

PRESS RELEASE**EUROTECH: APPROVAL OF INTERIM MANAGEMENT STATEMENT AT 30 SEPTEMBER 2009**

Results as at 30 September 2009 in line with first half while EBITDA remained positive also in the third quarter.

Amaro (Udine), 13 November 2009

- Consolidated revenues: from € 62.81 million to € 57.53 million, -8.4%
- Consolidated gross profit: from € 34.68 million to € 30.44 million
- Consolidated EBITDA: from € 3.35 million to € -1.06 million
- Consolidated EBIT: from € -2.49 million to € -6.91 million
- Consolidated EBT: from € -4.97 million to € -7.82 million
- Net financial debt: € -3.55 million

Today the Board of Directors of Eurotech SpA reviewed and approved the results relating to the first nine months and to the third quarter of 2009.

FIRST NINE MONTHS OF 2009

In the first nine months of 2009 (9M09), Group revenues totalled € 57.53 million (mn) vs. € 62.81 mn in the first nine months of 2008 (9M08). The decrease of -8.4% was mainly due to the global economic situation, which, besides having caused a decrease in order intake between the end of 2008 and beginning of 2009, has continued to cause effects during 2009. The impact of the global macroeconomic situation continues to affect above all the areas of Japan and Europe, where most of sales decreases have occurred. Conversely, America is showing signs of recovery, as confirmed by a series of contracts announced from September onwards.

Gross profit margin in 9M09 remained in line with management's expectations at the beginning of the year and was 52.9%, down vs. the 55.2% margin achieved in 9M08, but nevertheless firm notwithstanding the lower contribution made by the historically high-margin Japanese group due to lower sales.

Generally speaking, the trend in gross profit margin demonstrates the soundness of the business model applied by the Group, increasingly based on the sale of high-value products, and the ongoing attention paid to the curbing of COGS implemented via integration and harmonisation among Group affiliates of processes for managing purchased materials.

EUROTECH GROUP
HEADQUARTERS

Via F. Solari, 3/A
33020 Amaro (UD) – ITALY
Tel. +39 / 0433 485411
Fax. +39 / 0433 485455

www.eurotech.com
ir@eurotech.com

PRESS RELEASE

During 2009 the Group has continued and accelerated its policy of rationalisation of existing resources and continuation of identification and implementation of synergies between the various affiliates. Together with the flexibility of some units, these efforts have made it possible to contain the impact of prevalently fixed costs in these nine months, in which – due to the causes outlined above – the level of revenues was lower than that sustainable by the Group's current organisation, which is properly scaled to support future growth.

Careful reduction of operating costs partly counterbalanced the lower gross profit contribution caused by lower sales. This lower contribution had an impact on the Group's EBITDA, which in 9M09 went from a result of € 3.35 mn in 9M08 to a result of € -1.06 mn in 9M09. As an effect of these factors, EBITDA margin on sales went down from 5.3% in 9M08 to -1.8% in 9M09 – but with a trend showing improvement in the third quarter, as we will see in greater detail later on.

EBIT amounted to € -6.91 mn with a -12.0% margin on sales, whereas in 9M08 it featured an amount of € -2.49 mn with a -4.0% margin on sales. As well as the decrease in EBITDA, this trend also reflected the effects of amortisation charged to the income statement in 9M09. The latter arose both from operating assets that in fact became subject to amortisation during 2009 and from the non-monetary effects of PPA (purchase price allocation), which in 9M09 amounted to € 2,311 thousand (vs. € 3,268 thousand in 9M08).

In 9M09 there was a pre-tax loss of € -7.82 mn (vs. a loss of € -4.97 mn in 9M08). This performance was affected by the items considered above and by the results of financial operations – which in turn were affected by the trend in net financial position, as well as foreign exchange differences caused by foreign currencies' trends. The impact on the pre-tax result of PPA was € 2,303 thousand in 9M09 vs. € 5,558 thousand in 9M08.

In 9M09 the Group net loss amounted to € -8.73 mn vs. € -6.31 mn in 9M08. Eliminating the non-cash effects of PPA, the result would have been € -7.47 mn (vs. € -2.99 mn in 9M08).

As at 30 September 2009 the Group featured net financial debt of € -3.55 mn as opposed to a net financial position at FY2008 year-end featuring net cash of € 0.57 mn. As well as to use for the investments made, this change was also and primarily due to use of cash resources for operating requirements in a 9-month period when sales were at levels lower than the Group's real potential.

We think it useful to underline that, in this last quarter, the Group succeeded in reducing debt by approximately € 0.3 mn vs. 30 June 2009 and that, at the end of the quarter, cash and cash equivalents amounted to € 32.29 mn.

