

EUROTECH: 4TH QUARTER 2007 REVENUES UP 66.1% ON 2006 AT €26.3 MILLION

- Consolidated revenue: 4th quarter + 66.1% from €15.83 million to €26.31 million; 12 months + 50.8% from €50.76 million to €76.53 million
- Consolidated EBITDA: 4th quarter from €1.76 million to €2.15 million; 12 months from €2.37 million to €1.78 million
- Consolidated EBIT: 4th quarter from €747 thousand to - €547 thousand; 12 months from €336 million to -€4.148 million
- Consolidated pre-tax results: 4th quarter from €1.87 million to - €1.17 million; 12 months from €1.91 million to -€3.85 million
- Net financial position: €12.54 million

Amaro (UD), 14 February 2008

Today, the Board of Directors of Eurotech S.p.A. examined and approved the results related to the fourth quarter and the entire financial year 2007

These results reported growing revenue for the Eurotech Group, active in research, development, production and marketing of miniaturised (NanoPCs) and high-performance computing capability (HPCs) computers.

GROUP RESULTS FOURTH QUARTER 2007

CONSOLIDATED (€ MIL.)	Q4 2006	Q4 2006 NET OF PRICE ALLOCATION	Q4 2007 NET OF PRICE ALLOCATION	CHANGE %	PRICE ALLOCATION (*)	Q4 2007
SALES	15.834	15.834	26.307	66.1%	-	26.307
EBITDA	1.758	1.809	2.445	35.2%	(294)	2.151
EBIT	747	1.065	1.227	15.3%	(1.774)	(547)
FINANCIAL MANAGEMENT	1.042	1.042	(630)	nmf.	-	(630)
PRE TAX RESULT	1.875	2.193	597	-72.8%	(1.774)	(1.177)

(*) Accounting effects of the price allocation relating to acquisitions made since April 2006 of the Arcom Group, Applied Data Systems Inc. and Advanet Group.

The fourth quarter 2007 posted 66.1% year-on-year growth in Group sales, increasing from of €15.83 million to €26.31 million. The large increase reflects the effect arising from acquisition of Applied Data Systems Inc. executed on 8 January 2007 and the Japanese group Advanet, executed on 31 October 2007. Note that the

Advanet Group was consolidated on 1 November 2007 and therefore only contributed two months to sales in the quarter, for an amount of €4.3 million.

Group profits in the fourth quarter amounted to €13.29 million (+58.6% on the same period last year) accounting for 50.5% of revenues. Its impact improves, reaching 51.6%, by eliminating the effects of purchase price allocation.

EBITDA in the fourth quarter 2007 was preceded by a plus sign for €2.2 million, with a 8.2% margin on revenues. Fixed operating costs greatly influenced fourth-quarter results. EBITDA before purchase price allocation was €2.45 million with a 9.3 % impact on sales (fourth quarter 2006 reported EBITDA, net of price allocation, of €1.81 million). Thanks to the higher revenue earned, the fourth quarter 2007 reflects the higher absorption of overheads and therefore a better performance of the EBITDA as an absolute value and as a percentage of revenue, with respect to the previous nine months 2007, very close to its performance during the last quarter 2006.

EBIT in the fourth quarter was significantly affected by the negative effects of amortisation due to the price allocation of the Arcom Group, Applied Data Systems Inc. and Advanet Group acquisitions and amounted to - €547 thousand, accounting for - 2.1% of revenue compared to the fourth quarter 2006 which reported EBIT of €747 thousand (accounting for 4.7% of revenue). The negative effects on EBIT due to price allocation pursuant to the Arcom Group, Applied Data Systems Inc. and Advanet Group acquisitions amounted to €318 thousand for the fourth quarter 2006 and €1.774 million for the same period in 2007.

The pre-tax result was negative for €1.177 thousand (it was positive in fourth quarter 2006 for €1.875 million). Stripping off the effects of price allocation, this figure would be positive for €597 thousand (€2.19 million in the fourth quarter 2006).

