

## Company Profile



## Management Presentation

Star Conference, London

London Stock Exchange, 7 October 2010

This communication contains statements that constitute “forward-looking statements”, including, but not limited to, statements relating to the implementation of strategic initiatives and other statements relating to our future business development and economic performance. While these forward-looking statements represent our judgments and future expectations concerning the development of our business, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, (1) general market and macro-economic trends, (2) legislative developments, governmental and regulatory trends, (3) competitive pressures, (4) technological developments, (5) changes in the financial position or creditworthiness of our customers, obligors and counterparties and developments in the markets in which they operate, (6) management changes and changes to our Business Group structure and (7) other key factors that we have indicated could adversely affect our business and financial performance which are contained in other parts of this document and in our past and future filings and reports.

Engineering is not under any obligation to (and expressly disclaims any such obligations to) update or alter its forward-looking statements whether as a result of new information, future events, or otherwise.

For additional information on such risks, we ask you to consult Engineering’s filings with Borsa Italiana and CONSOB and to consult applicable Italian laws.

# Outline



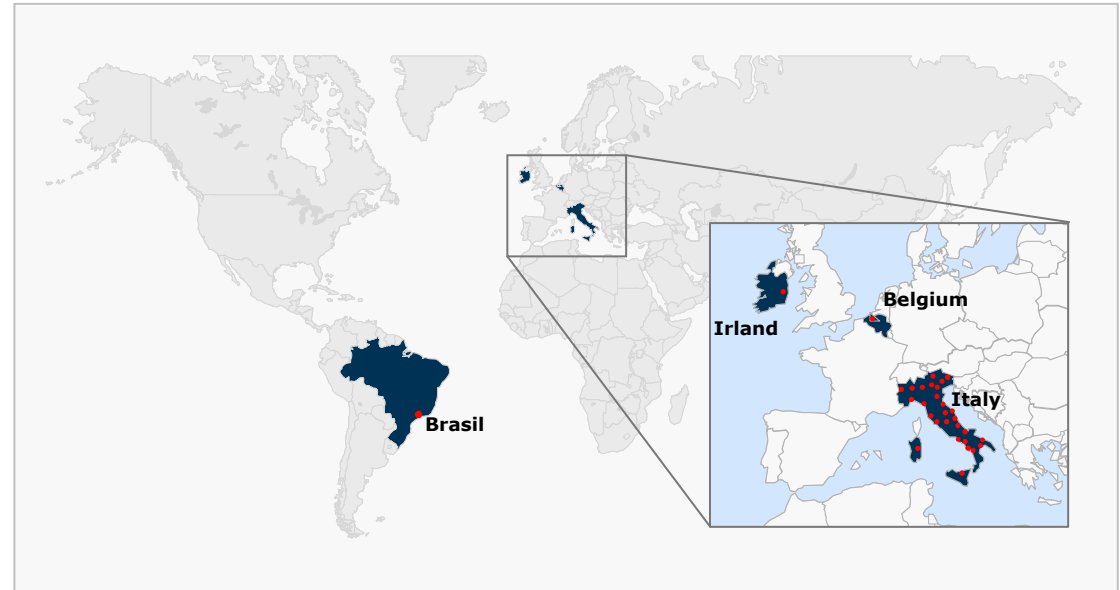
Engineering is the major Italian Information Technology Group and a leading IT multinational in Italy, Europe and Latin America. It is ranked as the fifth Company in its sector over the Italian Market according to annual revenues.

In 2009, revenues reached € 724.0 M, of which near 7% came from the international market and EBITDA overtook € 93.6 M. The company employs more than 6,400 professionals, roughly 1,900 external resources and boasts a customer portfolio of over 1000 firms, with operations in 37 sites in Italy and 3 abroad.

The Company enjoys a healthy financial positioning, with a net debt of € 40.7 M at the end of June 2010 (0.43x EBITDA 2009).

The Group, has gradually evolved from a pure system integrator to an Integrated IT Solutions and Services Provider, with an offer which ranges from system integration and consultancy, outsourcing of IT systems and business processes, application management and software development.

These business lines, operating cross over the vertical divisions, drive the Group in over-performing the relevant market.



