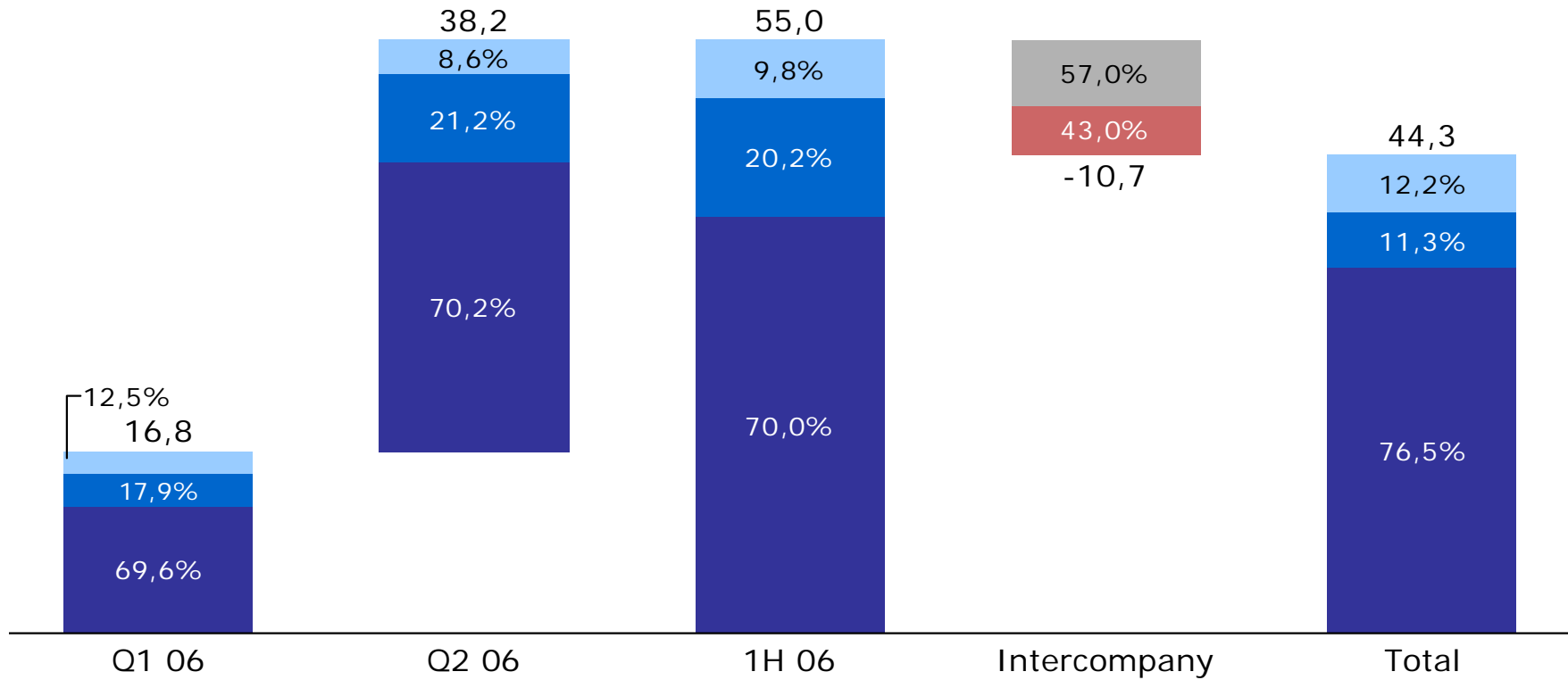


# Capex

## Key financial data – CAPEX

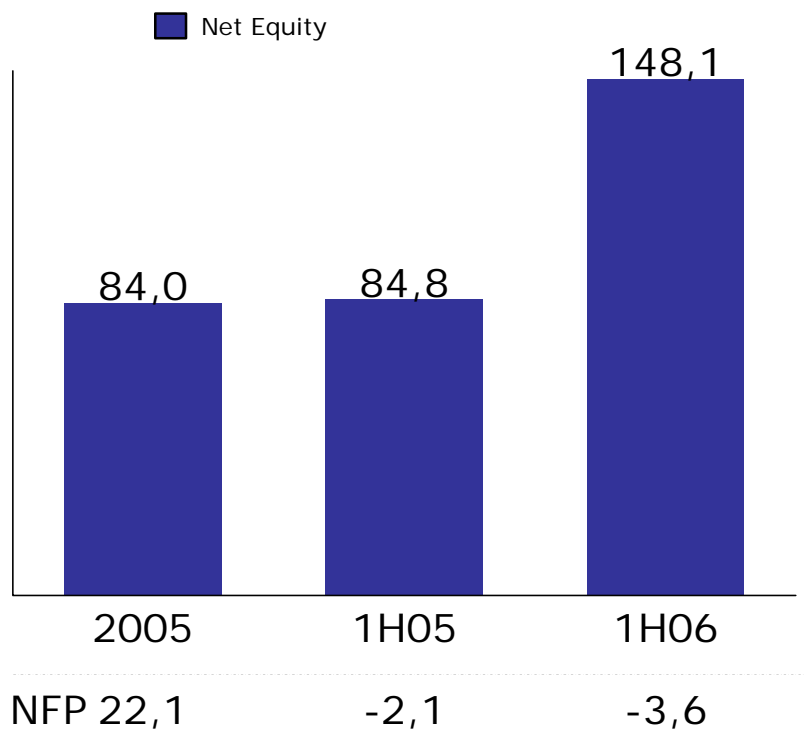
- Eems Suzhou
- Eems Test
