



# Tecnotree Corporation Interim Report 1-6/2010

Eero Mertano  
President and CEO

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# Tecnotree Group in Brief

## H1 Highlights (comparisons to H1/2009)

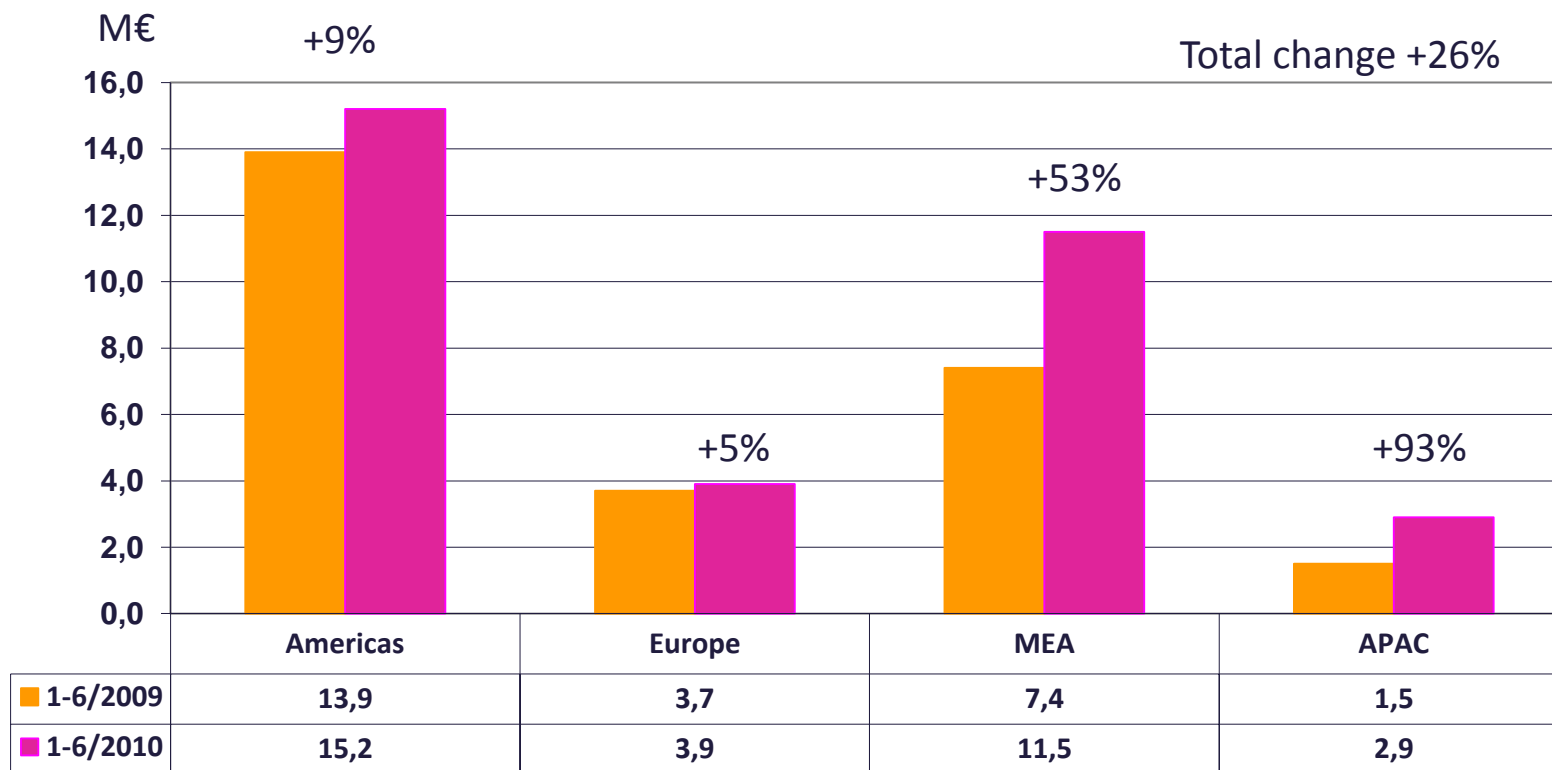
- Positive development in H1 2010
  - Net sales were 33.5 M€ (26.5)
  - Operating result before R&D capitalizations & amortizations and one-time costs was 1.4 M€ (-4.8)
  - Encouraging flow of new orders received: 42.7 M€
  - Order book at the end of period was 21.0 M€ (21.5)
  - Increasing maintenance revenue 13.6 M€ (10.2)
- Operators' investment sentiment has improved
- Benefits from wider product offering, increased development resources, solution-based business model and enhanced cost structure
- New customers acquired in L-A, Africa and APAC

# Financial Highlights

<b>M€</b>		<b>1-6/2010</b>	<b>4-6/2010</b>
Net sales		33.5 (26.5)	19.3 (15.0)
Operative Ebit	Ebit before R&D capitalisation & amortisation and one-time costs	1.4 (-4.8)	2.0 (-2.7)
Ebit		-1.2 (-3.3)	0.7 (-1.6)
Net result		-3.6 (-4.6)	-0.8 (-2.9)
Order intake		42.7 (38.3)	18.4 (24.8)
Order book		21.0 (21.5)	
Cash flow after investments	Excluding acquisitions	-4.0 (0.9)	-4.6 (0.5)
Net cash flow		-5.1 (-18.5)	-5.7 (-18.9)
Cash		22.0 (32.8)	
Equity ratio		66.9 (68.2)	
Net gearing		-6.2 (-16.3)	

# Net Sales by Area

Americas 45%(52%), Europe 12%(14%), MEA 34%(28%), APAC 9% (6%)



# Sales and Orders



# Consolidated Balance Sheet

EUR Million	30.6.2010	30.6.2009	Change %
Non-current assets			
Fixed assets	28.7	32.6	-12.0
Consolidated goodwill	22.5	18.8	19.6
Other non-current assets	3.0	1.8	63.0
Current assets			
Inventories	1.2	1.6	-21.2
Trade receivables	20.9	18.1	15.6
Other receivables	24.2	22.2	8.9
Investments	0.9	1.6	-41.2
Cash and cash equivalents	22.0	32.8	-33.0
<b>Total assets</b>	<b>123.4</b>	<b>129.5</b>	<b>-4.7</b>

