

PRESS RELEASE**EUROTECH: THE BoD APPROVES THE DRAFT STATUTORY FINANCIAL STATEMENTS AND THE CONSOLIDATED FINANCIAL STATEMENTS FOR 2009**

Positive EBITDA and percentage decrease in sales limited to a single-digit

Amaro (Italy), 15 March 2010

- Consolidated revenues: from EUR 91.73 million to EUR 83.53 million, -8.9%,
- Consolidated gross profit: From EUR 50.41 million to EUR 42.97 million
- Consolidated EBITDA: From EUR 5.92 million to EUR 1.29 million
- Consolidated EBIT: From EUR -13.52 million to EUR -6.63 million
- Consolidated pre-tax profit (loss): from EUR -15.68 million to EUR -8.99 million
- Group net profit (loss): from EUR -12.71 million to EUR -9.60 million
- Net financial debt: EUR 10.11 million
- Group shareholders' equity equal to EUR 116.90 million
- Eurotech S.p.A. net profit (loss): from EUR -12.00 million to EUR -9.22 million

The Board of Directors of Eurotech S.p.A has today examined and approved the draft Statutory Financial Statements and the Consolidated Financial Statements at 31 December 2009, and these will be presented to the Ordinary Shareholders' Meeting.

Group consolidated revenues were EUR 83.53 million, compared to EUR 91.73 million in 2008. The decrease of 8.9% is wholly attributable to the global economic crisis that has had an impact throughout 2009 through a reduction in orders. The global macroeconomic situation has impacted most of all on the Japan region, where the falls in Group revenues have been concentrated, and partially on the European region.

Gross profit amounted to EUR 42.97 million and remained in line with management forecasts throughout the whole of 2009, recording 51.4% on sales. This is lower than 55.0% of 2008 but is, however, above the 50% that is the target level for the Eurotech business model. This fluctuation in gross profit reflects the business trend for the Group in terms of product mix and is, in particular, influenced by the significant fall in sales revenues, and the consequent contribution to consolidated profits, of the Japanese region, that has historically shown high profit margins.

During the 2009 financial year operating costs, gross of related adjustments for internal increases, were reduced by EUR 2.74 million, equivalent to 5.7%, decreasing from EUR 48.11 million in 2008 to EUR 45.37 million in 2009. During 2009 the Group executed a strategy for containing fixed costs, for rationalising existing resources and for proceeding in the identification and activation of synergies between the various subsidiaries. The flexibility of some units made it

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possible to contain the impact of prevalently fixed costs in the year, in which – due to the causes outlined above – the level of revenues was lower than that feasible with the Group's current organisation, which is properly scaled to support future growth.

The policy of cautious cost reduction has also made it possible to achieve a positive EBITDA of EUR 1.29 million, compared to EUR 5.92 million in 2008.

The ratio of EBITDA to revenues fell from 6.5% in 2008 to 1.5% in 2009. This trend can be attributed mainly to a reduced contribution from gross profit following lower sales revenues, and to a lesser extent to some provisions made to cover potential bad debts regarding various customers.

EBIT for the financial year 2009 showed an improvement on 2008, moving from EUR -13.52 million to EUR -6.63 million. 2008 EBIT was significantly impacted by the non-recurring and non-monetary effects of the write-off of the ADS and Arcom brands by a total amount of EUR 10.77 million.

The pre-tax loss was EUR 8.99 million (vs. a loss of EUR 15.68 million in 2008). This performance, apart from being influenced by the factors explained above, was also affected by exchange rate fluctuations, as well as by the trend for net financial position. A significant impact on financial management derived from the effects of accounting for and assessing foreign currency liability, already recorded since December 2007. This regarded the valuation of a put option for the acquisition of a further 25% of the shares of Advanet Inc. and involved financial charges of EUR 937 thousand. The impact on results before taxes deriving from "price allocation" and charges relating to the put option was EUR 3.99 million in 2009 and EUR 18.59 million in 2008.

Financial year 2009 recorded a net loss for the Group of EUR -9.60 million vs. EUR -12.71 million the previous year. Eliminating the non-monetary effects of "price allocation" and, unique to 2008, of the write-downs and non-recurring costs incurred in that year, the loss would amount to EUR -6.99 million (EUR -0.38 million in 2008).

The Group, as at 31 December 2009, showed net financial debt of EUR 10.11 million compared to a positive net financial position of EUR 0.57 million at the end of 2008. This trend reflects, apart from the use of funds to manage the business, two main factors: on the one hand an increase in the put option liability following an improved performance of the Japanese subsidiary in terms of EBITDA than that forecast, and on the other a much more marked concentration of 2009 sales revenues in the month of December than had been shown by the Group in the past.