- Eems Italy

- 1Q '06
- 2Q '06



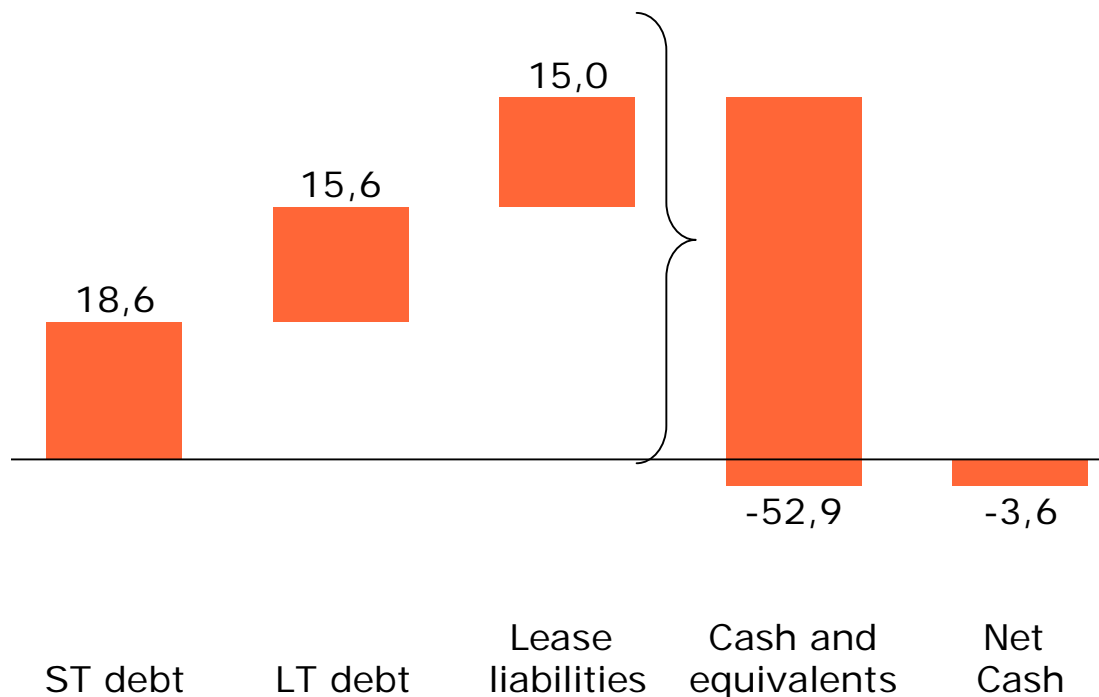
# Capital structure

Development of capital structure (€mm)