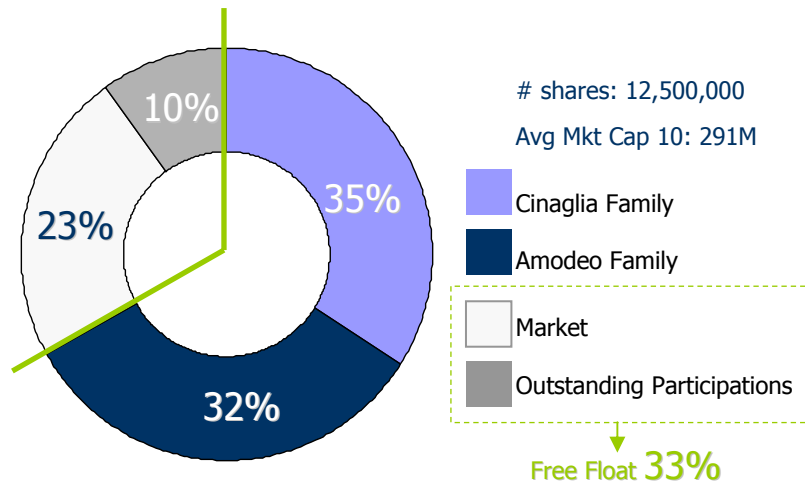
CAGR 00-09 Italian IT Market

1.6%

CAGR 00-09 Engineering Revenues

**16.5%**

## Structure

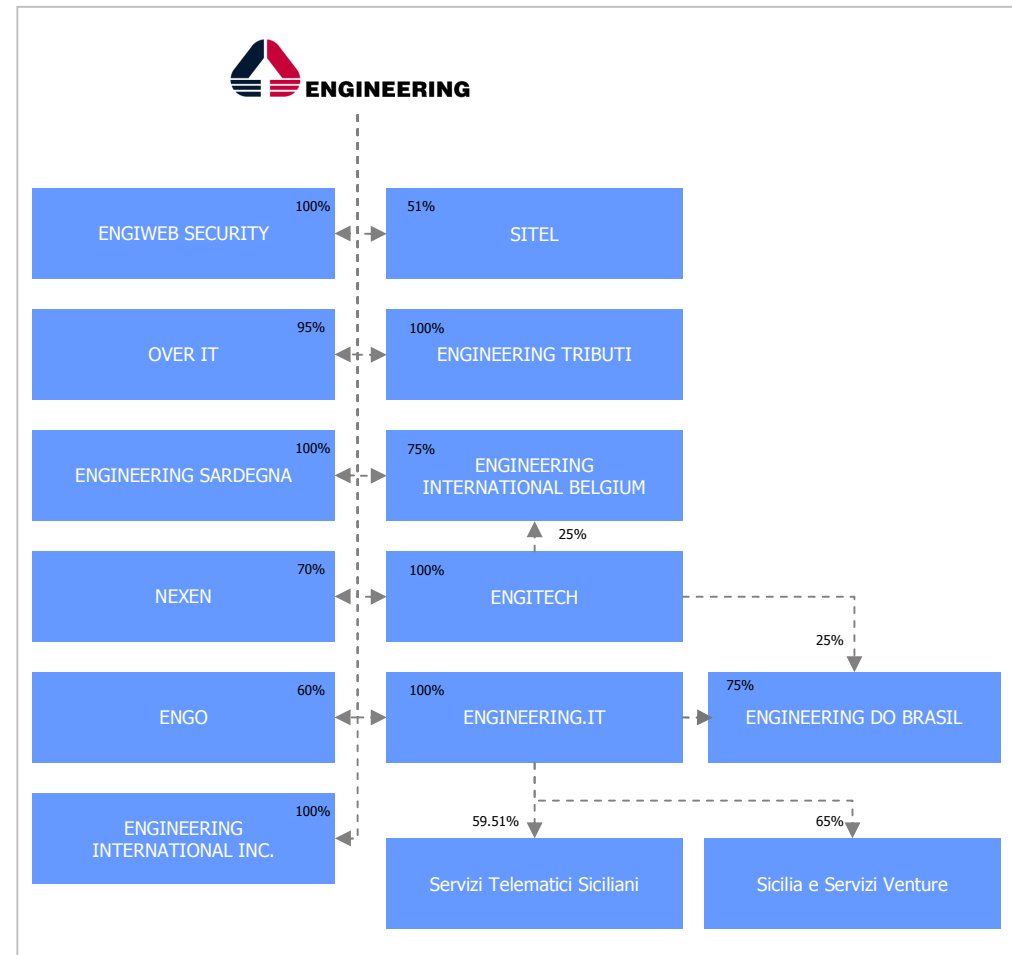


Engineering, listed since December 2000 on Milan Stock Exchange FTSE STAR Segment, maintains a simple ownership structure with 67% held by the two founders (Mr Cinaglia and Mr Amodeo), and 33% free float.

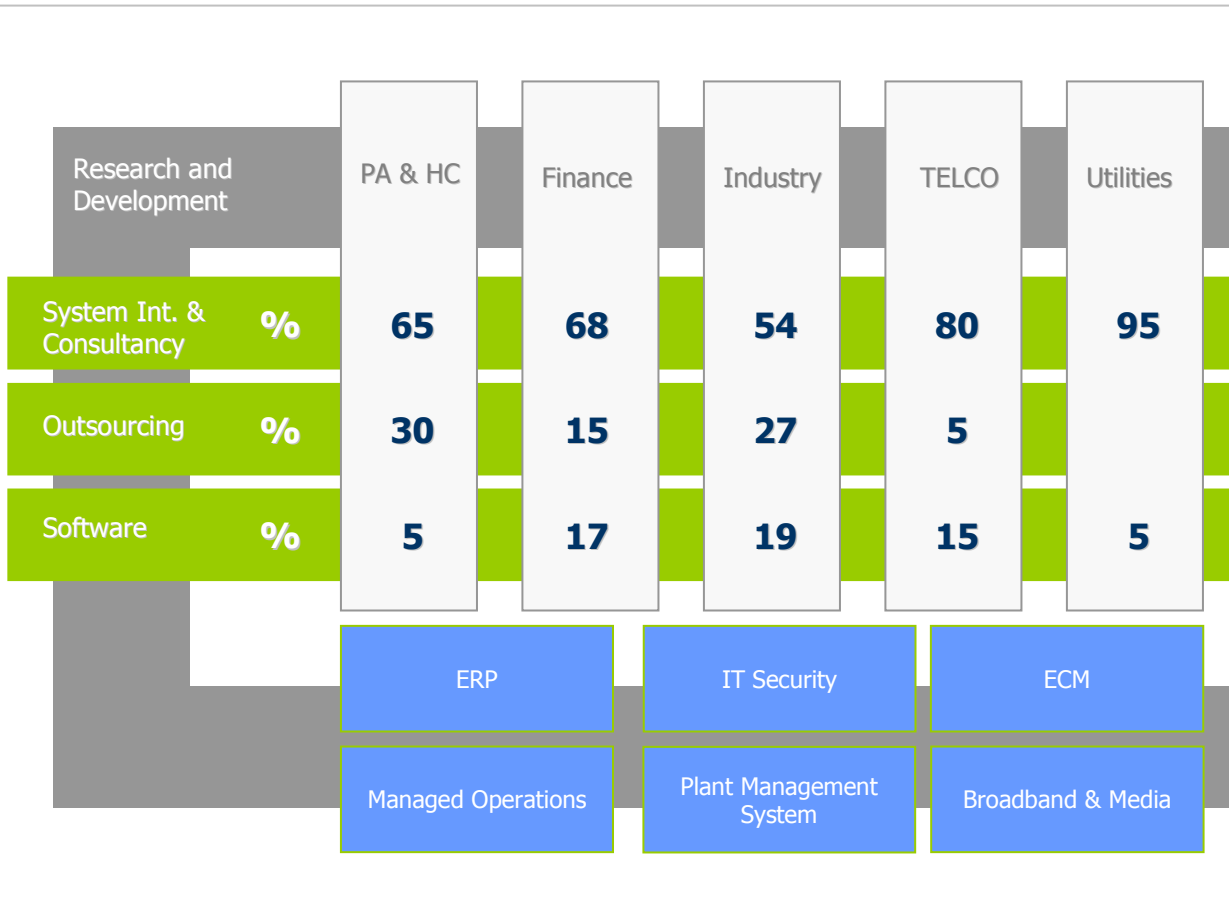
Major financial institutions focused on long-term investments continue to bet on the stock, aware of the strength of the Group Business Model and the reliability of the Management.