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Group shareholders' equity amounted to EUR 116.90 million (2008: EUR 134.06 million) and, taking minority interests into consideration, consolidated shareholders' equity is EUR 120.07 million (2008: EUR 137.47 million).

Statutory Financial Statements of the Eurotech S.p.A. Parent Company

Revenues amounted to EUR 9.13 million, vs. EUR 9.99 million in 2008. The net profit (loss) was EUR -9.22 million, vs. EUR -12.00 million in 2008.

Shareholders' Equity at 31 December 2009 was EUR 108.12 million, vs. EUR 117.45 million in 2008. The Parent company recorded a positive net financial position of EUR 1.92 million vs. EUR 12.16 million at the end of 2008.

Proposal to the Shareholders' Meeting for own shares buyback

The Board of Directors also decided to submit a proposal for approval to the Shareholders' Meeting to authorize purchase and disposal of the Company's own shares. This request for authorization aims to enable the Board possibly to use treasury shares, in compliance with current regulations, for the purposes contemplated by market practice concerning share buyback to create a so-called "securities inventory", as allowed by the CONSOB (Italian securities & exchange commission), pursuant to Article 180, paragraph 1, letter c), of Italian Legislative Decree 58/1998, with its resolution no. 16839 of 19 March 2009 and thus (i) for the purposes of possible use of the shares as payment in extraordinary operations, also involving equity swaps with other parties as part of deals in the Company's interest, or (ii) for the purposes of using any such treasury shares to service programmes for distribution, with or without consideration, of stock options or shares to directors, employees and outside staff of the Company, or of the latter's subsidiaries, as well as for bonus stock grant programmes for shareholders.

Authorization is requested for the purchase, also in several tranches, of ordinary shares up to a maximum amount not exceeding, in total, the maximum limit established by the regulations applicable at any given time and for a period of 18 (eighteen) months, as from the date of the Ordinary General Shareholder Meeting resolution. Authorisation for disposal of treasury shares is requested without any time limits.

The Board of Directors also proposes that own shares buybacks be performed observing the operating conditions established for the market practice mentioned above, meaning that the

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limits and restrictions referred to in such practice are also applicable, in particular those concerning the price of purchase proposals and volume of trades. In addition, the Board proposes that, in any case, the unit amount be not more than 15% lower and not more than 15% higher than the official price recorded for Eurotech stock on the market trading day preceding each single purchase transaction or, if purchases are made by means of a public tender or exchange offer, the amount be not more than 15% lower and not more than 15% higher than the official price recorded for Eurotech stock on the market trading day preceding announcement to the public.

It is further specified that, at present, the Company owns 420,140 treasury shares, accounting for 1.1830% of share capital, whereas Eurotech's subsidiaries do not own Company shares.

The Board also approved the Corporate Governance Report, which also contains information of ownership status as required by Article 123-bis of the Italian Consolidated Finance Act. The Report will be published according to the timing and procedures established by current regulations.

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.

Pursuant to Article 2.2.3, Paragraph 3 (a) of the Regulations for Markets Organised and Managed by Borsa Italiana S.p.A., the Company avails itself of the option not to publish the report relating to the fourth quarter of the financial year 2009, having made public the draft Statutory Financial Statements and the Consolidated Financial Statements within 75 days of the closure of the financial year 2009.

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This document has been translated into English for the convenience of readers outside Italy. The original Italian document should be considered the authoritative version.

PRESS RELEASE**ABOUT EUROTECH**

Eurotech (ETH.MI) is a global company based in Italy and with offices and subsidiaries in Europe, North America and Asia. The Eurotech group develops and markets miniaturised computers for special uses (NanoPCs) and computers featuring superior computing capacity (HPCs – High-Performance Computers). With these two product categories, Eurotech aims to become a leader in the implementation of the pervasive computing infrastructure commonly known 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.