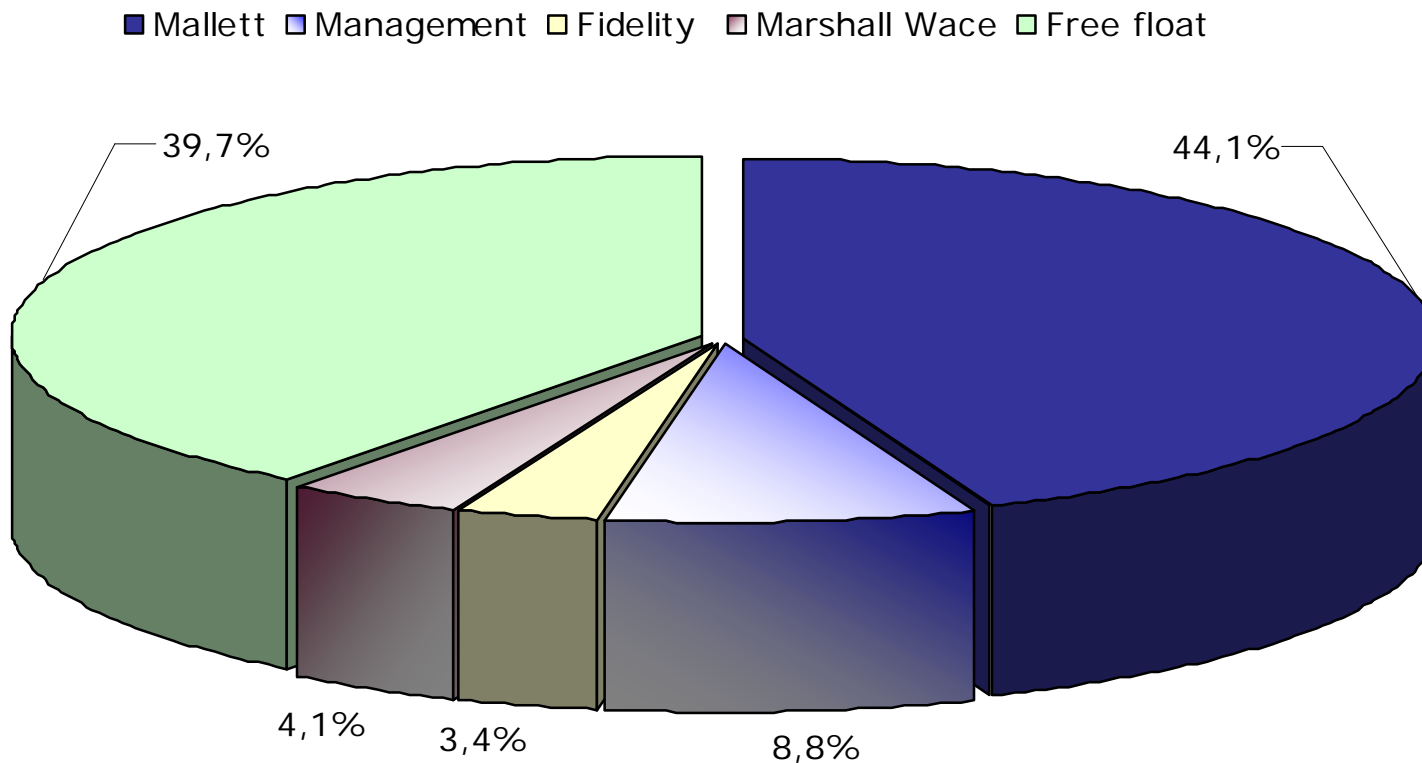
Net debt as of June 30, 2006 (€mm)

Total financial debt : € 49.3 mm



Proceeds from IPO: €77.8 mm

# Shareholding structure



- Total shares outstanding equal to 41,143,850 (July 2006)
- Management has been locked up (12/24 months) since IPO
- 6 months lock up for Mallett since Ipo

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# Appendix

## 2Q 06 Financial highlights

### Key financial data – Group P&L

<b>(in thousands of Euro)</b>	<b>2Q '06</b>	<b>2Q '05</b>
Net sales	34.950	24.192
Other income	356	548
<b>Total revenues and other income</b>	<b>35.306</b>	<b>24.740</b>
Raw materials and other	11.963	5.390
Services	3.779	2.690
Labor	7.198	7.199
Other operating expenses	832	55
<b>Ebitda</b>	<b>11.534</b>	<b>9.406</b>
Depreciation and amortization	9.127	7.055
Impairments	(33)	179
<b>Ebit</b>	<b>2.440</b>	<b>2.172</b>
Financial income	282	284
Financial expense	(1.939)	(1.015)
<b>Income before income taxes</b>	<b>783</b>	<b>1.441</b>
Income taxes	(1.200)	1.633
<b>Net income (loss)</b>	<b>1.983</b>	<b>(192)</b>
Attributable to parent company	1.961	(210)
Attributable to third parties	22	18
Basic earnings (loss) per share	0,05	(0,006)
Diluted earnings (loss) per share	0,05	(0,006)