# Consolidated Balance Sheet

EUR Million	30.6.2010	30.6.2009	Change %
Shareholders' equity	81.6	87.9	-7.1
Interest-bearing liabilities	15.6	17.8	-12.2
Deferred tax liabilities	3.8	6.3	-40.0
Other non-current liabilities	0.9	0.3	
Current liabilities			
Interest-bearing liabilities	2.3	2.3	0.4
Non-interest-bearing liabilities	19.3	15.1	27.5
Equity and liabilities	123.4	129.5	-4.7

# Prospects for 2010

Consistent with the improving market sentiment and demand, Tecnotree estimates that sales will be considerably higher in 2010 than in 2009. The higher sales and reduced costs are expected to improve profitability significantly.

Despite improving profitability the previously estimated positive operating result might be negative.

Variations between quarterly figures are expected to continue to be considerable.



# Additional Financial Information for Investors



# Consolidated Income Statement

Tecnotree India consolidated from 6 May 2009

EUR Million	4-6/2010	4-6/2009	Change %
Net sales	19.3	15.0	28.7
Other operating income	0.0	0.0	-91.5
Materials and services	-3.8	-3.4	10.8
Employee benefit expenses	-7.4	-6.2	20.8
Depreciation	-2.1	-1.8	17.3
Other operating expenses	-5.3	-5.2	0.3
Operating result	0.7	-1.6	
% of net sales	3.8	-10.5	
Financial income and expenses	-0.7	-0.3	
Result after financial income and expenses	0.0	-1.8	100.3
Income taxes	-0.8	-1.1	-26.7
Result for the period	-0.8	-2.9	73.4

# Key Figures of Income Statement

Tecnotree India consolidated from 6 May 2009

EUR Million	Pro forma		
	4-6/2010	4-6/2009	4-6/2009
Net sales	19.3	15.0	16.2
Operating result before R&D capitalizations & amortizations and one-time costs	2.0	-2.7	-2.6
R&D capitalizations	0.2	2.2	2.2
R&D amortizations	-1.4	-1.1	-1.1
One-time costs			
Operating result	0.7	-1.6	-1.4

# Consolidated Income Statement

Tecnotree India consolidated from 6 May 2009

EUR Million	1-6/2010	1-6/2009	Change %
Net sales	33.5	26.5	26.1
Other operating income	0.0	0.0	89.9
Materials and services	-5.9	-5.4	8.9
Employee benefit expenses	-14.5	-11.7	23.5
Depreciation	-4.2	-3.2	31.6
Other operating expenses	-10.1	-9.5	6.4
Operating result	-1.2	-3.3	63.4
% of net sales	-3.6	-12.4	
Financial income and expenses	-1.3	0.0	
Result after financial income and expenses	-2.5	-3.2	23.3
Income taxes	-1.1	-1.4	-19.6
Result for the period	-3.6	-4.6	22.2

# Key Figures of Income Statement

Tecnotree India consolidated from 6 May 2009

EUR Million	Pro forma		
	1-6/2010	1-6/2009	1-6/2009
Net sales	33.5	26.5	31.5
Operating result before R&D capitalizations & amortizations and one-time costs	1.4	-4.8	-4.6
R&D capitalizations	0.4	3.5	3.5
R&D amortizations	-2.9	-2.1	-2.1
One-time costs			
Operating result	-1.2	-3.3	-3.2

# Consolidated Income Statement

(Pro forma, Tecnotree India included Apr-Jun of both years)

EUR Million	4-6/2010	4-6/2009	Change %
Net sales	19.3	16.2	19.4
Other operating income	0.0	0.0	-91.5
Materials and services	-3.8	-3.6	4.4
Employee benefit expenses	-7.4	-6.6	12.8
Depreciation	-2.1	-1.9	10.7
Other operating expenses	-5.3	-5.5	-4.8
Operating result	0.7	-1.4	
% of net sales	3.8	-8.9	
Financial income and expenses	-0.7	-0.3	
Result after financial income and expenses	0.0	-1.8	
Income taxes	-0.8	-1.1	-26.7
Result for the period	-0.8	-2.8	-72.8

# Consolidated Income Statement

(Pro forma, Tecnotree India included Jan-Jun of both years)

EUR Million	1-6/2010	1-6/2009	Change %
Net sales	33.5	31.5	6.3
Other operating income	0.0	0.2	-83.2
Materials and services	-5.9	-6.9	-14.7
Employee benefit expenses	-14.5	-13.7	6.1
Depreciation	-4.2	-3.4	23.2
Other operating expenses	-10.1	-10.8	-6.9
Operating result	-1.2	-3.2	-62.1
% of net sales	-3.6	-10.1	
Financial income and expenses	-1.3	0.2	
Result after financial income and expenses	-2.5	-3.0	-17.0
Income taxes	-1.1	-1.4	-19.4
Result for the period	-3.6	-4.4	-17.8

# Sales and Operative Ebit



— 4 per. Mov. Avg. (Operative Ebit %)