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PRESS RELEASE
ANNEXES – FINANCIAL STATEMENTS
CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT						change (b-a)	
(€ '000)	FY2009 (a)	%	FY2008 (b)	%	amount	%	
Sales revenue	83,529	100.0%	91,731	100.0%	(8,202)	-8.9%	
Cost of material	(40,562)	-48.6%	(41,320)	-45.0%	758	-1.8%	
Gross profit	42,967	51.4%	50,411	55.0%	(7,444)	-14.8%	
Services costs	(15,529)	-18.6%	(17,268)	-18.8%	1,739	-10.1%	
Lease & hire costs	(2,088)	-2.5%	(2,124)	-2.3%	36	-1.7%	
Payroll costs	(25,694)	-30.8%	(27,433)	-29.9%	1,739	-6.3%	
Other provisions and costs	(2,063)	-2.5%	(1,289)	-1.4%	(774)	-60.0%	
Other revenues	3,696	4.4%	3,624	4.0%	72	2.0%	
EBITDA	1,289	1.5%	5,921	6.5%	(4,632)	-78.2%	
Depreciation & Amortization	(7,205)	-8.6%	(7,945)	-8.7%	740	-9.3%	
Asset impairment	(716)	-0.9%	(11,500)	-12.5%	10,784	-93.8%	
EBIT	(6,632)	-7.9%	(13,524)	-14.7%	6,892	-51.0%	
Share of associates' profit at equity	(405)	-0.5%	(97)	-0.1%	(308)	-317.5%	
Finance expense	(4,517)	-5.4%	(6,710)	-7.3%	2,193	-32.7%	
Finance income	2,563	3.1%	4,652	5.1%	(2,089)	-44.9%	
Profit before tax	(8,991)	-10.8%	(15,679)	-17.1%	6,688	-42.7%	
Income tax	(481)	-0.6%	3,201	3.5%	(3,682)	115.0%	
interest	(9,472)	-11.3%	(12,478)	-13.6%	3,006	-24.1%	
Minority interest	129	0.2%	230	0.3%	(101)	-43.9%	
Group net profit (loss)	(9,601)	-11.5%	(12,708)	-13.9%	3,107	-24.4%	
Base earnings per share	(0.274)		(0.359)				
Diluted earnings per share	(0.274)		(0.359)				

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PRESS RELEASE
CONSOLIDATED BALANCE SHEET

(€'000)	at December 31, 2009	at December 31, 2008	Changes
ASSETS			
Intangible assets	106,170	114,399	(8,229)
Property, Plant and equipment	6,858	7,885	(1,027)
Investments in affiliates companies	1,381	875	506
Investments in other companies	243	249	(6)
Deferred tax assets	1,172	1,533	(361)
Other non current financial assets	236	0	236
Medium/long term borrow ing allow ed to affiliates compani	511	0	511
Other non-current assets	791	749	42
Total non-current assets	117,362	125,690	(8,328)
Inventories	17,060	19,783	(2,723)
Contracts in progress	819	383	436
Trade receivables	23,035	22,063	972
Income tax receivables	5,627	4,124	1,503
Other current assets	1,882	2,792	(910)
Other current financial assets	0	719	(719)
Cash & cash equivalents	27,924	38,684	(10,760)
Total current assets	76,347	88,548	(12,201)
Total assets	193,709	214,238	(20,529)
LIABILITIES AND EQUITY			
Share capital	8,879	8,879	0
Reserves	108,017	125,180	(17,163)
Group shareholders' equity	116,896	134,059	(17,163)
Equity attributable to minority interest	3,178	3,414	(236)
Total shareholders' equity	120,074	137,473	(17,399)
Medium-/long-term borrow ing	2,417	24,654	(22,237)
Employee benefit obligations	1,609	1,742	(133)
Deferred tax liabilities	10,854	12,556	(1,702)
Other non-current liabilities	1,600	1,921	(321)
Business combination liabilities	989	8,049	(7,060)
Total non-current liabilities	17,469	48,922	(31,453)
Trade payables	14,171	15,207	(1,036)
Short-term borrow ing	24,488	5,782	18,706
Derivative instruments	458	346	112
Income tax liabilities	1,766	1,461	305
Other current liabilities	4,855	5,047	(192)
Business combination liabilities	10,428	0	10,428
Total current liabilities	56,166	27,843	28,323
Total liabilities	73,635	76,765	(3,130)
Total liabilities and equity	193,709	214,238	(20,529)

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STATEMENT OF CHANGES IN EQUITY

(€'000)	Share capital	Legal reserve	Share premium reserve	Conversion reserve	Other reserves	Cash flow hedge reserve	Exchange differences reserve	Treasury shares	Profit (loss) for period	Group shareholders' equity	Minority interest capital & reserves	Profit (loss) of third parties	Equity attributable to Minority	Total shareholder's equity
Balance as at December 31, 2008	8,879	39	136,400	12,562	(7,852)	(347)	(1,574)	(1,340)	(12,708)	134,059	3,184	230	3,414	137,473
2008 Result allocation	-	-	-	-	(12,708)	-	-	-	12,708	-	230	(230)	-	-
Profit (loss) as at December 31, 2009	-	-	-	-	-	-	-	-	(9,601)	(9,601)	-	129	129	(9,472)
<i>Comprehensive other profit (loss)</i>														
- Hedge transactions	-	-	-	-	-	(111)	-	-	-	(111)	-	-	-	(111)
- Foreign balance sheets conversion difference	-	-	-	(4,349)	-	-	-	-	-	(4,349)	(169)	-	(169)	(4,518)
- Exchange differences on equity method	-	-	-	-	16	-	-	-	-	16	-	-	-	16
- Exchange differences on equity investments in foreign companies	-	-	-	-	-	-	(652)	-	-	(652)	-	-	-	(652)
Comprehensive result	-	-	-	(4,349)	16	(111)	(652)	-	(9,601)	(14,697)	(169)	129	(40)	(14,737)
Minority purchase	-	-	-	-	(2,466)	-	-	-	-	(2,466)	-	-	-	(2,466)
Change in consolidation area	-	-	-	-	-	-	-	-	-	-	(196)	-	(196)	(196)
Balance as at December 31, 2009	8,879	39	136,400	8,213	(23,010)	(458)	(2,226)	(1,340)	(9,601)	116,896	3,049	129	3,178	120,074