EUROTECH GROUP
HEADQUARTERS

Via F. Solari, 3/A
33020 Amaro (UD) – ITALY
Tel. +39 / 0433 485411
Fax. +39 / 0433 485455

www.eurotech.com
ir@eurotech.com

PRESS RELEASE

Once again as at 30 September 2009, the Group's net working capital amounted to € 22.74 mn, down by -17.1% vs. € 27.43 mn reported at 31 December 2008 – and also down vs. € 25.32 mn reported at 30 June 2009, thus confirming the careful policy of control and limitation of working capital implemented by the company.

THIRD-QUARTER 2009

In the third quarter (3Q09) Group revenues decreased by -10.0% vs. the same period in 2008 (3Q08), going down from € 20.69 mn to € 18.62 mn. This performance reflected the trend experienced throughout the whole of 9M09 due to the economic crisis.

Once again in 3Q09, the different sales mix led to a different gross profit margin. While GPM in 3Q09 was 50.8% on sales, in 3Q08 it was 55.0% on sales.

3Q09 EBITDA was positive by € 20 thousand (with a 0.1% margin on sales), vs. € 1.67 mn in 3Q08.

As well as by the different gross profit margin, the quarter was also affected by the trend in operating costs, which were lower than in 3Q08.

In 3Q09 EBIT amounted to € -1.82 mn with a -9.8% margin on sales as opposed to a positive result in 3Q08 of € 0.2 mn (margin on sales = 0.8%). The adverse effects on EBIT of PPA amounted to € 741 thousand in 3Q09 and € 887 thousand in 3Q08.

There was a pre-tax loss of € -2.36 mn vs. a loss of € -0.83 mn in 3Q08.

In 3Q09 the Group net loss amounted to € -2.55 mn vs. € -1.24 mn in 3Q08.

We advise the public that, as required by the CONSOB (Italian securities & exchange commission), the Interim Management Statement at 30 September 2009 is available to anyone who asks for it at the company's registered headquarters as well as at the headquarters of Borsa Italiana SpA. The report is also available on Eurotech's website at the address www.eurotech.com

EUROTECH GROUP
HEADQUARTERS

Via F. Solari, 3/A
33020 Amaro (UD) – ITALY
Tel. +39 / 0433 485411
Fax. +39 / 0433 485455

www.eurotech.com
ir@eurotech.com

Pursuant to Article 154-bis, paragraph 2, of the Italian Consolidated Finance Act (Legislative Decree 58/1998), the financial reporting manager of Eurotech SpA, Sandro Barazza, herewith declares that the financial disclosure contained in this press release corresponds to documentary evidence, corporate books, and accounting records.

PRESS RELEASE**THE EUROTECH GROUP**

Eurotech (ETH.MI) is a global company based in Italy and with locations in the rest of Europe, North America and Asia. The Eurotech group develops and markets miniaturised computers for special uses (NanoPCs) and computers featuring major computing capacity (HPCs – High-Performance Computers). With these two product categories, Eurotech aims to become a leader in implementation of the pervasive computing infrastructure commonly know as Cloud or Grid, capable of enabling an entire range of value-added services and functions in the transport, defence, industrial, medical and scientific-research sectors.

Company contacts:**Investor relations**

Andrea Barbaro
Tel. +39 0433-485411
e-mail: andrea.barbaro@eurotech.com

Communication department

Cristiana della Zonca
Tel. +39 0433-485411
e-mail: cristiana.dellazonca@eurotech.com

International Press Office

Giovanni Sanfelice di Monteforte
Barabino & Partners UK Plc.
53, Davies Street - London W1 K5JH
Tel.: +44 (0)20 71526425
e-mail: G.Sanfelice@barabino.co.uk

EUROTECH GROUP
HEADQUARTERS

Via F. Solari, 3/A
33020 Amaro (UD) – ITALY
Tel. +39 / 0433 485411
Fax. +39 / 0433 485455