In the fourth quarter, the net Group result came to - €548 million, compared with €1.379 million in the same period last year. Eliminating the effects of price allocation, this figure would be significantly better, positive for €249 thousand (€1.578 million in the fourth quarter 2006).

GROUP RESULTS IN 2007

CONSOLIDATED (€ MIL.)	31/12/2006	31/12/2006 NET PRICE ALLOCATION	31/12/2007 NET PRICE ALLOCATION	CHANGE %	PRICE ALLOCATION (*)	31/12/2007
SALES	50.759	50.759	76.531	50.8%	-	76.531
EBITDA	2.373	3.026	2.295	-24.2%	(514)	1.781
EBIT	(336)	1.070	(681)	-163.6%	(3.467)	(4.148)
FINANCIAL MANAGEMENT	2.247	2.247	263	nmf.	-	263
PRE TAX RESULT	1.911	3.317	(418)	nmf.	(3.467)	(3.885)

(*) Accounting effects of the price allocation relating to acquisitions made since April 2006 of the Arcom Group, Applied Data Systems Inc. and the Advanet Group.

Group revenues increased from €50.76 million in the twelve months of 2006 to €76.53 million in the same period of 2007, reporting healthy growth of 50.8% or €25.77 million.

The year reported gross profit with an impact on revenue of 49.7% (50.2% in 2006). Eliminating the effects of price allocation, gross profit would be better, accounting for 50.4% of revenue (51.5% in 2006). The performance of gross profit reflects the business model of Eurotech, based on sale of high value-added products.

EBITDA in the fourth quarter reported a positive result of €1.78 million, accounting for 2,3% of revenue. Once again, net of purchase price allocation EBITDA would be €2.3 million, accounting for 3.0% of revenue. Due to the fixed nature of Company's operating costs, the performance of EBITDA is strictly related to revenue and gross profit. The results in terms of EBITDA in the year 2007 compared with 2006 were negatively affected by a higher percentage of operating costs on revenue.

EBIT was influenced by the negative effects of amortisation due to price allocation of the Arcom Group, Applied Data Systems Inc. and Advanet Group acquisitions. EBIT increased from - €336 thousand in 2006 to - €4.148 million in 2007. Amortisation arising from price allocation in the year 2007 came to €2.953 million, reporting an increase of €2,2 million compared with the €753 thousand reported in 2006. EBIT before purchase price allocation was negative for €681 thousand (the year 2006 reported a positive value of €1.070 million, accounting for 2.1% of revenue).

Without considering the extraordinary positive effect last year arising from the PTO on Radstone, which accounted for €1.223 million, financial management reported a negative change in absolute values of €657 thousand between 2006 and 2007 chiefly due to the depreciation for € 315 thousand of the associated company Neuricam and due to Euro / USD exchange rates.

Pre-tax income decreased from €1.911 million in the financial year 2006 to - €3.885 million in the year 2007. Stripping off the effects of price allocation, this figure would be better, - €418 thousand in 2007 and + €3.317 million in 2006. In absolute terms, net Group income worsened from €572 thousand in the year 2006 to a loss of €3.233 million in 2007. Eliminating the effects of price allocation, this result would have been significantly better, reporting a negative figure of €1.393 million in 2007 compared with the positive €1.467 million in 2006. Besides reflecting the trend in pre-tax performance, this result was mainly due to the tax burden of the Group's various companies and to a lesser extent minority interest.

At 31 December 2007, the Group reported a positive net financial position of €12.5 million.



In accordance with section 2 of Article 154-bis the Unified Financial Law, the Financial Reporting Manager, Eros Goi, declared that the accounting disclosure contained in this press release corresponds to the documentary records, ledgers and accounting entries.