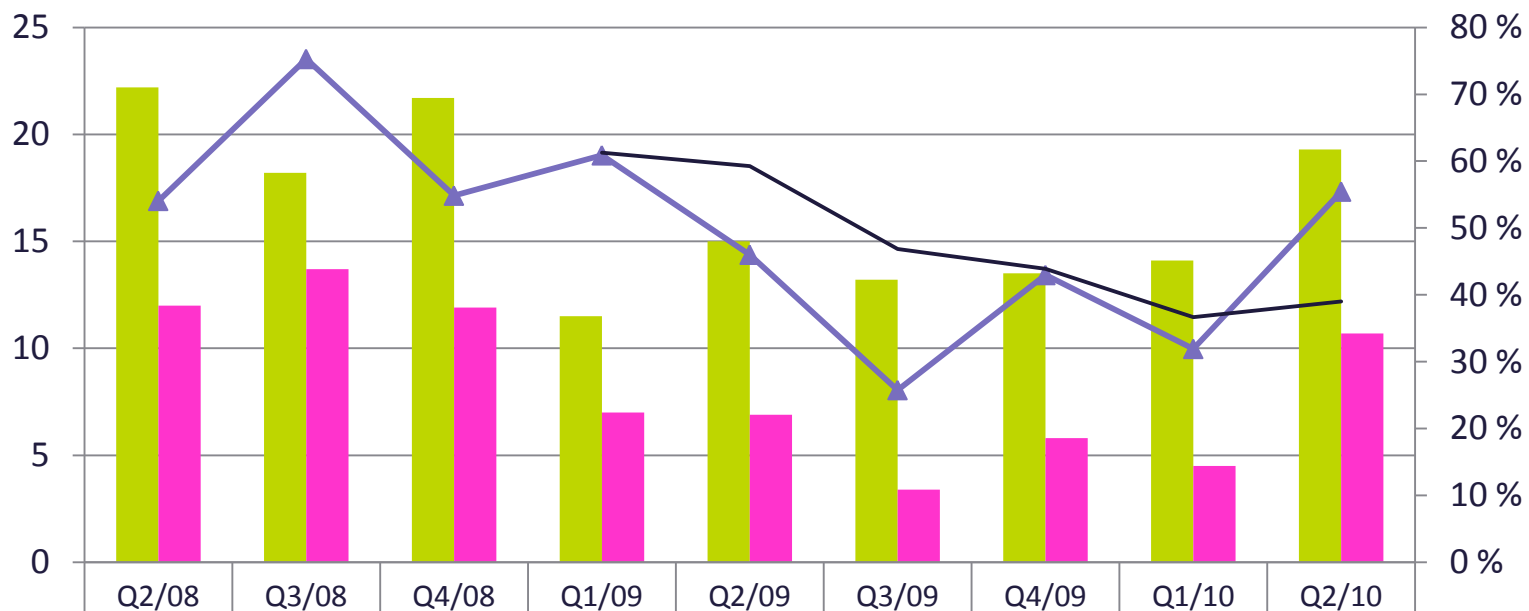
Operative Ebit = Ebit before R&D capitalisation & amortisation and one-time costs






# Sales by Area

## Americas

M€

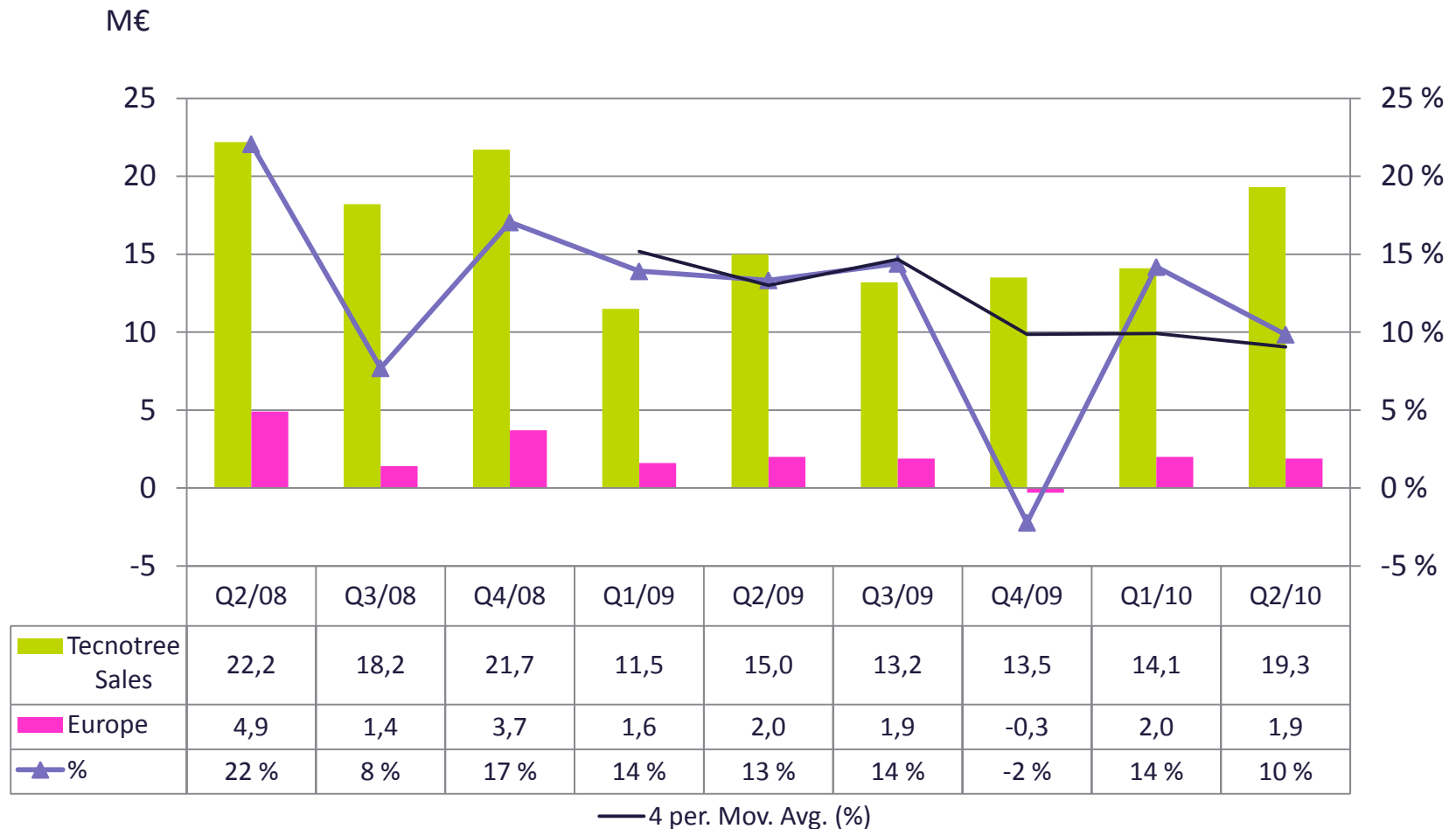


 Tecnotree Sales	22,2	18,2	21,7	11,5	15,0	13,2	13,5	14,1	19,3
 Americas	12,0	13,7	11,9	7,0	6,9	3,4	5,8	4,5	10,7
 %	54 %	75 %	55 %	61 %	46 %	26 %	43 %	32 %	55 %