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CASH FLOW STATEMENT

CASH FLOW STATEMENT (€'000)	FY 2009	FY 2008
CASH FLOWS GENERATED BY OPERATIONS:		
Group net profit	(9,601)	(12,708)
Adjustments to reconcile reported net profit with cash & cash equivalents generated (used) in operations:		
Minority interests	129	230
Depreciation & amortization intangible assets, property, plant and equipment	7,921	19,445
Write-down of receivables	734	332
Interest income	(631)	(1,805)
Affiliated companies booked at equity	405	97
Cost for bringing up-to-date and exchange adjustment for put option	937	1,742
Provision for (use of) long-term employee severance indemnities	(133)	230
Provision for (use of) risk provision	(321)	576
(Provision for) / use of deferred tax asset / Provision for (use of) deferred tax liability	(1,341)	(2,230)
Changes in current assets and liabilities		
Trade receivables	(1,706)	(3,588)
Other current assets	(592)	(1,919)
Inventories and contracts in process	2,287	4,327
Trade payables	(1,036)	701
Other current liabilities	113	(1,185)
Total adjustments and changes	6,766	16,953
Cash flow generated (used) in operations	(2,835)	4,245
CASH FLOW FROM INVESTMENT ACTIVITIES:		
Sales of tangible and intangible assets	200	108
Assignment for deconsolidation	(171)	0
Interest income	631	1,805
Purchase of intangible fixed assets	(3,182)	(3,066)
Purchase of tangible fixed assets	(860)	(2,495)
Chengdu Vantron Tech. Inc. transfer	42	0
Decreases (Increases) other financial assets	(28)	(719)
Net investments in long-term investments and non-current assets	(281)	(301)
Business acquisition net of cash acquired:	0	(3,365)
<i>Minority purchase</i>	(2,466)	9,434
<i>Business combination liabilities</i>	2,466	(12,799)
Cash flow generated (used) in investment activities	(3,649)	(8,033)
CASH FLOW FROM FINANCING ACTIVITIES:		
Other changes in shareholders' equity	16	(1,296)
Minority	(196)	(52)
Loans taken	450	158
Increases (decreases) short term loan	1,513	(1,110)
Repaid loans medium/long term	(5,494)	(12,571)
Cash flow generated (absorbed) by financial assets	(3,711)	(14,871)
Changes in the conversion difference	(565)	739
Increases (decreases) in cash & cash equivalents	(10,760)	(17,920)
Opening amount in cash & cash equivalents	38,684	56,604
Cash & cash equivalents at end of period	27,924	38,684
Interest paid	1,261	2,532
Income taxes paid	4,624	5,780

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NET FINANCIAL POSITION

(€'000)		at December 31, 2009	at December 31, 2008
Cash & cash equivalents	A	(27,924)	(38,684)
Cash equivalent	B=A	(27,924)	(38,684)
Other current financial assets	C	0	(719)
Derivative instruments	D	458	346
Short-term borrow ing	E	24,488	5,782
Business aggregation liabilities	F	10,428	0
Short-term financial position	G=C+D+E+F	35,374	5,409
Short-term net financial position	H=B+G	7,450	(33,275)
Medium/long term borrow ing allow ed to affiliates companies	I	(511)	0
Business aggregation liabilities	J	989	8,049
Other non current financial assets	K	(236)	0
Medium/long term borrow ing	L	2,417	24,654
Medium-/long-term net financial position	M=I+J+K+L	2,659	32,703
NET FINANCIAL POSITION	N=H+M	10,109	(572)

NET WORKING CAPITAL

(€'000)	at December 31, 2009 (b)	at December 31, 2008 (a)	Changes (b-a)
Inventories	17,060	19,783	(2,723)
Contracts in progress	819	383	436
Trade receivables	23,035	22,063	972
Income tax receivables	5,627	4,124	1,503
Other current assets	1,882	2,792	(910)
Current assets	48,423	49,145	(722)
Trade payables	(14,171)	(15,207)	1,036
Income tax liabilities	(1,766)	(1,461)	(305)
Other current liabilities	(4,855)	(5,047)	192
Current liabilities	(20,792)	(21,715)	923
Net working capital	27,631	27,430	201

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