www.eurotech.com
ir@eurotech.com

PRESS RELEASE
ANNEXES – FINANCIAL STATEMENTS
CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT (€ '000)	3rd Qtr 2009		3rd Qtr 2008		9 months 2009 (a)		9 months 2008 (b)		change (b-a)	
		%		%		%		%	amount	%
Sales revenue	18,617	100.0%	20,690	100.0%	57,531	100.0%	62,805	100.0%	(5,274)	-8.4%
Cost of material	(9,164)	-49.2%	(9,309)	-45.0%	(27,093)	-47.1%	(28,122)	-44.8%	1,029	-3.7%
Gross profit	9,453	50.8%	11,381	55.0%	30,438	52.9%	34,683	55.2%	(4,245)	-12.2%
Services costs	(3,372)	-18.1%	(2,834)	-13.7%	(11,623)	-20.2%	(10,916)	-17.4%	(707)	-6.5%
Lease & hire costs	(516)	-2.8%	(497)	-2.4%	(1,579)	-2.7%	(1,543)	-2.5%	(36)	-2.3%
Payroll costs	(6,046)	-32.5%	(6,400)	-30.9%	(19,559)	-34.0%	(19,799)	-31.5%	240	-1.2%
Other provisions and costs	(85)	-0.5%	(475)	-2.3%	(1,122)	-2.0%	(898)	-1.4%	(224)	-24.9%
Other revenues	586	3.1%	491	2.4%	2,386	4.1%	1,820	2.9%	566	31.1%
EBITDA	20	0.1%	1,666	8.1%	(1,059)	-1.8%	3,347	5.3%	(4,406)	131.6%
Depreciation & Amortization	(1,788)	-9.6%	(1,502)	-7.3%	(5,440)	-9.5%	(5,611)	-8.9%	171	-3.0%
Asset impairment	(54)	-0.3%	0	0.0%	(411)	-0.7%	(230)	-0.4%	(181)	-78.7%
EBIT	(1,822)	-9.8%	164	0.8%	(6,910)	-12.0%	(2,494)	-4.0%	(4,416)	-177.1%
Share of associates' profit at equity	0	0.0%	(37)	-0.2%	(23)	0.0%	(97)	-0.2%	74	-76.3%
Finance expense	(634)	-3.4%	(2,325)	-11.2%	(2,591)	-4.5%	(4,806)	-7.7%	2,215	-46.1%
Finance income	93	0.5%	1,369	6.6%	1,705	3.0%	2,427	3.9%	(722)	-29.7%
Profit before tax	(2,363)	-12.7%	(829)	-4.0%	(7,819)	-13.6%	(4,970)	-7.9%	(2,849)	-57.3%
Income tax	(228)	-1.2%	(315)	-1.5%	(920)	-1.6%	(1,134)	-1.8%	214	-18.9%
Net profit before minority interest	(2,591)	-13.9%	(1,144)	-5.5%	(8,739)	-15.2%	(6,104)	-9.7%	(2,635)	-43.2%
Minority interest	(43)	-0.2%	96	0.5%	(13)	0.0%	205	0.3%	(218)	106.3%
Group net profit (loss)	(2,548)	-13.7%	(1,240)	-6.0%	(8,726)	-15.2%	(6,309)	-10.0%	(2,417)	-38.3%
Base earnings per share					(0.249)		(0.178)			
Diluted earnings per share					(0.249)		(0.178)			

 EUROTECH GROUP
 HEADQUARTERS

 Via F. Solari, 3/A
 33020 Amaro (UD) – ITALY
 Tel. +39 / 0433 485411
 Fax. +39 / 0433 485455

www.eurotech.com
ir@eurotech.com

PRESS RELEASE
CONSOLIDATED BALANCE SHEET & STATEMENT OF FINANCIAL POSITION

(€'000)	at September 30, 2009	at December 31, 2008
ASSETS		
Intangible assets	108,177	114,399
Property, Plant and equipment	7,040	7,885
Investments in affiliates companies	1,097	875
Investments in other companies	240	249
Deferred tax assets	1,958	1,533
Medium/long term borrowing allowed to affiliates companies	404	0
Other non-current assets	740	749
Total non-current assets	119,656	125,690
Inventories	19,553	19,783
Contracts in progress	953	383
Trade receivables	14,734	22,063
Income tax receivables	2,721	4,124
Other current assets	2,423	2,792
Other current financial assets	0	719
Cash & cash equivalents	32,285	38,684
Total current assets	72,669	88,548
Total assets	192,325	214,238

(€'000)	at September 30, 2009	at December 31, 2008
LIABILITIES AND EQUITY		
Share capital	8,879	8,879
Reserves	111,660	125,180
Group shareholders' equity	120,539	134,059
Equity attributable to minority interest	3,280	3,414
Total shareholders' equity	123,819	137,473
Medium-/long-term borrowing	22,797	24,654
Employee benefit obligations	1,565	1,742
Deferred tax liabilities	11,394	12,556
Other non-current liabilities	1,659	1,921
Business combination liabilities	0	8,049
Total non-current liabilities	37,415	48,922
Trade payables	12,113	15,207
Short-term borrowing	5,101	5,782
Derivative instruments	347	346
Income tax liabilities	675	1,461
Other current liabilities	4,857	5,047
Business combination liabilities	7,998	0
Total current liabilities	31,091	27,843
Total liabilities	68,506	76,765
Total liabilities and equity	192,325	214,238

