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PRESS RELEASE

EUROTECH: CONSOLIDATED INTERIM MANAGEMENT STATEMENT AT 30 SEPTEMBER 2013

Amaro (UD), 13 November 2013

- Consolidated revenues from continuing operations: from €55.23 million to €43.29 million
- Consolidated gross profit from continuing operations: from €27.70 million to €22.90 million
- Consolidated EBITDA from continuing operations: from €0.60 million to -€1.50 million
- Consolidated EBIT from continuing operations: from -€5.02 million to -€6.21 million
- Consolidated pre-tax income from continuing operations: from -€6.12 million to -€5.36 million
- Net financial debt: €10.6 million
- Group shareholders' equity: €102.7 million

The Board of Directors of Eurotech SpA today reviewed and approved the results for the first nine months and third quarter of 2013.

Following the application of IFRS 5 – *Non-current Assets Held for sale and. Discontinued Operations* – during the preparation of the consolidated interim management statement at 30 September 2013, the entire results of the subsidiary Parvus Corp., sold on 1 October 2013, were reclassified as "assets held for sale". Prior periods under comparison were similarly restated. The consideration for the Parvus transaction has been set by the parties at USD 38 million (equal to approx. €28.1 million) and this amount will be subject to positive adjustments based on the working capital and the cash and cash equivalents as at September 30th, 2013 to be defined within 150 days. The first payment of USD 35 million was collected at the beginning of October and in the fourth quarter we will then account for the gain on sale.

As a consequence of the sales of Parvus Corp., "Continuing operations" means all operations included within the new scope of consolidation of the Eurotech Group as of 1 October 2013.

FIRST NINE MONTHS OF 2013

In the first nine months of 2013, Group revenues totalled EUR 43.29 million vs. EUR 55.23 million in the first nine months of 2012. At current exchange rates, revenues in the first nine months of 2012 would have been equal to Euro 49.8 million with a reduction of 13.1% in 2013.

Revenues for the nine months to September were impacted, on the one hand, by lower sales compared to past trend due to customers in America and Japan asking to schedule deliveries towards year-end, and on the other, by the persistence of the adverse economic climate in the European market. The weakening of the yen and to some extent of the dollar and the sterling (currencies in which the Group operates) also widened the sales gap compared with 2012. We foresee for this year an even more imbalanced distribution of revenues towards the fourth quarter.

Order intake remains positive however: at constant exchange rates, the current order book is higher than last year.

The gross profit margin for the period was 52.9%, higher than the figure recorded for the first nine months of 2012 and slightly above the 52.3% reported at year-end 2012. During the third quarter, the Group boosted profitability both compared with the first half of 2013 and with the same period of 2012. This was due to a sales mix which was more profitable on average than in the past.

The focus on operating costs, especially fixed costs, continues to deliver the expected benefits and secures the resources necessary for the Group's investments in innovation to support the Group's competitiveness.

In the nine months in question, before adjustments, operating costs were down by EUR 2.94 million, from EUR 28.73 million in the first nine months of 2012 to EUR 25.80 million in the first nine months of 2013. As with revenues, the reduction in operating costs partly derives from a change in the exchange rate used to translate the financial statements of foreign subsidiaries. That said, the cost reduction, as in previous quarters, is also due to action taken by management to streamline the structure of the Group and to lower the threshold at which operating leverage takes effect. Owing to the historical distribution of sales throughout the year, expected to be particularly imbalanced in the fourth quarter of 2013, the impact of fixed costs on sales is expected to fall sharply on an annualised basis.

The cost reduction had a positive influence on Group EBITDA, although it did not entirely close the revenue gap. In the first nine months, EBITDA amounted to EUR -1,500 thousand (-3.5% of revenues) compared to EUR 600 thousand for 2012 (1.1% of revenues).

EBIT stood at EUR -6.21 million, or -14.3% of revenues, compared with EUR -5.02 million, or -9.1% of revenues, in the first nine months of 2012. EBIT as a percentage of revenue in the nine months was affected by the fall in sales during the period, which was only partially offset by an increase in gross profit margin, a reduction in operating costs and lower depreciation and amortisation.

EBIT was affected also by the depreciation and amortisation charged to the income statement in the first nine months of 2013, linked both to operating assets that began to be amortised in the first nine months of the year, and the non-monetary effects of the "price allocation", which totalled EUR 2.40 million in the first nine months of 2013 (compared with EUR 2.86 million in the first nine months of 2012).