# 1H 06 Financial highlights

## Key financial data – Group P&L

<b>(in thousands of Euro)</b>	<b>1H '06</b>	<b>1H '05</b>
Net sales	67.684	47.443
Other income	632	618
<b>Total revenues and other income</b>	<b>68.316</b>	<b>48.061</b>
Raw materials and other	20.668	10.804
Services	7.241	5.177
Labor	15.981	14.509
Other operating expenses	1.261	193
<b>Ebitda</b>	<b>23.165</b>	<b>17.378</b>
Depreciation and amortization	18.394	13.726
Impairments	25	322
<b>Ebit</b>	<b>4.746</b>	<b>3.330</b>
Financial income	473	365
Financial expense	(2.708)	(1.330)
<b>Income before income taxes</b>	<b>2.511</b>	<b>2.365</b>
Income taxes	712	2.259
<b>Net income (loss)</b>	<b>1.799</b>	<b>106</b>
Attributable to parent company	1.448	91
Attributable to third parties	351	15
Basic earnings (loss) per share	0,05	0,003
Diluted earnings (loss) per share	0,05	0,003

# Financial highlights

## Key financial data – Group BS

(in thousands of Euro)	30.06.2006	31.12.2005
<b>NON-CURRENT ASSETS</b>		
<b>Intangible assets:</b>		
- Goodwill	11.254	3.274
- Intangible assets with a defined useful life	276	280
<b>Tangible assets:</b>		
- Property, plant and equipment, net	141.175	119.828
- Asset held under finance lease	23.140	23.920
<b>Other non-current assets:</b>		
- Miscellaneous receivables and other non-current assets	166	590
<b>TOTAL NON-CURRENT ASSETS</b>	<b>176.011</b>	<b>147.892</b>
<b>Current assets:</b>		
- Inventories	6.306	5.582
- Trade receivables	29.359	24.743
- Tax receivables	1.835	1.841
- Cash and cash equivalents	52.884	26.620
- Other current assets	1.581	323
<b>TOTAL CURRENT ASSETS</b>	<b>91.965</b>	<b>59.109</b>
<b>TOTAL ASSETS</b>	<b>267.976</b>	<b>207.001</b>
<b>Shareholder' equity</b>		
- Attributable to parent company	148.137	73.800
- Attributable to third parties	-	10.235
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>148.137</b>	<b>84.035</b>
<b>Non-current liabilities:</b>		
- Non-current financial liabilities	24.257	34.442
- Employee severance indemnities (TFR) and other employee-related accruals	7.863	9.489
- Deferred taxes	12.613	14.222
- Provision for future risks and charges	132	141
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>44.865</b>	<b>58.294</b>
<b>Current liabilities:</b>		
- Current financial liabilities	25.563	14.847
- Trade payables	40.665	33.855
- Taxes payables	965	798
- Other current liabilities	7.781	15.172
<b>TOTAL CURRENT LIABILITIES</b>	<b>74.974</b>	<b>64.672</b>
<b>TOTAL LIABILITIES</b>	<b>119.839</b>	<b>122.966</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>267.976</b>	<b>207.001</b>

# Financial highlights

## Key financial data – Group CF

(in thousands of Euro)	30.06.2006	30.06.2005
<b>Net income (loss)</b>	<b>1.799</b>	<b>106</b>
Adjustment to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	18.394	13.726
Provision for employee severance indemnities	599	605
Interest expense on TFR calculation	209	264
Other non-monetary elements	403	282
Net change in accrual for risks and charges	-	(24)
Impairment of long-lived assets	25	322
Deferred taxes	69	1.715
Net gain on asset disposal	(592)	(205)
Employee severance indemnities paid	(4.487)	(1.018)
Change in operating assets and liabilities:		
Receivables	(5.176)	10.398
Inventories	(854)	613
Account payable net of capital items	4.867	30
Tax payables	184	(357)
Other	(5.505)	851
<b>Net cash provided by operating activities</b>	<b>9.935</b>	<b>27.308</b>
Proceeds from sales of property, plant and equipment	1.527	267
Payment for the acquisition of subsidiary	(18.445)	(3.225)
Purchase of property, plant and equipment	(38.771)	(7.996)
Purchases of intangible assets	(46)	(205)
Net change in guarantee deposit	2	(73)
<b>Net cash used in investing activities</b>	<b>(55.733)</b>	<b>(11.232)</b>
Proceeds from loans	14.196	22.220
Repayments of loans	(12.140)	(544)
Principal paid for leased equipment	(3.139)	(3.693)
Other	403	(37)
Capital contribution by shareholders	73.480	-
<b>Net cash and cash equivalents used in financing activities</b>	<b>72.800</b>	<b>17.946</b>
<b>Effect of change of exchange rate on cash and cash equivalent</b>	<b>(738)</b>	<b>2.395</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>26.264</b>	<b>36.417</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>26.620</b>	<b>5.140</b>
<b>Financial change in the scope of consolidation</b>	<b>-</b>	<b>3.228</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>52.884</b>	<b>44.785</b>