Since the IPO, the Group has oriented to a strategic path of external acquisitions, aiming to integrate assets and knowledge with an increasing interest on foreign opportunities.

Ownership Structure and data as of 30 September 2010



# Organization



The Group is organised around five vertical markets which, over their three decades history, have gained comprehensive insight into each business and crafted solid relationships with customers. This knowledge, coupled with latest-generation technology, allows the Company to provide its clients with an offer that is both complete and of value. Engineering solutions serve the core of the business operations of the customers and require an essential capability of integration.

The Research & Development department, through 250 skilled staff, transfers innovation to the factory and manages projects in several software environments.

6 Competence Centres, coordinated by the R&D, guarantee osmosis of expertise, information sharing and provide "best-practice" services cross over the full offering.

# Operations



53.1

System Integration and Consultancy

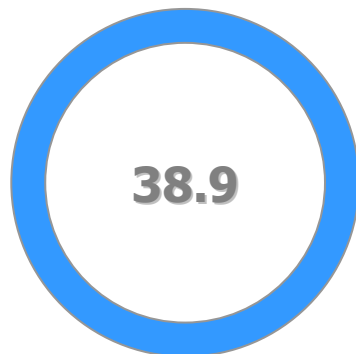
35.7

Outsourcing and AM

11.2

Software

PA & HC



Industry\*



Finance



TLC



From Official 2010 1H Accounts  
Split by Business Lines and Markets  
% on Net Revenues  
\*Industry aggregates Utilities

## Customer Base



A customer portfolio of over 1,000 firms in Italy and abroad. Engineering has partnership with the largest Industrial and Credit Group who have globalized their production and activities



▶ **Top10**  
**30 %**



▶ **Others**  
**70 %**

# 1H10 Results



## Value of Production

**359.0**

2010	<b>+ 4.0%</b>
2009	345.1

The Group confirms robust growth rates during the first half 2010 despite of sector estimates indicate, also for 2010, a reduction of ICT expenditures (-3.1%).

The slightly decrease in margins comes from a heavy reduction of professional average daily rates, dropping down by roughly 10% vs 2009.

## EBITDA

**38.4**

2010	<b>- 3.3%</b>
2009	39.6

## EBIT

**28.2**

2010	<b>- 3.7%</b>
2009	29.3

## EAT

**13.5**

2010	<b>-10.4%</b>
2009	15.1

## Margins %


**2009**
**2010**



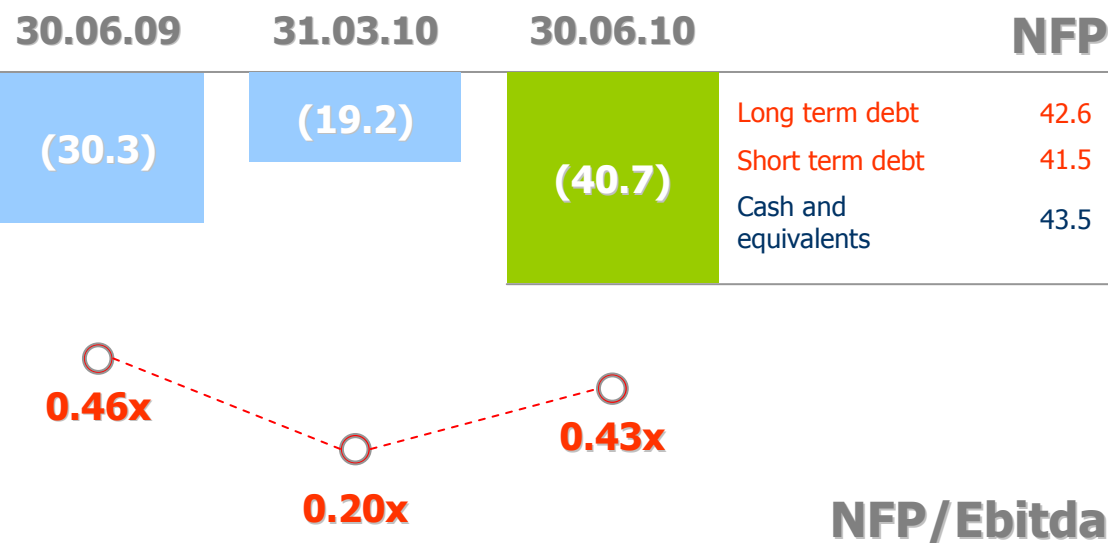
## 1H10 Results



NFP has been gradually worsening over the last 3 months, also if we compare the net debt with the results of the first half 09.

That has been caused by a slowdown in the payments inflow mainly due to the PA exposure and the seasonal trend of the 2nd quarter.

Nevertheless the healthy financial positioning of the Group generates a NFP/EBITDA ratio considerably low.



Work in progress	+7.6%	401.9	432.6
Booking	+1.9%	317.8	324.0
Net Revenues	+5.0%	333.4	350.0

Official 1H10 results compared with 2009 accounts  
 NFP/EBITDA 2009 Ratio calculated on FY08 Ebitda.  
 NFP/EBITDA 2010 Ratio calculated on FY09 Ebitda.  
 Data in mln €

386.3 -----> 406.6 +5.2% **Backlog**

# SWOT



## Strengths

- ✓ Quality of management
- ✓ Strong commitment with customers
- ✓ Experience and successful track record
- ✓ Business model with high entry barriers, broad proposition and predictable evolution

- ✓ EU Commission contracts
- ✓ Consolidator over the Italian ICT market thanks to a strong financial structure and a leadership position
- ✓ Growing revenues visibility and better cash inflow as an Outsourcing Processing Vendor relative to simple System Integrators and/or Software Developers

## Opportunities

## Weaknesses

- ✓ Lack of geographic diversification
- ✓ Investment in WC due to PA exposure

- ✓ Flat situation of the market which the Group works in (ICT in Italy)
- ✓ Stress on prices

## Threats

# SWOT



We have been growing over the last 30 years thanks to an attentive strategy of internal and external investments. The proper balance between make or buy decisions has given shape at the Group as it currently is.