— 4 per. Mov. Avg. (%)

# Sales by Area

## Europe



# Sales by Area

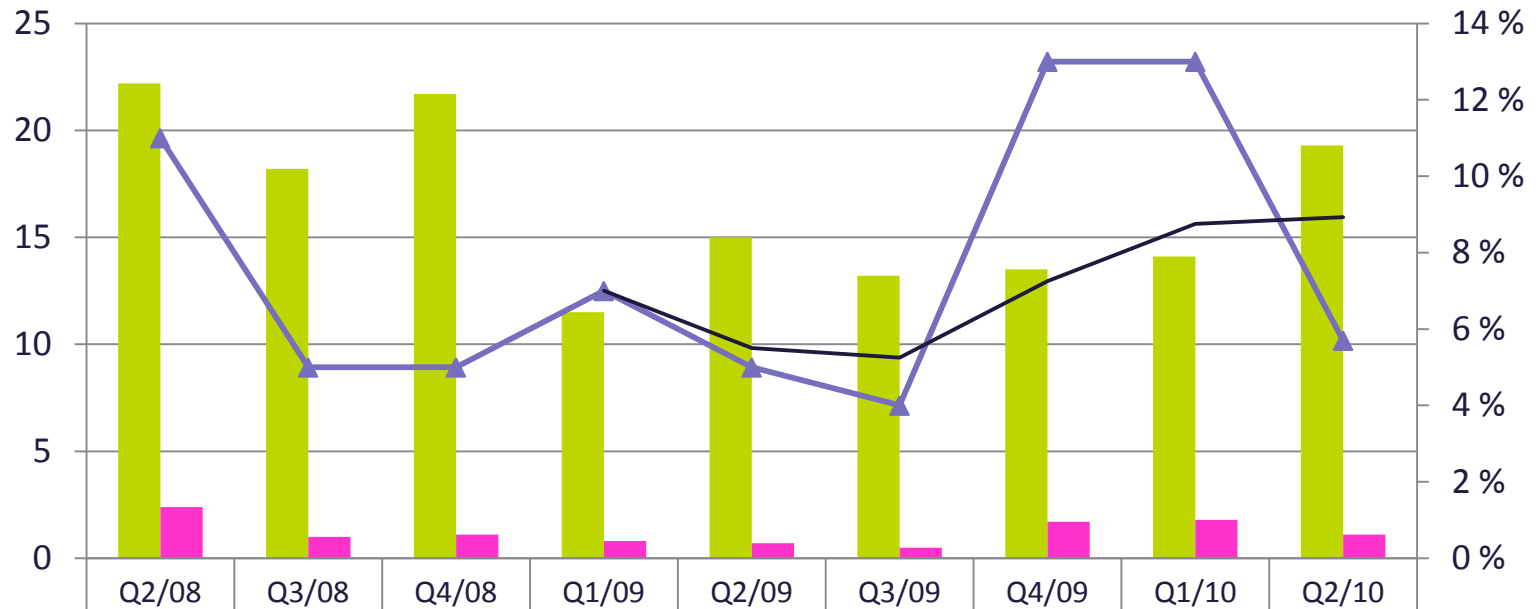
## MEA






# Sales by Area

## APAC

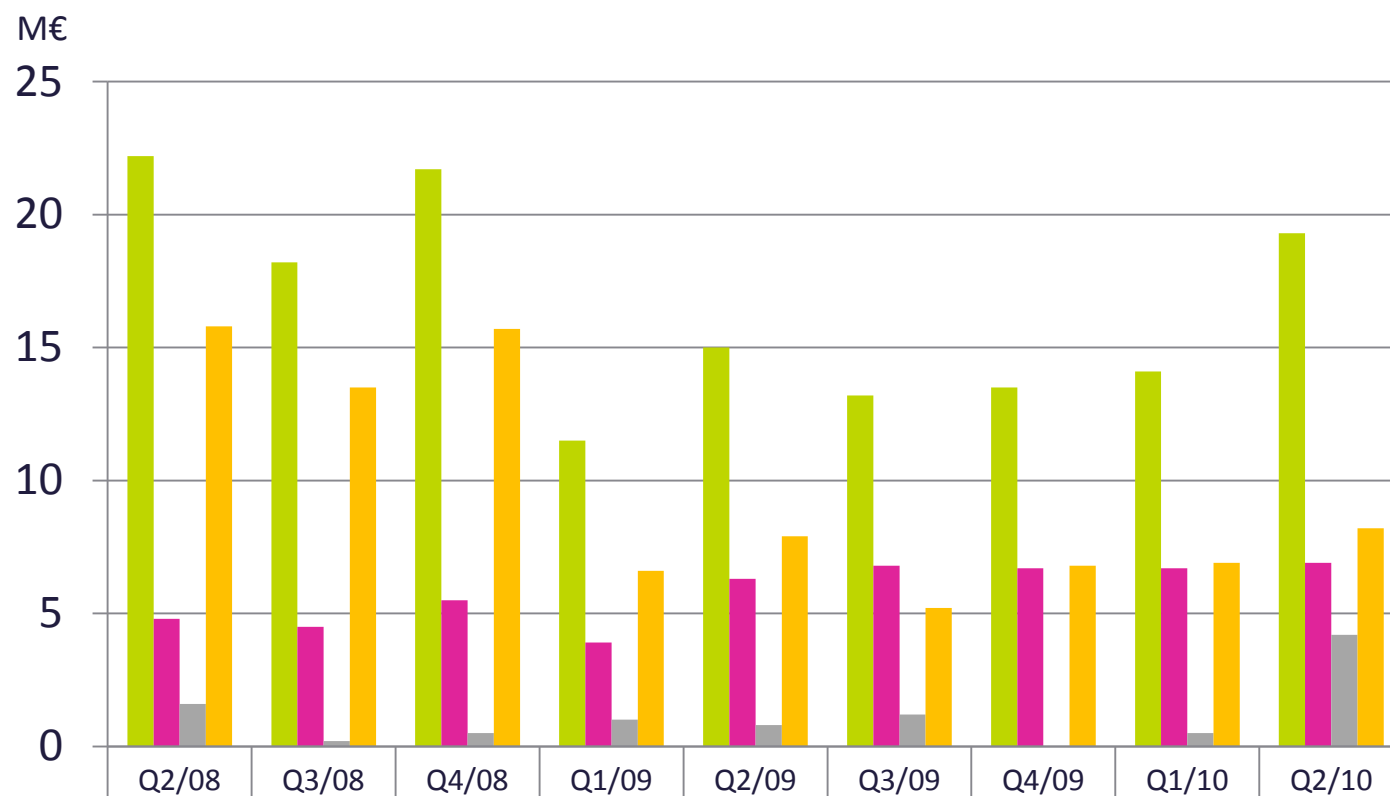
M€



