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EUROTECH: 2007 REVENUES INCREASE BY 50.8% TO €76.5 MILLION

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- Consolidated revenues: +50.8% from €50.76 million to €76.50 million
- Consolidated adjusted EBITDA: from €3.03 million to €2.41 million, 3.2% of sales
- Consolidated adjusted EBIT: from €1.07 million to € -563 thousand
- Consolidated adjusted result before income taxes: from €3.32 million to € -347 thousand
- Consolidated net equity as at 31 December 2007: €123.93 million
- Net financial position: €6.38 million

Amaro (UD), 28 March 2008

The Board of Directors of Eurotech S.p.A. – a company listed on the STAR segment of the Italian Stock Exchange – chaired by Mr. Roberto Siagri met today to approve the financial statements as at 31 December 2007.

Sales improved for the Eurotech Group - leaders in the research, development, production and marketing of miniaturised computers (NanoPCs) and of computers featuring high-performance computing capability (HPCs).

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CONSOLIDATED	31/12/2006 €'000	31/12/2007 €'000	CHANGE %
SALES	50,759	76,537	50.8%
EBITDA	2,373	1,897	-20.06%
Adjusted EBITDA (*)	3,026	2,411	-20.32%
EBIT	(336)	(4,114)	nmf
Adjusted EBIT (*)	1,070	(563)	-152.6%
FINANCIAL MANAGEMENT	2,247	(45)	-102.00%
Adjusted FINANCIAL MANAGEMENT (*)	2,247	216	-90.39%
PRE-TAX RESULT	1,911	(4,159)	nmf
Adjusted PRE-TAX RESULT (*)	3,317	(347)	-110.46
NET PROFIT FOR THE PERIOD			
	466	(5,006)	nmf
Adjusted NET PROFIT FOR THE PERIOD (*)	1,361	(2,591)	nmf
GROUP NET PROFIT	572	(4,922)	nmf
Adjusted GROUP NET PROFIT (*)	1,467	(2,596)	nmf

(*) Amounts adjusted for accounting impact of Price Allocation related to acquisitions of Arcom Group, Applied Data Systems Inc. and Advanet Group incurred from April 2006. Specifically:

- EBITDA was adjusted for recognition in the income statement of the greater values of inventories from business combinations;
- EBIT was adjusted for the aforesaid EBITDA impact and for depreciation of fixed assets recognised for business combinations;
- financial management was adjusted to account for financial charges stemming from the put option issued on Advanet Inc.;
- net profit for the period was adjusted as per the above and to account for tax charges related to adjustments from business combinations and minority interests on overall impact of Price Allocation.

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Group revenues increased from €50.76 million in 2006 to €76.54 million in 2007, resulting in growth of 50.8%, i.e. €25.78 million. The growth is attributable to acquisitions occurring in 2006 and 2007.

Gross profit generated in 2007 was 49.8% of revenues (50.2% in 2006). The elimination of the negative impact of price allocation on gross profits in 2007 involves an overall improvement of the same, with a percentage impact on revenues of 50.5% (51.5% in 2006). Gross profit trends reflect Eurotech's business model based on the sale of high value added products.

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EBITDA was €1.90 million, 2.5% of total revenues, while adjusted EBITDA was 3.2% at €2.41 million. Trends in EBITDA were affected both by the positive trends in gross profit and significantly by operating expenses, especially fixed costs. Revenue absorption of these higher expenses was less than expected.

EBIT was primarily impacted by amortisation due to the "price allocation" of the acquisitions of Applied Data Systems Inc., of Arcom Group and of Advanet Group.

Adjusted EBIT deteriorated from €1.070 million in 2006 to € - 563 thousand in 2007.

Amortisation due to price allocation in 2007 was €3.04 million, increasing by €2.3 million as compared to €753 thousand in 2006.

As a result of these impacts, EBIT decreased from €336 thousand in 2006 to € -4.114 million in 2007.

Net profit before income taxes was € -4.159 million in 2007 (€1.911 million in 2006). The 2007 result improves to € -347 thousand when the impact of price allocation is excluded. A profit of €3.317 million was reported in 2006, €1.3 million of which related to the capital gain on the Radstone transaction.

Group net results were down to € -4.922 million in 2007 from a profit of €572 thousand reported in 2006. The 2007 result improves to € -2.596 million if the impact of price allocation is excluded, compared to a profit of €1.467 million in 2006. The results primarily stems from the impact of different tax charges on the Group's entities and from credit write-downs for advance taxes paid by the Parent Company, in addition to the profits reported before income tax.