The pre-tax loss from continuing operations (and therefore of Group companies excluding Parvus Corp.) in the nine-month period was EUR 5.36 million (compared with a loss of EUR 6.12 million in the first nine months of 2012). This trend was influenced by the factors mentioned above and by financial management, which was materially affected by foreign exchange gains (which in the first nine months of 2013 consisted of a gain of EUR 1.27 million, compared with a net loss of EUR 0.17 million in the first nine months of 2012) due to foreign currency movements and a change in net financial position.

Net income from continuing operations rose from EUR -6.45 million in the first nine months of 2012 to EUR -6.07 million in the first nine months of 2013. The overall impact of the price allocation on net income from continuing operations for the first nine months of 2013 amounted to EUR 1.46 million (compared with EUR 1.68 million for the first nine months of 2012).

Net income from discontinued operations consists of the net income for the period of the US subsidiary Parvus Corp., which was presented solely under one item in accordance with IFRS 5.

Group net income has increased from EUR -5.44 million in the first nine months of 2012 to EUR -4.77 million in the first nine months of 2013. This result takes into consideration both net income from continuing operations and net income from discontinued operations.

At 30 September 2013, the Group had net financial debt of EUR 10.56 million, compared with EUR 11.45 million at 31 December 2012. Cash and cash equivalents stood at EUR 10.25 million at the end of September 2013. Note that operating cash flow in the first nine months of 2013 totalled EUR 7.31 million, a significant improvement on the EUR 0.19 million in cash flow recorded in the first nine months of 2012.

Working capital amounted to EUR 12.56 million at 30 September 2013, a significant drop compared with the EUR 23.73 million recorded at 31 December 2012 and the EUR 28.40 million recorded at 30 September 2012. This was due not only to lower sales, but to a reduction in trade receivables due to positive trend on payments received.

THIRD QUARTER 2013

The Group recorded third-quarter sales of EUR 15.00 million (corresponding to 34.6% of sales for the nine months), while in the same period of 2012 it reported sales of EUR 18.48 million, representing 33.5% of sales in the first nine months. Sales distribution is similar to that recorded in the previous year, although the fourth quarter could deviate from the trend in view of the existing order book.

During the quarter, a change in sales mix resulted in a net increase in gross profit margin, generating a value of 57.2%, compared with 55.8% in the third quarter of 2012. This trend justifies the current policy, which forecasts higher margins for some products including software and services.

The interim results are influenced not only by the gross profit margin, but also by the operating costs and depreciation and amortisation booked this quarter. EBITDA in the third quarter of 2013 amounted to EUR 0.87 million, equivalent to 5.8% of revenues for the quarter, while in the same period of 2012 it came to EUR 1.64 million, or 8.9% of revenues.

In the third quarter of 2013, EBIT was mainly influenced by the fall in sales, standing at EUR -680 thousand (-4.5% as a percentage of revenues), from EUR -328 thousand (-1.8% of revenues) in the same period of 2012. The price allocation had a negative effect on EBIT of EUR 782 thousand in the third quarter of 2013 and EUR 984 thousand in the same period of the previous year.

Net income from discontinued operations contributed EUR 1.20 million in the third quarter of 2013, compared with €0.69 million in the third quarter of 2012.

These third-quarter trends have boosted the overall interim results for the first nine months, as commented on above.

We advise the public that, as required by CONSOB (Italian Securities & Exchange Commission), the Consolidated Interim Management Statement at 30 September 2013 is available on request at the registered office and on-line on the Eurotech website at www.eurotech.com

Pursuant to article 154-bis, paragraph 2, of the Italian Consolidated Finance Act, the Financial Reporting Manager of Eurotech SpA, Sandro Barazza, hereby declares that the financial disclosure contained in this press release corresponds to the Company's documentary evidence, corporate books and accounting records.

THE EUROTECH GROUP

Eurotech (ETH.MI) is a global company that integrates hardware, software and applications expertise to provide embedded computing platforms and sub-systems to OEMs, system integrators and leading corporate customers, to enable them to effectively and efficiently deploy their products and services. Drawing on the concept of minimalist computing, Eurotech lowers power draw, minimises physical size and reduces coding complexity to bring embedded platforms, sub-systems, ready-to-use devices and high-performance computers to market, specialising in the defence, transport, logistics, industrial and medical segments. By combining specific expertise in wireless connectivity as well as communications protocols, Eurotech architects integrated solutions that simplify data capture, processing and transfer over global communications networks. Our customers rely on us to simplify their access to cutting-edge embedded technologies so they can focus on their core competencies. For more information on Eurotech, visit the website www.eurotech.com.