 Tecnotree Sales	22,2	18,2	21,7	11,5	15,0	13,2	13,5	14,1	19,3
 APAC	2,4	1,0	1,1	0,8	0,7	0,5	1,7	1,8	1,1
 %	11 %	5 %	5 %	7 %	5 %	4 %	13 %	13 %	6 %

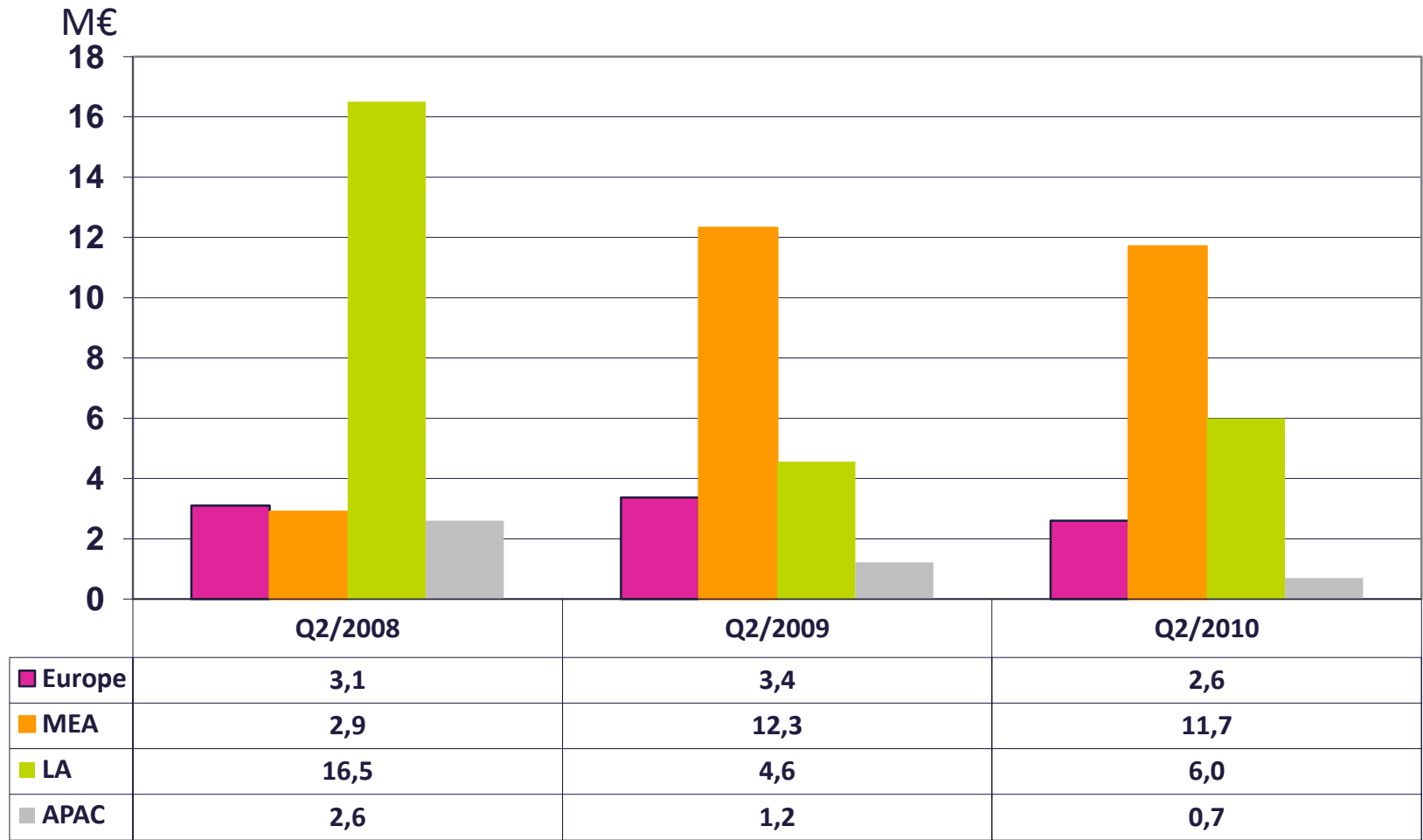
— 4 per. Mov. Avg. (%)