The capability of the Management to integrate new assets, skills and people within the Group represents the grounds of the rigorous and flexible approach we always employ in deal negotiations and restructuring processes.

### Experience and successful track record of acquisitions

The CEO and the first line of TOP Managers of the Group (Managing Directors of divisions/business lines and General Managers of related companies) are keen in understanding the market movements and trends.

They share the culture of the Founders/Owners of the Company, still totally committed to the business.

### Quality of Management

## Strengths

### Business Model with high entry barriers, broad proposition and predictable evolution

It doesn't exist in our cluster of comparables any other Company able to provide clients with the full array of solutions we are capable of.

The very good mix among software development, system integration and outsourcing, generates a virtuous circle that enables Engineering to convey its broad proposition effectively and with high returns.

### Strong commitment with customers

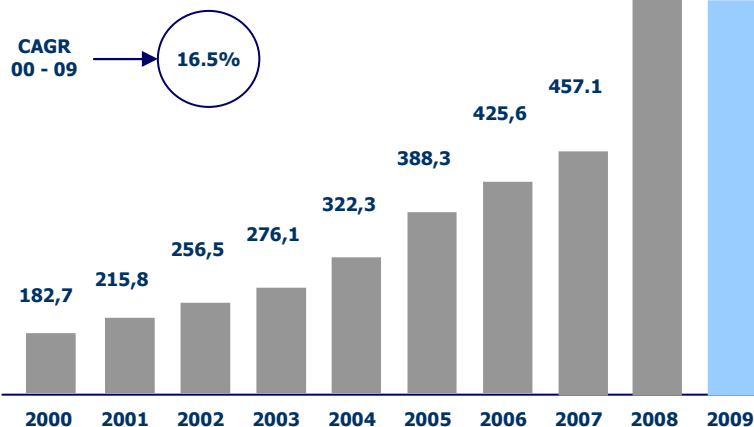
We may show a success story of relationship with the main and most important Italian firms-banks and the public administration. The top players in every different market/sector are provided by Engineering with solutions and services since the 80's.

Our market share and the retention rate of our clients, added up to the customer satisfaction are the keys to understand our leadership.

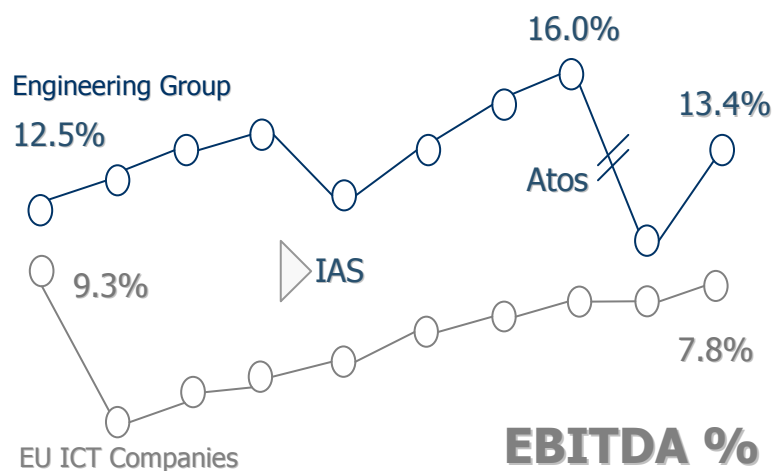
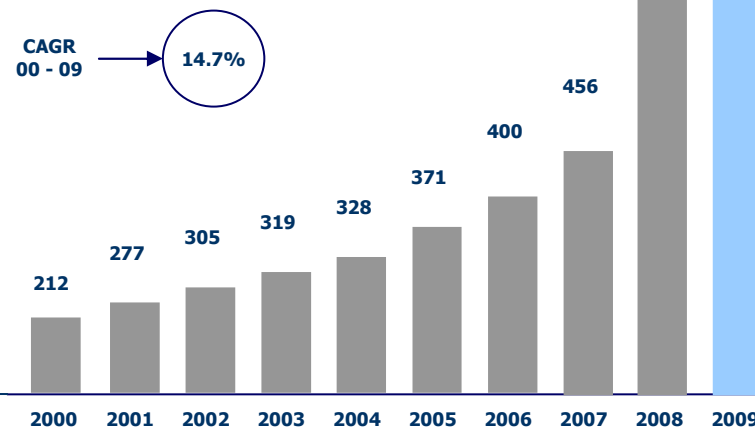
# 10Y Growth