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ANNEXES – FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT (€ '000)	3rd Qtr 2013	%	3rd Qtr 2012 Restated^	%	9 months 2013 (b)	%	9 months 2012 Restated^ (a)	%	change (b-a) amount	change (b-a) %
CONTINUING OPERATIONS										
Sales revenue	15,000	100.0%	18,477	100.0%	43,294	100.0%	55,234	100.0%	(11,940)	21.6%
Cost of material	(6,424)	-42.8%	(8,173)	-44.2%	(20,393)	-47.1%	(27,535)	-49.9%	7,142	-25.9%
Gross profit	**8,576**	**57.2%**	**10,304**	**55.8%**	**22,901**	**52.9%**	**27,699**	**50.1%**	**(4,798)**	**17.3%**
Services costs	(2,900)	-19.3%	(3,305)	-17.9%	(9,020)	-20.8%	(10,198)	-18.5%	1,178	-11.6%
Lease & hire costs	(425)	-2.8%	(536)	-2.9%	(1,286)	-3.0%	(1,632)	-3.0%	346	-21.2%
Payroll costs	(4,554)	-30.4%	(5,038)	-27.3%	(14,238)	-32.9%	(15,893)	-28.8%	1,655	-10.4%
Other provisions and costs	(150)	-1.0%	(355)	-1.9%	(1,252)	-2.9%	(1,011)	-1.8%	(241)	23.8%
Other revenues	318	2.1%	567	3.1%	1,395	3.2%	1,635	3.0%	(240)	14.7%
EBITDA	**865**	**5.8%**	**1,637**	**8.9%**	**(1,500)**	**-3.5%**	**600**	**1.1%**	**(2,100)**	**350.0%**
Depreciation & Amortization	(1,545)	-10.3%	(1,965)	-10.6%	(4,707)	-10.9%	(5,616)	-10.2%	909	16.2%
Asset impairment	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	n/a
EBIT	**(680)**	**-4.5%**	**(328)**	**-1.8%**	**(6,207)**	**-14.3%**	**(5,016)**	**-9.1%**	**(1,191)**	**23.7%**
Share of associates' profit at equity	211	1.4%	(11)	-0.1%	240	0.6%	(43)	-0.1%	283	n.s.
Finance expense	(705)	-4.7%	192	1.0%	(1,736)	-4.0%	(1,888)	-3.4%	152	-8.1%
Finance income	540	3.6%	(685)	-3.7%	2,341	5.4%	831	1.5%	1,510	181.7%
Profit before tax	**(634)**	**-4.2%**	**(832)**	**-4.5%**	**(5,362)**	**-12.4%**	**(6,116)**	**-11.1%**	**754**	**-12.3%**
Income tax	(780)	-5.2%	(844)	-4.6%	(710)	-1.6%	(337)	-0.6%	(373)	110.7%
interest	**(1,414)**	**-9.4%**	**(1,676)**	**-9.1%**	**(6,072)**	**-14.0%**	**(6,453)**	**-11.7%**	**381**	**5.9%**
Minority interest	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**n/a**
ASSETS HELD FOR SALE										
Profit for the period from discontinued operations	**1,202**	**8.0%**	**686**	**3.7%**	**1,300**	**3.0%**	**1,015**	**1.8%**	**285**	**28.1%**
Group net profit (loss)	**(212)**	**-1.4%**	**(990)**	**-5.4%**	**(4,772)**	**-11.0%**	**(5,438)**	**-9.8%**	**666**	**12.2%**
Base earnings per share					**(0.136)**		**(0.155)**			
Diluted earnings per share					**(0.136)**		**(0.155)**			

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€'000)	Notes	at September 30, 2013	at December 31, 2012 Restated^
ASSETS			
Intangible assets		95,883	112,853
Property, Plant and equipment		3,687	4,756
Investments in affiliate companies		616	275
Investments in other companies		252	257
Deferred tax assets		1,013	1,083
Other non-current assets		580	672
Total non-current assets	L	**102,031**	**119,896**
Inventories		17,480	18,282
Contracts in progress		0	850
Trade receivables		12,031	26,641
Income tax receivables		213	362
Other current assets		1,912	2,170
Receivables from affiliates companies		3	0
Other current financial assets		101	144
Cash & cash equivalents		10,252	12,116
Total current assets		**41,992**	**60,565**
Non-current assets classified as held for sale		**11,286**	**0**
Total assets		**155,309**	**180,461**
LIABILITIES AND EQUITY			
Share capital		8,879	8,879
Share premium reserve		136,400	136,400
Other reserves		(42,619)	(25,327)
Group shareholders' equity	O	**102,660**	**119,952**
Equity attributable to minority interest	O	**0**	**0**
Total shareholders' equity	O	**102,660**	**119,952**
Medium-/long-term borrowing		7,133	10,327
Employee benefit obligations		1,810	1,896
Deferred tax liabilities		6,851	9,486
Other non-current liabilities		814	846
Total non-current liabilities		**16,608**	**22,555**
Trade payables		12,216	15,084
Trade payables from affiliates companies		273	0
Short-term borrowing		13,542	13,036
Derivative instruments		237	344
Income tax liabilities		703	2,103
Other current liabilities		5,884	7,387
Total current liabilities		**32,855**	**37,954**
Liabilities directly associated with non-current assets classified as held for sale		**3,186**	**0**
Total liabilities		**52,649**	**60,509**
Total liabilities and equity		**155,309**	**180,461**

