PRESS RELEASE

EUROTECH: BOARD APPROVES THE DRAFT 2013 STATUTORY AND CONSOLIDATED FINANCIAL STATEMENTS

As a result of the sale of the US subsidiary Parvus Corp, which was completed on 1 October 2013 and which generated a net profit of Euro 21.39 million, the related financials have been recognised in accordance with IFRS 5 concerning non-current assets held for sale and discontinued operations. For the purpose of clarity in presenting the financial performance of the Group, the historical income statement figures compared with those of 2013 have been restated to take account of this classification as discontinued operations.
As a result, "continuing operations" means all operations included within the new scope of consolidation of the Eurotech Group as of 1 October 2013.

Amaro (Italy), 14 March 2014

- Consolidated revenues: from EUR 78.74* million to EUR 66.11 million
- Consolidated gross profit: from EUR 39.51* million to EUR 32.81 million
- Consolidated EBITDA: from EUR 3.66* million to EUR 0.45 million
- Consolidated EBIT: from EUR -3.89* million to EUR -11.93 million
- Consolidated pre-tax loss from continuing operations: from EUR 4.19* million to EUR 11.39 million
- Consolidated profit from discontinued operations: from EUR 2.66* million to EUR 21.39 million
- Group net profit (loss): from EUR -2.78* million to EUR 8.24 million
- Net financial position: a net cash balance of EUR 15.11 million, as compared to a net debt balance in 2012 of EUR 11.45 million
- Group shareholders' equity: EUR 108.10 million
- Eurotech S.p.A.: from a net loss of EUR 0.42 million to net profit of EUR 19.97 million

** figures referring to 2012 have been restated compare to values originally presented following the application of IFRS 5*

The Board of Directors of Eurotech S.p.A has today examined and approved the draft Statutory Financial Statements and Consolidated Financial Statements at 31 December 2013, which are to be presented to the shareholders at their ordinary meeting.

Revenue for the Group settled at EUR 66.11 million in 2013, as compared to EUR 78.74 million in 2012. This decline in revenues was greatly accentuated by the unfavourable exchange rate between the yen and the euro in 2013 as compared to 2013. At constant exchange rates, the difference in revenues between 2012 and 2013 would be 6.7%, as compared to 16.0% based on the actual figures. The major part of the decline was caused by the HPC business unit, which accounted for almost two-thirds of the total difference: the concentration of sales to a few customers and with large orders make sales of the SBU HPC highly variable depending on the timing with which the orders are collected, and this phenomenon was seen in 2013 in a macroscopic way. At constant exchange rates, the NanoPC SBU showed just a slight decrease, around 2.5%. Among the geographic areas in which the Group operates, the major drop was in the US, due in particular to the postponement of the delivery of two orders belonging to our transportation vertical market for reasons liked to factors not controllable by us and related mainly to customers' procedures for testing and qualification of their own products. The stagnation in European demand remain present like in 2012, while growth was posted in Japan (although it cannot be seen in the financials due to the significant worsening of the yen-euro exchange rate from 2012 to 2013) as a result both of product development and other investments made by us and of the monetary and financial policies implement in the country, which helped to stimulate Japanese industry and promote exports.

Gross profit settled at the levels expected by management and in 2013 came to 49.6%, which is a slight decline from the margin of 50.2% of the prior year. Margin variability remains correlated with the mix of products sold, with products of different types, applications and target markets providing different margins. Nonetheless, a constant focus on the purchasing of materials has helped to keep margins under control and to meet the targets set at the start of the year. This stability in margins, which is also being seen in orders currently in progress, also confirms how our customers recognise Eurotech's ability to provide solutions with high levels of added value.

During the period under review, operating costs before adjustments for internal increases fell by EUR 3.61 million, going from EUR 38.73 million (or 49.2% of revenues) to EUR 35.12 million (or 53.1% of revenues). In addition to reflecting the trend in exchange rates and its impact on the translation of financials in a foreign currency, this decline shows the cumulative effects of the various efforts of cost rationalisation in recent years throughout all of the Group's areas of operations, with a point of equilibrium being reached in 2013. On the whole, the Group's current structure remains able to support higher levels of revenues than those achieved in 2012 and 2013.

Earnings before interest, taxes, depreciation and amortisation, and the measurement of equity investments (EBITDA) came to EUR 0.45 million, whereas EBITDA reached EUR 3.66 million in 2012. EBITDA as a margin on 2013 revenues came to 0.7%, as compared to an EBITDA margin of 4.7% in 2012. This difference between the two years is mainly attributable to the decline in revenues, resulting in lower gross profits, which were only partially offset by efforts to contain operating costs.

Following a conservative analysis (through impairment testing) of the recoverability of investments made in the recent past by the US business unit Eurotech Inc., management felt it was appropriate to write down non-current assets by EUR 6.08 million. This action had a significant impact on earnings before interest and taxes (EBIT), resulting in an operating loss of EUR 11.93 million, as compared to an operating loss of EUR 3.89 million in 2012. The non-monetary impact on EBIT of the price allocation of the acquisitions of Eurotech Inc. (formerly Applied Data Systems Inc. and Arcom Control Systems Inc.), Dynatem Inc. and Advanet Inc. and of the non-recurring items resulting from the aforementioned write-down totalled EUR 9.23 million in 2013, as compared to an impact of EUR 3.79 million in 2012.