The Group's net financial debt was €6.379 million as at 31 December 2007 as compared to a net financial position of €99.899 million as at 31 December 2007, reporting a reduction of €106.278 million.

The net financial position changed as a result of the following events:

- a payment of €49.321 million for purchasing 65% of Advanet Group's share capital, including acquisition costs that are directly attributable;
- a payment of €32.269 million for purchasing 100% of Applied Data Systems's share capital, including acquisition costs that are directly attributable;

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The net financial position also includes €19.1 million of future payments that did not bear a real cash outflow, broken down as follows:

- €14.9 million related to the fair value of a put/call option on 25% of Advanet Inc.'s share capital, which can be exercised in the early months of 2010.
- €0.9 million related to the lump-sum payment for Advanet Inc. provided for in the acquisition contract
- €2.9 million due to the restricted escrow deposit against a share price agreed upon (of which €1.9 million is payable in April 2008) with the shareholders of Applied Data Systems Inc..
- €450 thousand for the payments of the remaining tenths shares of common stock from Utri S.r.l.'s share capital increase.

Furthermore, the Board of Directors of the Company resolved to adopt an Organisation, Management and Control Model as per Legislative Decree no. 231/2001 and amendments, and a Code of Conduct and to set up a Supervisory Authority to monitor and control implementation of the model. The General section of the Model, together with the Code of Conduct, shall be made available to the public on the Issuer's web site.

On this day the Board of Directors has approved the annual report on the company's Corporate Governance.

The publishing of the report will follow through a press announcement in conformance with Italian stock exchange regulations (art. 89 bis Regolamento Emittenti Consob) which will be made public through www.eurotech.com in the press section and can be found in the company's headquarters.

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In accordance with section 2 of Article 154-bis the Unified Financial Law, the Financial Reporting Officer, Eros Goi, declared that the accounting information contained in this press release corresponds to the accounting entries.

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THE EUROTECH GROUP

Eurotech (ETH.MI) is a leading company in the research, development, production and marketing of miniaturised computers (NanoPCs) and of computers featuring high-performance computing capability (HPCs).

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ATTACHMENTS - FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

INCOME STATEMENT (€'000)	31/12/2006	%	31/12/2007	%
Revenues from sales of products and services	50,759	100.0%	76,537	100.0%
Other revenues	815	1.6%	386	0.5%
Cost of materials	(25,296)	-49.8%	(38,424)	-50.2%
Service costs	(11,601)	-22.9%	(14,797)	-19.3%
Lease & hire costs	(1,007)	-2.0%	(1,439)	-1.9%
Payroll costs	(12,889)	-25.4%	(22,583)	-29.5%
Other provisions and other costs	(296)	-0.6%	(844)	-1.1%
Cost adjustments for in-house generation of non-current assets	1,888	3.7%	3,061	4.0%
Depreciation & amortisation	(2,528)	-5.0%	(5,774)	-7.5%
Asset impairment	(181)	-0.4%	(237)	-0.3%
Operating profit	(336)	-0.7%	(4,114)	-5.4%
Share of associates' profit of equity	(51)	-0.1%	(348)	-0.5%
PTO launch charges	(2,003)	-3.9%	0	0.0%
Income from PTO	3,312	6.5%	0	0.0%
Finance expense	(2,033)	-4.0%	(2,539)	-3.3%
Finance income	3,022	6.0%	2,842	3.7%
Profit before taxes	1,911	3.8%	(4,159)	-5.4%
Income tax	(1,445)	-2.8%	(847)	-1.1%
Net profit (loss) before minority interest	466	0.9%	(5,006)	-6.5%
Minority interest	(106)	-0.2%	(84)	-0.1%
Group net profit (loss) for period	572	1.1%	(4,922)	-6.4%
Base earnings per share	0.022		(0.141)	
Diluted earnings per share	0.021		(0.141)	

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CONSOLIDATED INCOME STATEMENT – RECONCILIATION OF OPERATING AND REPORTED DATA