# Sales Distribution

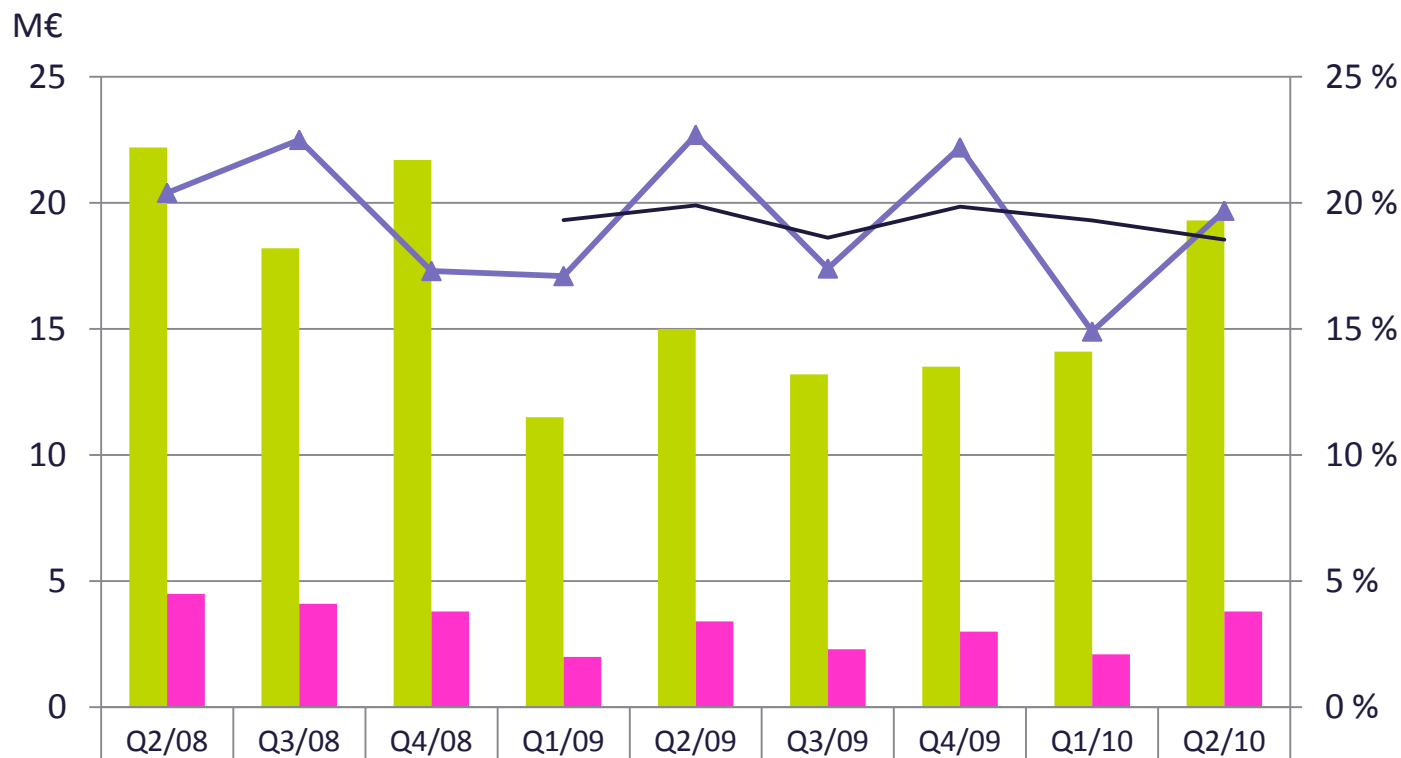


	Q2/08	Q3/08	Q4/08	Q1/09	Q2/09	Q3/09	Q4/09	Q1/10	Q2/10
■ Tecnotree sales	22,2	18,2	21,7	11,5	15,0	13,2	13,5	14,1	19,3
■ Services	4,8	4,5	5,5	3,9	6,3	6,8	6,7	6,7	6,9
■ New customers	1,6	0,2	0,5	1,0	0,8	1,2	0,0	0,5	4,2
■ Existing customers	15,8	13,5	15,7	6,6	7,9	5,2	6,8	6,9	8,2

# Orderbook by Sales Area



# Materials and Services

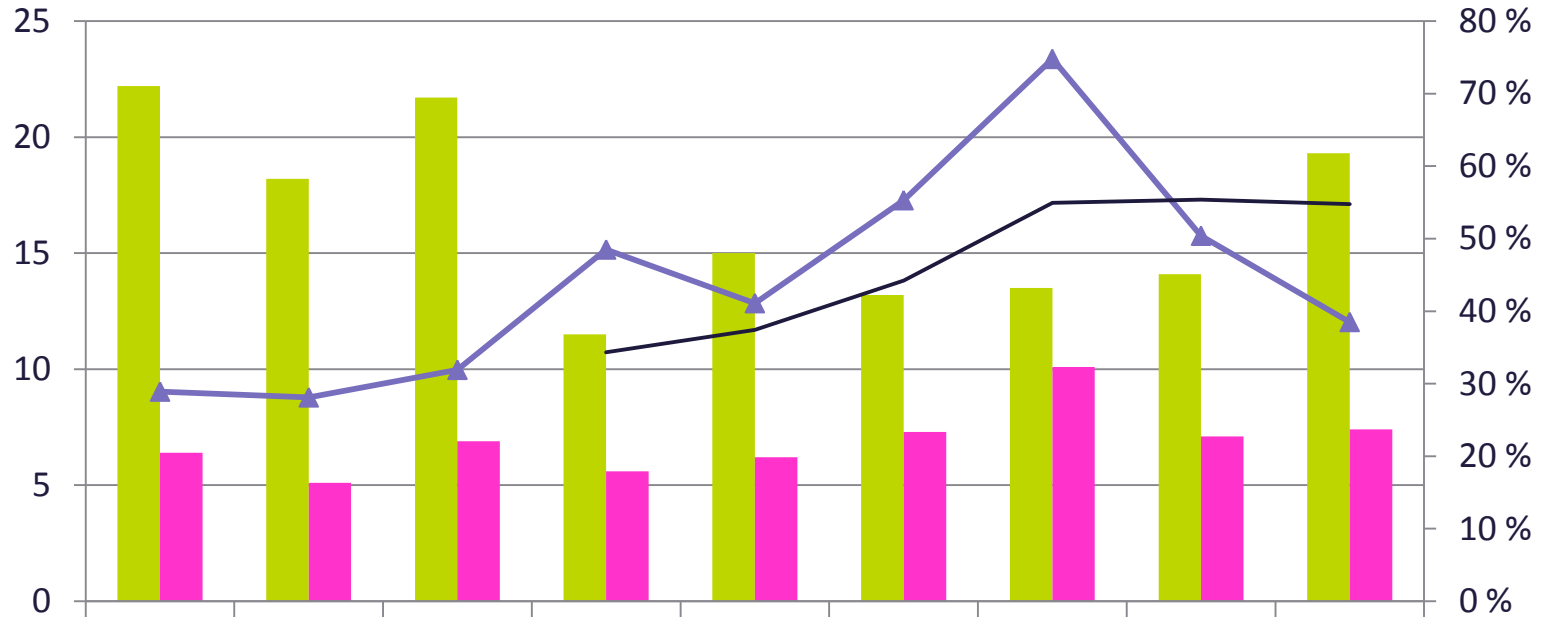


Sales	22,2	18,2	21,7	11,5	15,0	13,2	13,5	14,1	19,3
Materials and Services	4,5	4,1	3,8	2,0	3,4	2,3	3,0	2,1	3,8
%	20 %	23 %	17 %	17 %	23 %	17 %	22 %	15 %	20 %