THE EUROTECH GROUP

Eurotech (ETH.MI) is a company active 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

CONSOLIDATED INCOME STATEMENT (€ '000)	4th Qtr 2006		4th Qtr 2007		31/12/2006		31/12/2007		change (b-a)	
		%		%		%		%	amount	%
Sales revenue	15,834	100.0%	26,307	100.0%	50,759	100.0%	76,531	100.0%	25,772	50.8%
Cost of material	(7,452)	-47.1%	(13,017)	-49.5%	(25,296)	-49.8%	(38,459)	-50.3%	(13,163)	52.0%
Gross profit	8,382	52.9%	13,290	50.5%	25,463	50.2%	38,072	49.7%	12,609	49.5%
Services costs	(3,621)	-22.9%	(4,418)	-16.8%	(11,601)	-22.9%	(14,405)	-18.8%	(2,804)	24.2%
Lease & hire costs	(310)	-2.0%	(403)	-1.5%	(1,007)	-2.0%	(1,439)	-1.9%	(432)	42.9%
Payroll costs	(3,594)	-22.7%	(6,922)	-26.3%	(12,889)	-25.4%	(22,652)	-29.6%	(9,763)	75.7%
Other provisions and costs	(152)	-1.0%	(573)	-2.2%	(296)	-0.6%	(1,252)	-1.6%	(956)	323.0%
Other revenues	1,053	6.7%	1,177	4.5%	2,703	5.3%	3,457	4.5%	754	27.9%
EBITDA	1,758	11.1%	2,151	8.2%	2,373	4.7%	1,781	2.3%	(592)	-24.9%
Depreciation & Amortization	(830)	-5.2%	(2,524)	-9.6%	(2,528)	-5.0%	(5,692)	-7.4%	(3,164)	125.2%
Asset impairment	(181)	-1.1%	(174)	-0.7%	(181)	-0.4%	(237)	-0.3%	(56)	30.9%
EBIT	747	4.7%	(547)	-2.1%	(336)	-0.7%	(4,148)	-5.4%	(3,812)	n.s.
Share of associates' profit at equity	(51)	-0.3%	(276)	-1.0%	(51)	-0.1%	(315)	-0.4%	(264)	n.s.
PTO launch charges	0	0.0%	0	0.0%	(1,860)	-3.7%	0	0.0%	1,860	-100.0%
Income from PTO	0	0.0%	0	0.0%	3,083	6.1%	0	0.0%	(3,083)	-100.0%
Finance expense	(696)	-4.4%	(796)	-3.0%	(2,033)	-4.0%	(2,264)	-3.0%	(231)	11.4%
Finance income	1,789	11.3%	442	1.7%	3,022	6.0%	2,842	3.7%	(180)	-6.0%
Profit before tax	1,875	11.8%	(1,177)	-4.5%	1,911	3.8%	(3,885)	-5.1%	(5,796)	-303.3%
Income tax	(489)	-3.1%	397	1.5%	(1,445)	-2.8%	425	0.6%	1,870	-129.4%
Net profit before minority interest	1,386	8.8%	(780)	-3.0%	466	0.9%	(3,460)	-4.5%	(3,926)	n.s.
Minority interest	7	0.0%	(232)	-0.9%	(106)	-0.2%	(227)	-0.3%	(121)	114.2%
Group net profit (loss)	1,379	8.7%	(548)	-2.1%	572	1.1%	(3,233)	-4.2%	(3,805)	n.s.