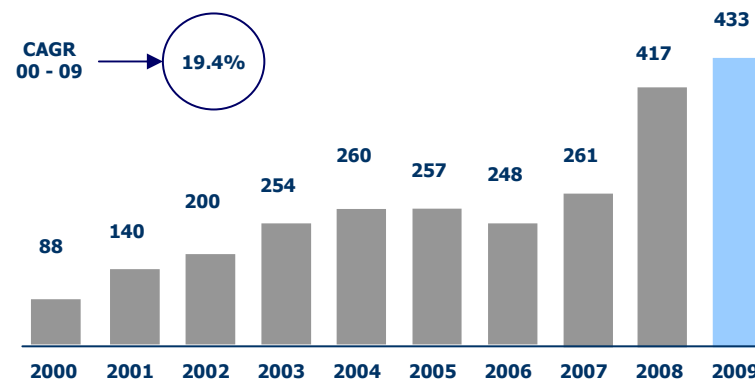
## Value of Production



## Orders



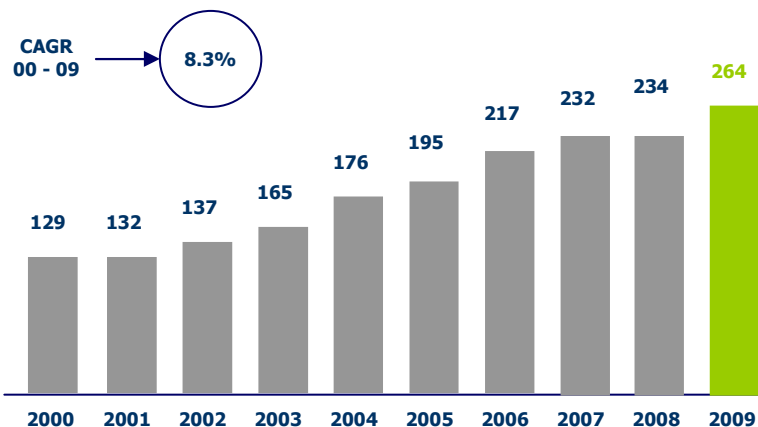
## Backlog



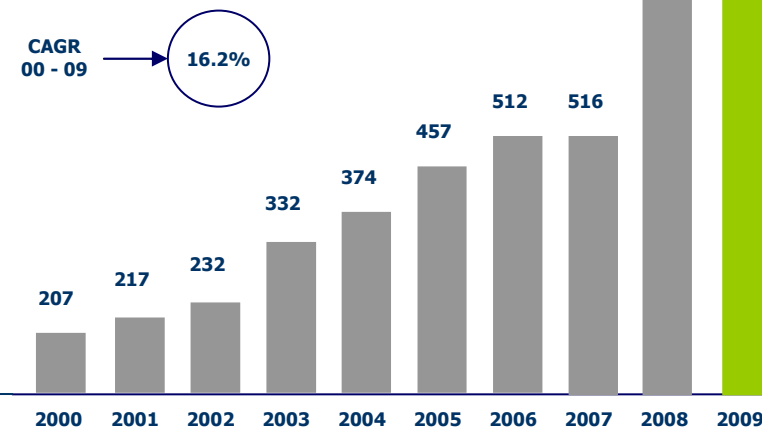
# 10Y Growth



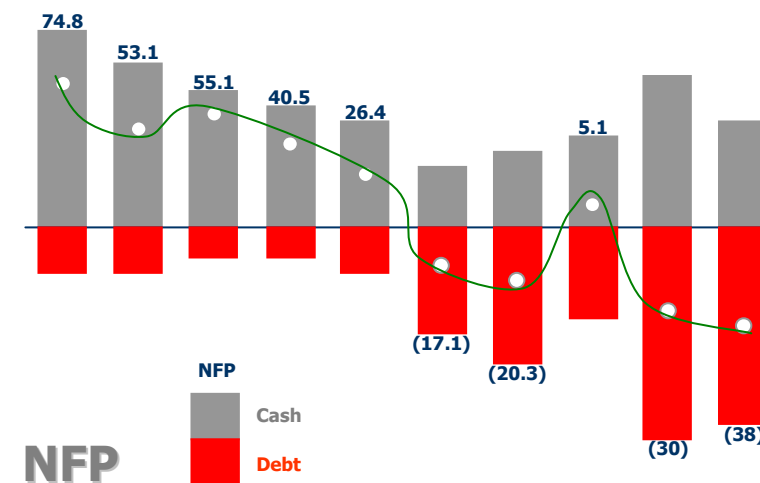
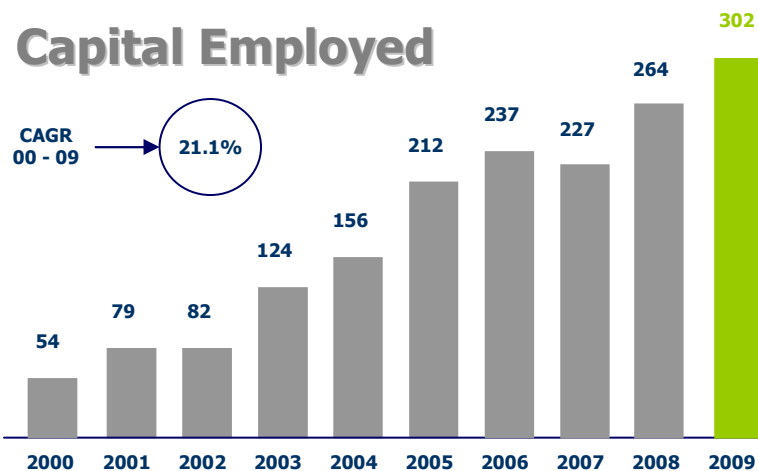
## Equity