— 4 per. Mov. Avg. (%)

# Employee Benefits

M€

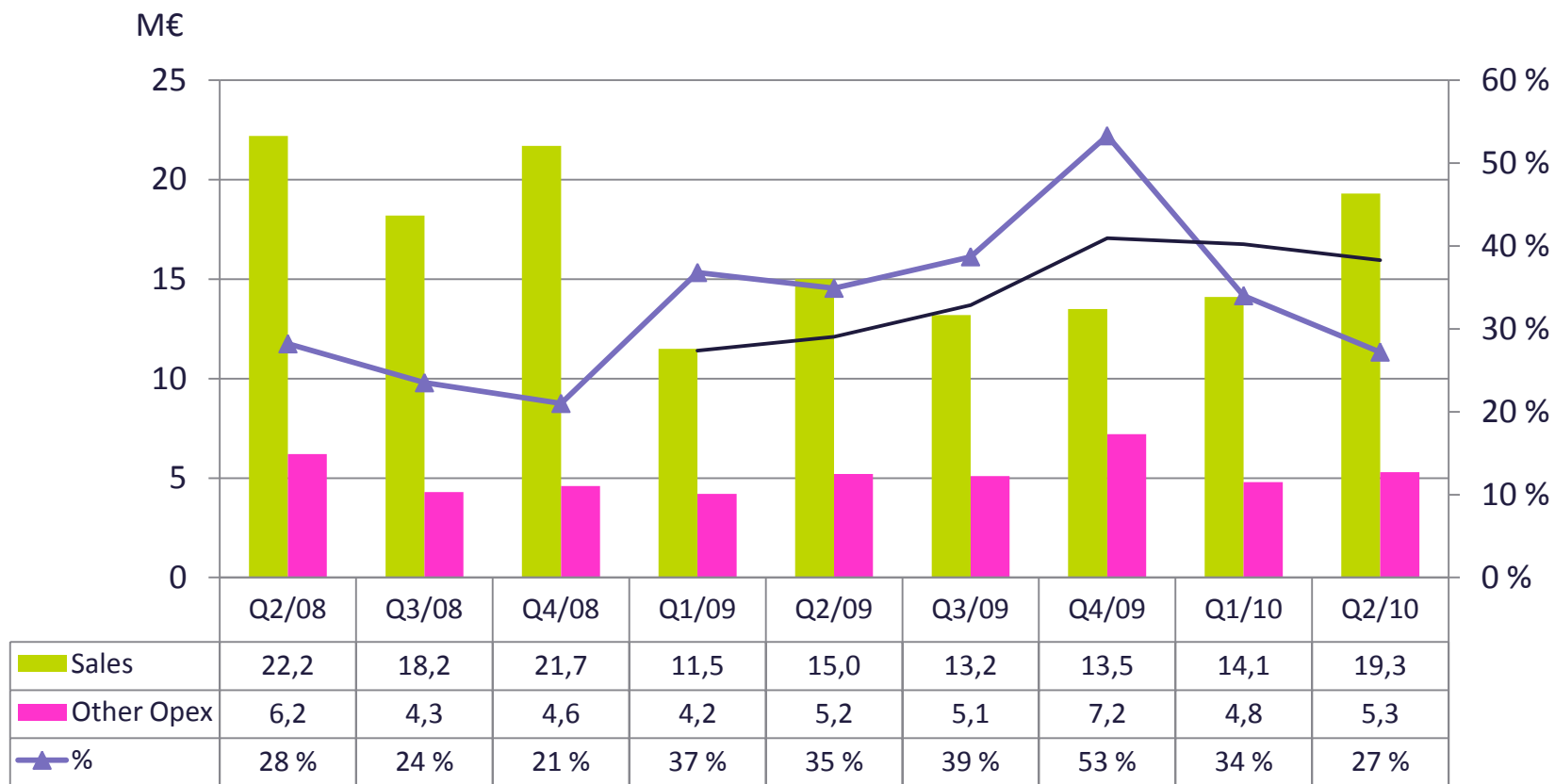


	Q2/08	Q3/08	Q4/08	Q1/09	Q2/09	Q3/09	Q4/09	Q1/10	Q2/10
Sales	22,2	18,2	21,7	11,5	15,0	13,2	13,5	14,1	19,3
Employee benefits	6,4	5,1	6,9	5,6	6,2	7,3	10,1	7,1	7,4
%	29 %	28 %	32 %	49 %	41 %	55 %	75 %	50 %	39 %

— 4 per. Mov. Avg. (%)