CONSOLIDATED INCOME STATEMENT – RECONCILIATION OF OPERATING AND REPORTED DATA

4th Q 2007	%	4th Q 2007 net of price allocation	%	OPERATING DATA (€'000)	31.12.2007	%	Effect of purchase price allocation	31.12.2007 net of price allocation	%
26,307	100.0%	26,307	100.0%	SALES REVENUES	76,531	100.0%		76,531	100.0%
(13,017)	-49.5%	(12,723)	-48.4%	COST OF MATERIALS	(38,459)	-50.3%	514	(37,945)	-49.6%
13,290	50.5%	13,584	51.6%	GROSS PROFIT	38,072	49.7%	514	38,586	50.4%
(12,316)	-46.8%	(12,316)	-46.8%	OTHER OPERATING COSTS (*)	(39,748)	-51.9%		(39,748)	-51.9%
1,177	4.5%	1,177	4.5%	OTHER OPERATING REVENUES (**)	3,457	4.5%		3,457	4.5%
2,151	8.2%	2,445	9.3%	EBITDA	1,781	2.3%	514	2,295	3.0%
(2,698)	-10.3%	(1,219)	-4.6%	DEPRECIATION & AMORTIZATION	(5,929)	-7.7%	2,953	(2,976)	-3.9%
(547)	-2.1%	1,227	4.7%	EBIT	(4,148)	-5.4%	3,467	(681)	-0.9%
(630)	-2.4%	(630)	-2.4%	FINANCE INCOME (EXPENSE)	263	0.3%		263	0.3%
(1,177)	-4.5%	597	2.3%	PROFIT (LOSS) BEFORE TAX	(3,885)	-5.1%	3,467	(418)	-0.5%
397	1.5%	(316)	-1.2%	INCOME TAX	425	0.6%	(1,363)	(938)	-1.2%
(780)	-3.0%	281	1.1%	NET PROFIT (LOSS) BEFORE MINORITIES	(3,460)	-4.5%	2,104	(1,356)	-1.8%
(548)	-2.1%	249	0.9%	GROUP NET PROFIT (LOSS) FOR PERIOD	(3,233)	-4.2%	1,840	(1,393)	-1.8%

CONSOLIDATED BALANCE SHEET

(Thousands of Euro)	31/12/2006	31/12/2007
ASSETS		
Intangible assets	26,715	110,959
Property, Plant and equipment	4,121	6,681
Investments in associate and other companies	757	1,071
Deferred tax assets	3,715	1,802
Other non-current assets	139	686
Total non-current assets	35,447	121,199
Inventories	12,307	22,093
Contracts in progress	810	2,364
Trade receivables	10,351	18,819
Other current assets	4,260	7,487
Derivative instruments	0	82
Cash & cash equivalents	119,614	56,604
Total current assets	147,342	107,449
Total assets	182,789	228,648
LIABILITIES AND EQUITY		
Share capital	8,751	8,879
Reserves	131,436	125,763
Net profit (loss) for period	572	(3,233)
Group shareholders' equity	140,759	131,409
Minority capital and reserves	39	8,223
Minority profit (loss) for period	8	(227)
Equity attributable to minority interest	47	7,996
Total shareholders' equity	140,806	139,405
Medium-/long-term borrowing	15,910	34,178
Employee benefit obligations	569	1,880
Deferred tax liabilities	3,594	15,790
Other non-current liabilities	374	977
Total non-current liabilities	20,447	52,825
Trade payables	12,234	14,503
Short-term borrowing	3,790	9,965
Derivative instruments	15	0
Tax liabilities	2,885	2,834
Other current liabilities	2,612	9,116
Total current liabilities	21,536	36,418
Total liabilities	41,983	89,243
Total liabilities and equity	182,789	228,648

NET FINANCIAL POSITION

(€'000)	31/12/2006	31/12/2007
Cash & cash equivalents	(119,614)	(56,604)
Derivative instruments	15	(82)
Short-term borrowing	3,790	9,965
Short-term net financial position	(115,809)	(46,721)
Medium-/long-term borrowing	15,910	34,178
Medium-/long-term net financial position	15,910	34,178
NET FINANCIAL POSITION	(99,899)	(12,543)

NET WORKING CAPITAL

(€'000)	31/12/2006	31/12/2007	Changes
	(a)	(b)	(b-a)
Inventories	12,307	22,093	9,786
Contracts in progress	810	2,364	1,554
Trade receivables	10,351	18,819	8,468
Other current assets	4,260	7,487	3,227
<i>Current assets</i>	<i>27,728</i>	<i>50,763</i>	<i>23,035</i>
Trade payables	(12,234)	(14,503)	(2,269)
Tax liabilities	(2,885)	(2,834)	51
Other current liabilities	(2,612)	(9,116)	(6,504)
<i>Current liabilities</i>	<i>(17,731)</i>	<i>(26,453)</i>	<i>(8,722)</i>
Net working capital	9,997	24,310	14,313