## Assets



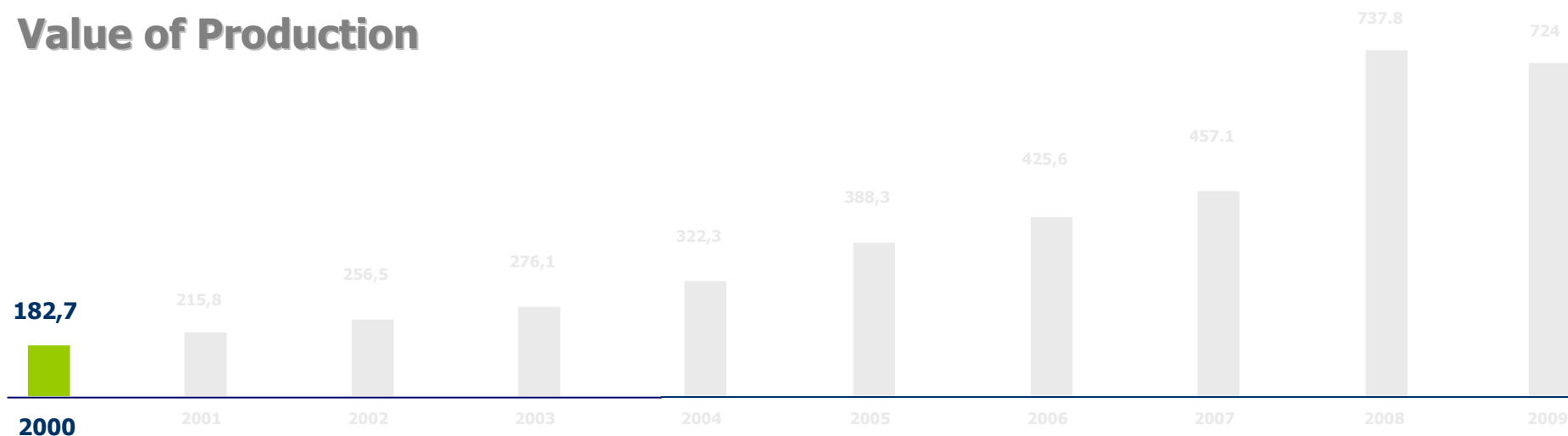
## Capital Employed



# 10Y Growth



## Value of Production



## IPO

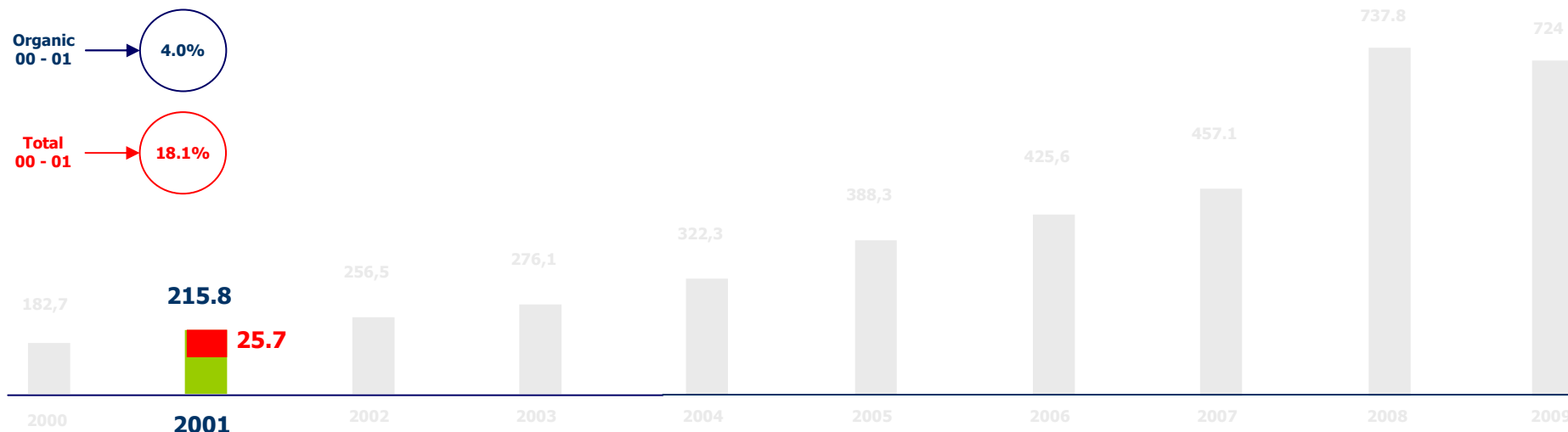
**12th December 2000**

**12.5 MLN shares (20% offered as free float)**

**40€ / share**

**100 M€ raised**

# 10Y Growth



## Acquisition of Famula Online and Olivetti Sanità



**40% Capital acquired**

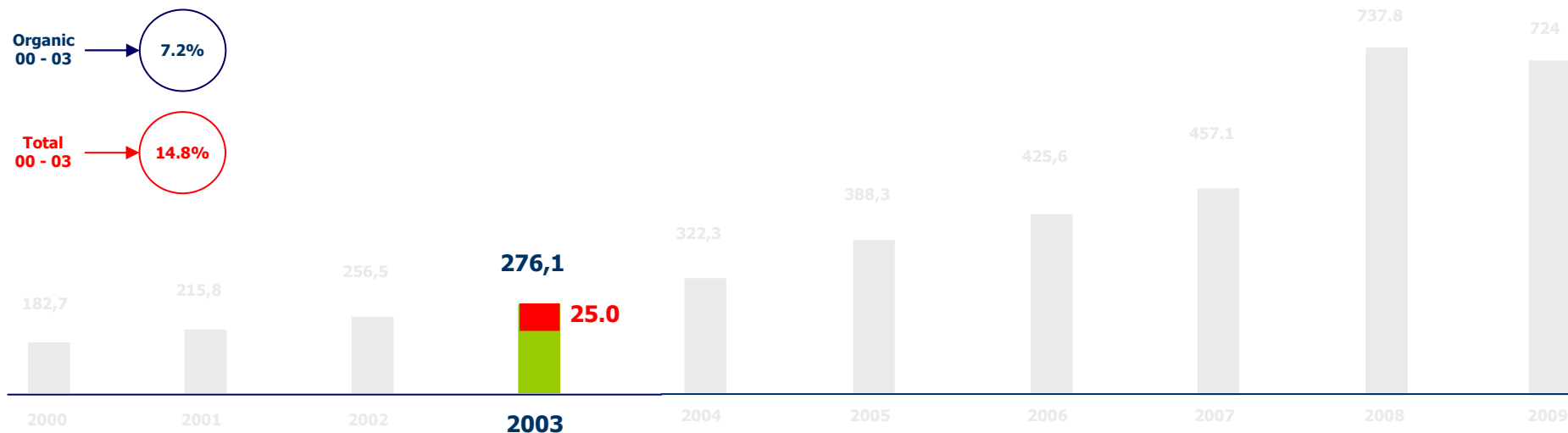
**886 K€ paid – Revenues came in at 4.5M € (31.12.01)**