STATEMENT OF CHANGES IN EQUITY

(€'000)	Share capital	Legal reserve	Share premium reserve	Conversion reserve	Other reserves	Cash flow hedge reserve	Actuarial gains/(losses) on defined benefit plans reserve	Exchange rate differences reserve	Treasury shares	Profit (loss) for period	Group shareholders' equity	Equity attributable to Minority interest	Total shareholders' equity
Balance as at December 31, 2012 Restated^	8,879	39	136,400	22,793	(42,949)	(344)	(220)	(523)	(1,340)	(2,783)	119,952	-	119,952
2012 Result allocation	-	-	-	-	(2,783)	-	-	-	-	2,783	-	-	-
2013 *(loss)*	-	-	-	-	-	-	-	-	-	(4,772)	(4,772)	-	(4,772)
- Hedge transactions	-	-	-	-	-	107	-	-	-	-	107	-	107
- Actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-	2	-	-	-	2	-	2
- Foreign balance sheets conversion difference	-	-	-	(12,163)				-	-	-	(12,163)	-	(12,163)
- Exchange differences on equity investments in foreign companies	-	-	-	-	-	-	-	(466)	-	-	(466)	-	(466)
Comprehensive result	-	-	-	*(12,163)*	-	*107*	*2*	*(466)*	-	*(4,772)*	*(17,292)*	-	*(17,292)*
Balance as at September 30, 2013	8,879	39	136,400	10,630	(45,732)	(237)	(218)	(989)	(1,340)	(4,772)	102,660	-	102,660

NET FINANCIAL POSITION

(€'000)		at September 30, 2013	at December 31, 2012	at September 30, 2012
Cash & cash equivalents	A	(10,252)	(12,116)	(10,712)
Cash equivalent	**B=A**	**(10,252)**	**(12,116)**	**(10,712)**
Short term borrowing allowed to affiliates companies	C	0	0	0
Other current financial assets	D	(101)	(144)	(100)
Derivative instruments	E	237	344	426
Short-term borrowing	F	13,542	13,036	12,526
Business aggregation liabilities	G	0	0	217
Short-term financial position	**H=C+D+E+F+G**	**13,678**	**13,236**	**13,069**
Short-term net financial position	**I=B+H**	**3,426**	**1,120**	**2,357**
Medium/long term borrowing allowed to affiliates companies	J	0	0	0
Other non current financial assets	K	0	0	(186)
Medium/long term borrowing	L	7,133	10,327	14,334
Medium-/long-term net financial position	**M=J+K+L**	**7,133**	**10,327**	**14,148**
(NET FINANCIAL POSITION) NET DEBT	**N=I+M**	**10,559**	**11,447**	**16,505**

WORKING CAPITAL

(€'000)	at September 30, 2013 (b)	at December 31, 2012 (a)	at September 30, 2012	Changes (b-a)
Inventories	17,480	18,282	23,489	(802)
Contracts in progress	0	850	1,255	(850)
Trade receivables	12,031	26,641	21,796	(14,610)
Receivables from affiliates companies	3	0	0	3
Income tax receivables	213	362	495	(149)
Other current assets	1,912	2,170	2,570	(258)
Current assets	*31,639*	*48,305*	*49,605*	*(16,666)*
Trade payables	(12,216)	(15,084)	(13,104)	2,868
Trade payables from affiliates companies	(273)	0	0	(273)
Income tax liabilities	(703)	(2,103)	(1,487)	1,400
Other current liabilities	(5,884)	(7,387)	(6,614)	1,503
Current liabilities	*(19,076)*	*(24,574)*	*(21,205)*	*5,498*
Net working capital	**12,563**	**23,731**	**28,400**	**(11,168)**