OPERATING DATA (€'000)	31.12.2007	%	Effect of purchase price allocation	31.12.2007 adjusted	%
SALES REVENUES	76,537	100.0%		76,537	100.0%
COST OF MATERIALS	(38,424)	-50.2%	514	(37,910)	-49.5%
GROSS PROFIT	38,113	49.8%	514	38,627	50.5%
OTHER OPERATING COSTS	(39,663)	-51.8%		(39,663)	-51.8%
OTHER OPERATING REVENUES	3,447	4.5%		3,447	4.5%
EBITDA	1,897	2.5%	514	2,411	3.2%
DEPRECIATION & AMORTIZATION	(6,011)	-7.9%	3,037	(2,974)	-3.9%
EBIT	(4,114)	-5.4%	3,551	(563)	-0.7%
FINANCE INCOME (EXPENSE)	(45)	-0.1%	261	216	0.3%
PROFIT (LOSS) BEFORE TAX	(4,159)	-5.4%	3,812	(347)	-0.5%
INCOME TAX	(847)	-1.1%	(1,397)	(2,244)	-2.9%
NET PROFIT (LOSS) BEFORE MINORITIES	(5,006)	-6.5%	2,415	(2,591)	-3.4%
GROUP NET PROFIT (LOSS) FOR PERIOD	(4,922)	-6.4%	2,326	(2,596)	-3.4%

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CONSOLIDATED BALANCE SHEET

(€'000)	31/12/2006	31/12/2007
ASSETS		
Intangible assets	26,715	111,918
Property, Plant and equipment	4,121	6,737
Investments in associate companies	470	109
Investments in other companies	287	930
Deferred tax assets	3,715	1,802
Other non-current assets	139	630
Total non-current assets	35,447	122,126
Inventories	12,307	22,129
Contracts in progress	810	2,364
Trade receivables	10,351	18,807
Income tax receivables	738	2,203
Other current assets	3,522	2,793
Derivative instruments	0	82
Cash & cash equivalents	119,614	56,604
Total current assets	147,342	104,982
Total assets	182,789	227,108
LIABILITIES AND EQUITY		
Share capital	8,751	8,879
Reserves	131,436	117,510
Net profit (loss) for period	572	(4,922)
Group shareholders' equity	140,759	121,467
Minority capital and reserves	39	2,549
Minority profit (loss) for period	8	(84)
Equity attributable to minority interest	47	2,465
Total shareholders' equity	140,806	123,932
Medium-/long-term borrowing	15,910	34,172
Employee benefit obligations	569	1,512
Deferred tax liabilities	3,594	15,055
Other non-current liabilities	374	1,345
Business combination liabilities	0	15,864
Total non-current liabilities	20,447	67,948
Trade payables	12,234	14,506
Short-term borrowing	3,790	9,787
Derivative instruments	15	0
Income tax liabilities	1,586	2,112
Other current liabilities	3,911	5,581
Business combination liabilities	0	3,242
Total current liabilities	21,536	35,228
Total liabilities	41,983	103,176
Total liabilities and equity	182,789	227,108

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NET FINANCIAL POSITION

(€'000)		31/12/2006	31/12/2007
Cash & cash equivalents	A	(119,614)	(56,604)
Cash equivalent	B=A	(119,614)	(56,604)
Derivative instruments	C	15	(82)
Short-term borrowing	D	3,790	9,787
Business aggregation liabilities	E	0	3,242
Short-term financial position	F=C+D+E	3,805	12,947
Short-term net financial position	G=B+F	(115,809)	(43,657)
Business aggregation liabilities	H	0	15,864
Medium-/long-term borrowing	I	15,910	34,172
Medium-/long-term net financial position	J=H+I	15,910	50,036
NET FINANCIAL POSITION	K=G+J	(99,899)	6,379

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NET WORKING CAPITAL

(€'000)	31/12/2006	31/12/2007	Changes
	(a)	(b)	(b-a)
Inventories	12,307	22,129	9,822
Contracts in progress	810	2,364	1,554
Trade receivables	10,351	18,807	8,456
Income tax receivables	738	2,203	1,465
Other current assets	3,522	2,793	(729)
<i>Current assets</i>	<i>27,728</i>	<i>48,296</i>	<i>20,568</i>
Trade payables	(12,234)	(14,506)	(2,272)
Income tax liabilities	(1,586)	(2,112)	(526)
Other current liabilities	(3,911)	(5,581)	(1,670)
<i>Current liabilities</i>	<i>(17,731)</i>	<i>(22,199)</i>	<i>(4,468)</i>
Net working capital	9,997	26,097	16,100

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