**100% Capital acquired**

**38.6 M€ paid – Revenues came in at 20.2 M€ (31.12.01)**

# 10Y Growth



## Acquisition of Neta and constitution of BIP



**100% Capital acquired**

**18.3 M€ paid – REVENUES came in at 19.9 M€ (31.12.03)**

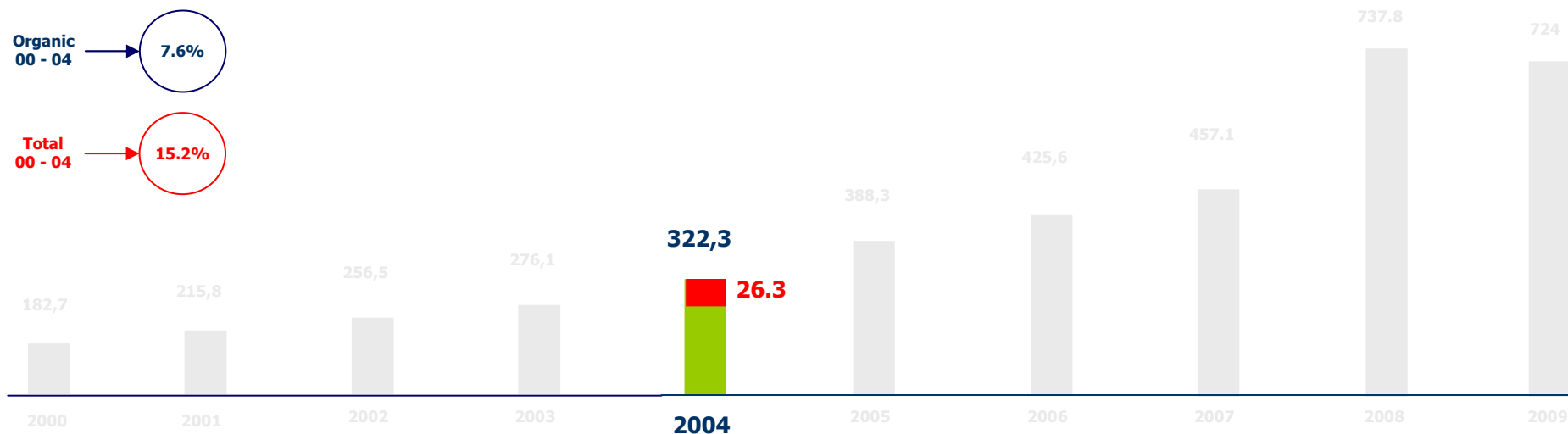


**53% Capital owned → 60% on 2007**

**Revenues came in at 5.1 M€ (31.12.03)**



# 10Y Growth



## Acquisition of Overit and Caridata



**100% Capital acquired**

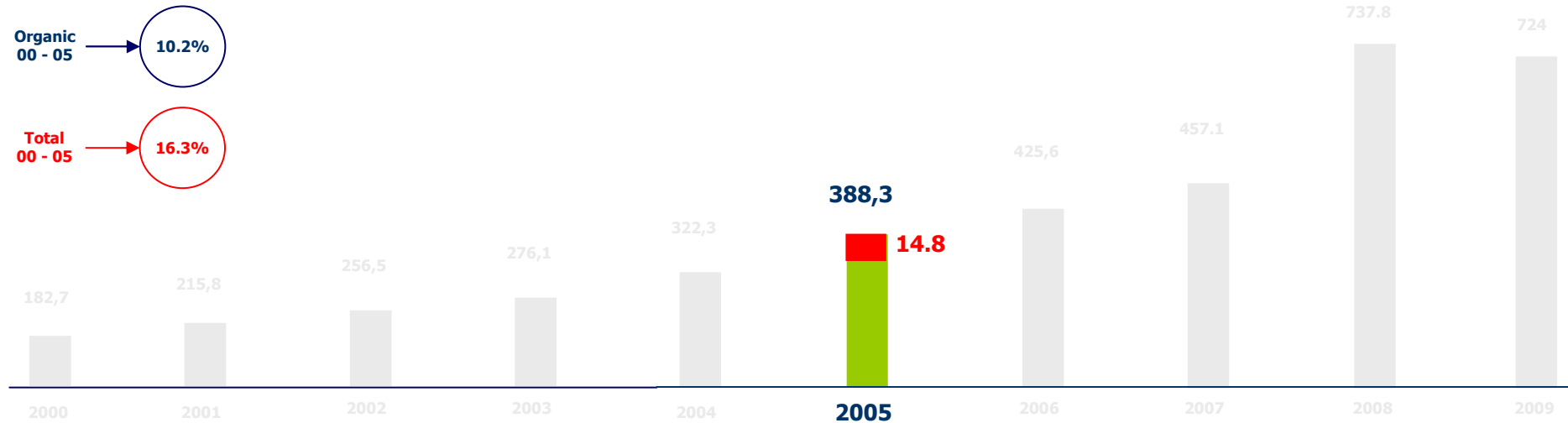
**1.4 M€ paid – Revenues came in at 3.7 M€ (31.12.04)**



**100% Capital acquired**

**9.2 M€ paid – Revenues came in at 22.6 M€ (31.12.04)**

# 10Y Growth



## Acquisition of Trend and costitution of Nexen

Trend ✓

100% Capital acquired

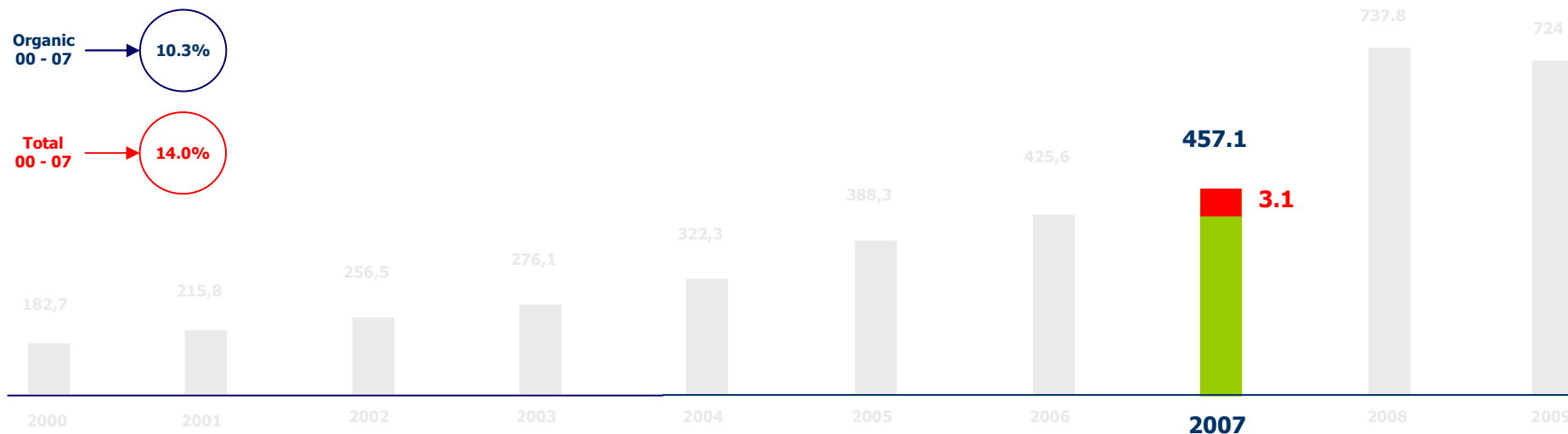
50 M€ paid – Revenues came in at 10.8 M€ (2H 2005)