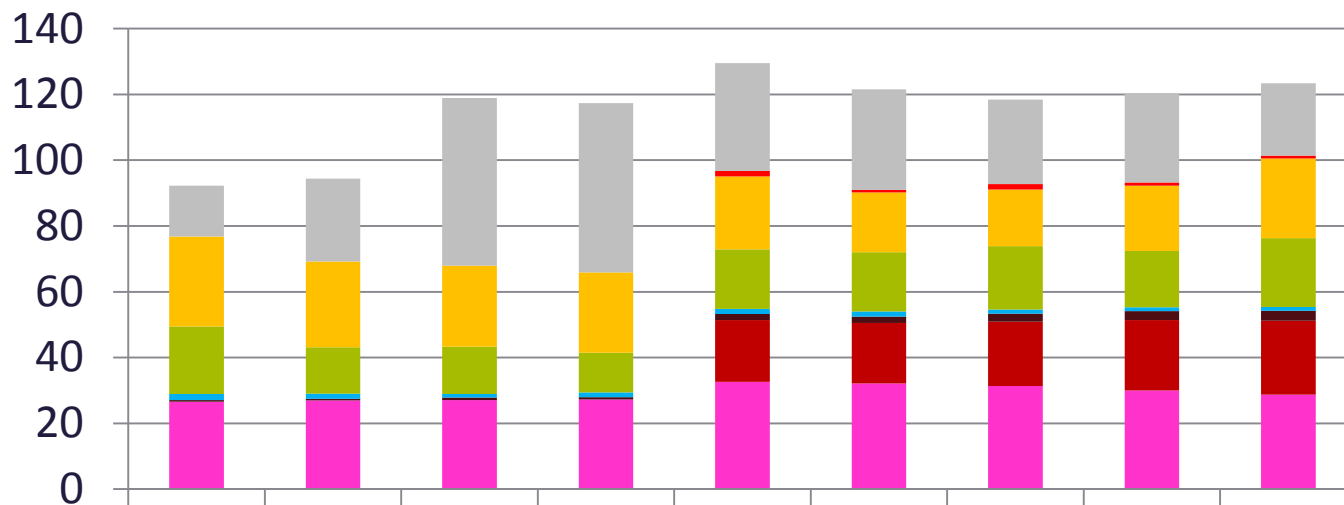
# Other Operating Expenses



— 4 per. Mov. Avg. (%)

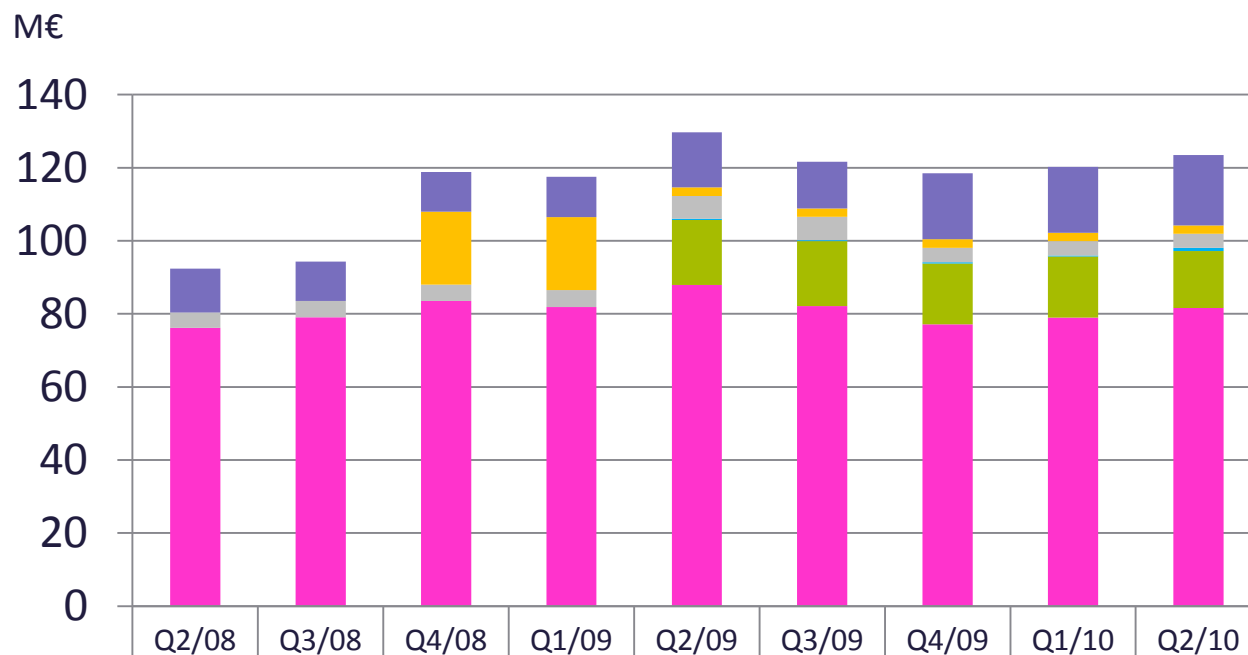
# Assets by Quarter

M€



	Q2/08	Q3/08	Q4/08	Q1/09	Q2/09	Q3/09	Q4/09	Q1/10	Q2/10
■ Cash	15,5	25,2	51,0	51,5	32,8	30,5	25,7	27,2	22,0
■ Investments					1,6	0,8	1,6	0,9	0,9
■ Other rec. (mainly WIP)	27,4	26,1	24,6	24,4	22,2	18,2	17,2	19,9	24,2
■ Trade receivables	20,5	14,1	14,4	12,1	18,1	18,0	19,3	17,1	20,9
■ Inventories	1,8	1,5	1,1	1,5	1,6	1,5	1,3	1,2	1,2
■ Other long term	0,5	0,5	0,7	0,6	1,8	2,0	2,4	2,7	3,0
■ Consolidated goodwill					18,8	18,4	19,6	21,4	22,5
■ Fixed assets	26,6	27,0	27,1	27,3	32,6	32,1	31,3	30,0	28,7

# Equity and Liabilities by Quarter



	Q2/08	Q3/08	Q4/08	Q1/09	Q2/09	Q3/09	Q4/09	Q1/10	Q2/10
Current non-interest bearing	12,0	10,8	10,8	11,0	15,1	12,8	18,1	18,0	19,3
Current interest bearing			20,0	20,0	2,3	2,2	2,3	2,3	2,3
Deferred tax	4,2	4,4	4,5	4,6	6,3	6,4	4,0	3,9	3,8
Long term non-interest bearing					0,3	0,3	0,3	0,3	0,9
Long term Interest bearing					17,8	17,8	16,7	16,7	15,6
Provisions									
Shareholders' equity	76,2	79,1	83,5	81,9	87,9	82,1	77,1	79,0	81,6

**Thank you!**