 EUROTECH GROUP
 HEADQUARTERS

 Via F. Solari, 3/A
 33020 Amaro (UD) – ITALY
 Tel. +39 / 0433 485411
 Fax. +39 / 0433 485455

www.eurotech.com
ir@eurotech.com

PRESS RELEASE
STATEMENT OF CHANGES IN EQUITY

(€'000)	Share capital	Legal reserve	Share premium reserve	Conversion reserve	Other reserves	Cash flow hedge reserve	Exchange differences reserv	Treasury shares	Profit (loss) for period	Group shareholders' equity	Minority interest capital & reserves	Profit (loss) of third parties	Equity attributable to Minority interest	Total shareholders' equity
Balance as at December 31, 2007	8,879	39	136,400	(3,978)	(12,365)	81	(2,622)	(44)	(4,922)	121,468	2,549	(85)	2,464	123,932
2007 Result allocation	-	-	-	-	(4,922)	-	-	-	4,922	-	(85)	85	-	-
Profit (loss) as at June 30, 2008	-	-	-	-	-	-	-	-	(6,309)	(6,309)	-	205	205	(6,104)
<i>Comprehensive other profit (loss)</i>														
- Hedge transactions	-	-	-	-	-	137	-	-	-	137	-	-	-	137
- Foreign balance sheets conversion difference	-	-	-	5,442	-	-	-	-	-	5,442	250	-	250	5,692
- Exchange differences on equity investments in foreign companies	-	-	-	-	-	-	530	-	-	530	-	-	-	530
Minority purchase	-	-	-	-	(129)	-	-	-	-	(129)	(52)	-	(52)	(181)
Comprehensive result	-	-	-	5,442	(129)	137	530	-	(6,309)	(329)	198	205	403	74
Balance as at September 30, 2008	8,879	39	136,400	1,464	(17,416)	218	(2,092)	(44)	(6,309)	121,139	2,662	205	2,867	124,006
<i>Comprehensive other profit (loss)</i>														
- Hedge transactions	-	-	-	-	-	(253)	-	-	-	(253)	-	-	-	(253)
- Foreign balance sheets conversion difference	-	-	-	(3,589)	-	-	-	-	-	(3,589)	(121)	-	(121)	(3,710)
- Exchange differences on equity investments in foreign companies	-	-	-	-	-	-	(952)	-	-	(952)	-	-	-	(952)
Comprehensive result	-	-	-	(3,589)	-	(253)	(952)	-	(8,726)	(13,520)	(121)	(13)	(134)	(13,654)
Balance as at September 30, 2009	8,879	39	136,400	8,973	(20,560)	(600)	(2,526)	(1,340)	(8,726)	120,539	3,293	(13)	3,280	123,819

 EUROTECH GROUP
 HEADQUARTERS

 Via F. Solari, 3/A
 33020 Amaro (UD) – ITALY
 Tel. +39 / 0433 485411
 Fax. +39 / 0433 485455

www.eurotech.com
ir@eurotech.com

PRESS RELEASE
NET FINANCIAL POSITION

(€'000)		at September 30, 2009	at December 31, 2008	at September 30, 2008
Cash & cash equivalents	A	(32,285)	(38,684)	(42,410)
Cash equivalent	B=A	(32,285)	(38,684)	(42,410)
Other current financial assets	C	0	(719)	0
Derivative instruments	D	347	346	(218)
Short-term borrowing	E	5,101	5,782	7,063
Business aggregation liabilities	F	7,998	0	0
Short-term financial position	G=C+D+E+F	13,446	5,409	6,845
Short-term net financial position	H=B+G	(18,839)	(33,275)	(35,565)
Medium/long term borrowing allowed to affiliates companies	I	(404)	0	0
Business aggregation liabilities	J	0	8,049	17,886
Medium/long term borrowing	K	22,797	24,654	26,745
Medium-/long-term net financial position	L=I+J+K	22,393	32,703	44,631
NET FINANCIAL POSITION	M=H+L	3,554	(572)	9,066

NET WORKING CAPITAL

(€'000)	at September 30, 2009	at December 31, 2008	at September 30, 2008	Changes
	(b)	(a)		(b-a)
Inventories	19,553	19,783	22,073	(230)
Contracts in progress	953	383	383	570
Trade receivables	14,734	22,063	17,162	(7,329)
Income tax receivables	2,721	4,124	4,770	(1,403)
Other current assets	2,423	2,792	3,011	(369)
Current assets	40,384	49,145	47,399	(8,761)
Trade payables	(12,113)	(15,207)	(11,597)	3,094
Income tax liabilities	(675)	(1,461)	(2,740)	786
Other current liabilities	(4,857)	(5,047)	(5,889)	190
Current liabilities	(17,645)	(21,715)	(20,226)	4,070
Net working capital	22,739	27,430	27,173	(4,691)

 EUROTECH GROUP
 HEADQUARTERS

 Via F. Solari, 3/A
 33020 Amaro (UD) – ITALY
 Tel. +39 / 0433 485411
 Fax. +39 / 0433 485455

www.eurotech.com
ir@eurotech.com