Nexen  
BUSINESS CONSULTANTS  
GRUPPO ENGINEERING

70% Capital owned

1.5 M€ paid – Revenues came in at 4.0 M€ (31.12.05)

# 10Y Growth



## Acquisition of ProValue and disposal of BIP\*



**100% Capital acquired**

**4 M€ paid – Revenues came in at 3.1 M€ (31.12.07)**



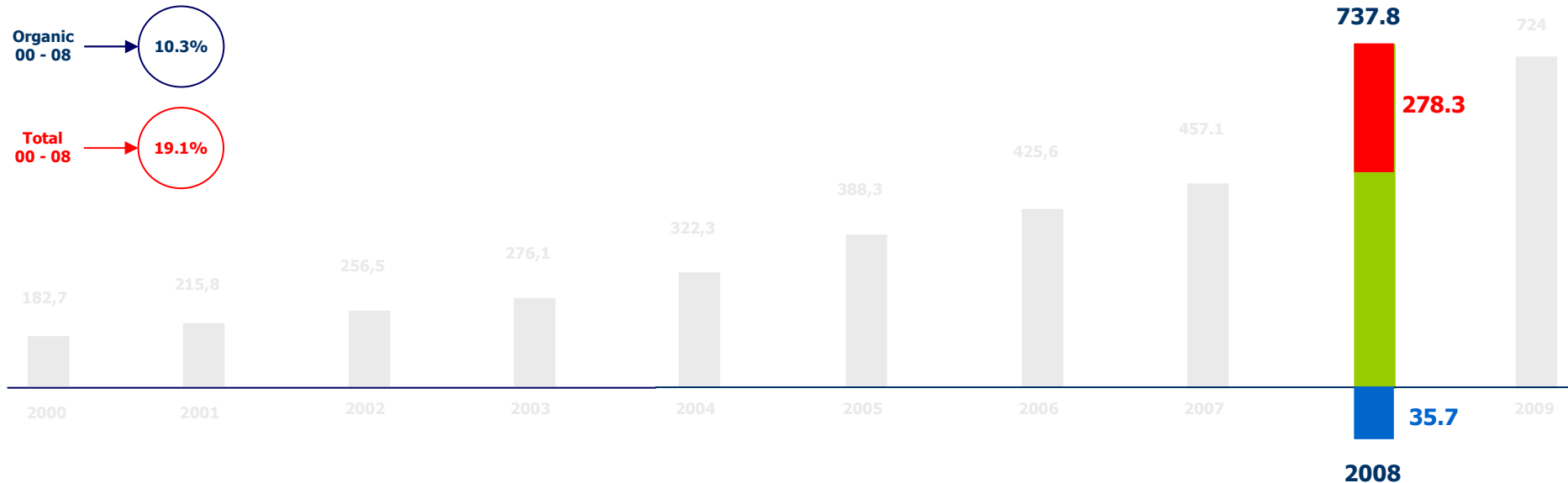
**60% Capital owned and sold**

**14 M€ gained – Revenues came in at 35.7 M€ (31.12.07)**

\* Consolidated until 31.12.07. Deconsolidated since the beginning of 2008 (see the next slide)

From ENG Official Accounts 2000-2009, Data in mln €

# 10Y Growth



## Acquisition of Atos Origin Italia and Xaltia



100% Capital acquired

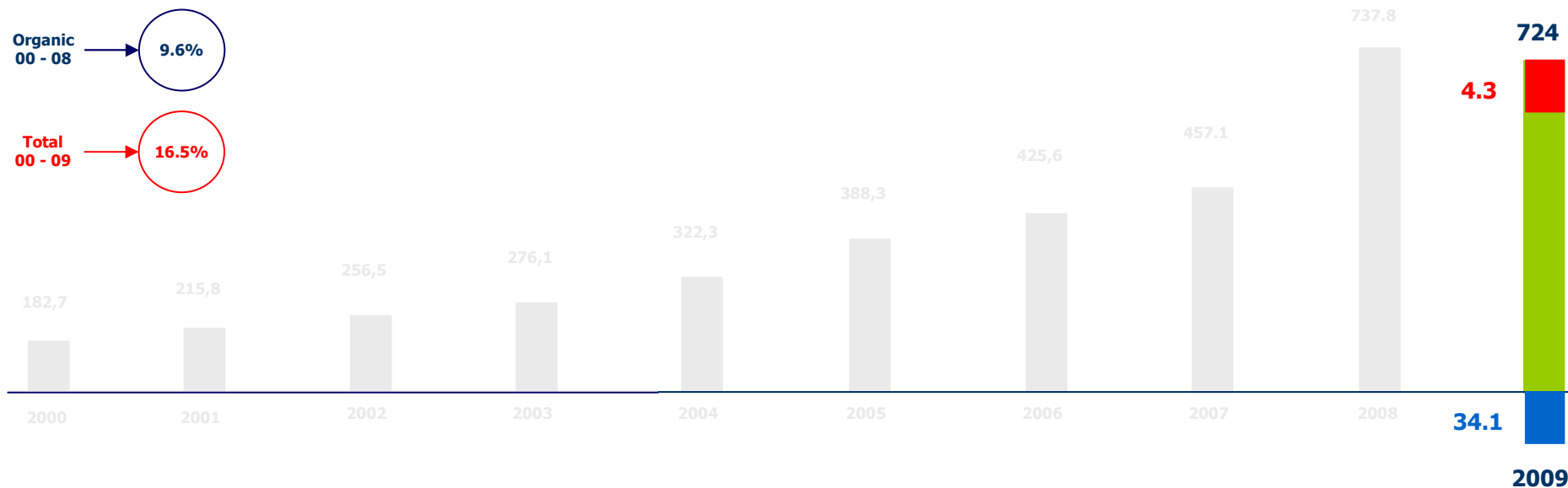
45 M€ paid – Revenues came in at 266 M€ (31.12.08)



100% Capital acquired

15 M€ paid – Revenues came in at 12.3 M€ (31.12.08)

# 10Y Growth



## Acquisition of A&B and disposal of Softlab and Famula



### Asset deal

Revenues came in at 4.3 M€ (31.12.09)



100% Capital owned and sold

Revenues came in at 34.1 M€ (31.12.09)

## Analysts coverage



**CENTROBANCA**  
Gruppo UBI < > Banca

**Specialist since 2008**

**Intermonte**

Coverage since 2007



GRUPPO  
BANCA LEONARDO

Coverage since 2007

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Coverage since 2003



**Thanks for Your  
attention**

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