The pre-tax net loss from continuing operations for 2013 came to EUR 11.39 million (whereas the pre-tax loss for 2012 was EUR 4.19 million). As mentioned, this performance was largely due to the write-downs recorded and was also influenced by the finance effect, i.e. the net financial income of EUR 1.20 million due to the trend in exchange rates. The impact on results before taxes deriving from the price allocation and extraordinary write-downs was EUR 9.23 million in 2013 and EUR 3.79 million in 2012.

Net profit for the Group came to EUR 8.24 million in 2013, as compared to the net loss of EUR 2.78 million in 2012, and reflects, in addition to the Group's operating performance, also the combined effect of the gain realised on the sale of Parvus Corp. and the write-down of a portion of intangible assets.

Net profit from discontinued operations and assets held for sale came to EUR 21.39 million and concerns the financial effects of the sale of the US firm Parvus Corp. The total comprises the gain on the sale (EUR 21.94 million), the costs directly or indirectly attributable to the sale (EUR 1.52 million), and the net profit recorded by Parvus for the nine months in which it was a part of the Eurotech Group (EUR 0.97 million).

The non-monetary effects of the price allocation and extraordinary write-down described above on the Group's net profit for 2013 came to EUR 7.99 million (2012: EUR 2.23 million).

At 31 December 2013, the Group had a net cash balance of EUR 15.11 million, as compared to net debt of EUR 11.45 million in 2012, an improvement which shows the effect of the cash received on the sale of Parvus Corp.

Shareholders' equity for the Group, which is the same as consolidated equity given that there are no minority interests, totalled EUR 108.10 million (2012: EUR 119.96 million).

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

Revenues for the parent company, Eurotech S.p.A., came to EUR 14.52 million, as compared to EUR 13.30 million in 2012, for an increase of 9.16%. Net profit came to EUR 19.97 million, whereas the company posted a net loss of EUR 0.42 million in 2012. This performance was positively affected by the sale of Parvus Corp., which resulted in a net gain of EUR 26.13 million on the separate accounts. Shareholders' equity for Eurotech S.p.A. as at 31 December 2013 totalled EUR 108.16 million, as compared to EUR 88.77 million in 2012. For 2013, the parent company had a net cash balance of EUR 30.97 million, as compared to net debt of EUR 3.79 million in 2012.

Pursuant to Article 154-bis, paragraph 2, of the Italian Consolidated Finance Act, the financial reporting manager, 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.

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The Board has also approved the Report on Corporate Governance, which contains information on the ownership structure pursuant to Article 123-bis of the Consolidated Finance Act and is to be published in accordance with applicable law.

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In accordance with the new provisions of Article 154-ter, paragraph 1, of the Consolidated Finance Act, the annual report, which includes the statutory and consolidated financial statements, the report on operations, the report on corporate governance, the declaration of the financial reporting manager, and the reports of the independent auditor and the board of statutory auditors, is to be published by no later than 31 March 2014.

THE EUROTECH GROUP

Eurotech (ETH:IM) is a global company that integrates hardware, software and 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 sensors, 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 our website at www.eurotech.com.

Company contacts:

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

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

ANNEXES – FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

OPERATING RESULTS (€/000)	FY 2013	%	FY 2012 Restated^	%
Revenues from sales of products and services	66,106	100.0%	78,739	100.0%
Cost of materials	(33,297)	-50.4%	(39,228)	-49.8%
Gross profit	**32,809**	**49.6%**	**39,511**	**50.2%**
Service costs	(12,589)	-19.0%	(13,632)	-17.3%
Lease & hire costs	(1,718)	-2.6%	(2,143)	-2.7%
Payroll costs	(19,292)	-29.2%	(21,044)	-26.7%
Other provisions and other costs	(1,525)	-2.3%	(1,913)	-2.4%
Other revenues	2,764	4.2%	2,883	3.7%
Profit before depreciation and amortization (EBITDA)	**449**	**0.7%**	**3,662**	**4.7%**
Depreciation & amortisation	(6,299)	-9.5%	(7,471)	-9.5%
Asset impairment	(6,077)	-9.2%	(82)	-0.1%
Operating profit	**(11,927)**	**-18.0%**	**(3,891)**	**-4.9%**
Share of associates' profit of equity	242	0.4%	(56)	-0.1%
Finance expense	(3,838)	-5.8%	(2,634)	-3.3%
Finance income	4,136	6.3%	2,389	3.0%
Profit before taxes	**(11,387)**	**-17.2%**	**(4,192)**	**-5.3%**
Income tax	(1,768)	-2.7%	(1,247)	-1.6%
Net profit (loss) of continuing operations before minority interest	**(13,155)**	**-19.9%**	**(5,439)**	**-6.9%**
Minority interest	**0**	**0.0%**	**0**	**0.0%**
Profit (Losses) from discontinued operations	**21,395**	**32.4%**	**2,656**	**3.4%**
Group net profit (loss) for period	**8,240**	**12.5%**	**(2,783)**	**-3.5%**
Base earnings (losses) per share	**0.238**		**(0.079)**	
Diluted earnings (losses) per share	**0.238**		**(0.079)**	

(^) Some amounts shown in this column do not correspond with those shown in the consolidated financial statements to 31 December 2012, as they reflect the adjustments made following the adoption of IAS 19R.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€'000)	at December 31, 2013	at December 31, 2012 Restated^
ASSETS		
Intangible assets	83,233	112,853
Property, Plant and equipment	3,518	4,756
Investments in affiliate companies	607	275
Investments in other companies	248	257
Deferred tax assets	1,397	1,083
Other non current financial assets	2,342	0
Other non-current assets	535	672
Total non-current assets	**91,880**	**119,896**
Inventories	14,156	18,282
Contracts in progress	0	850
Trade receivables	18,673	26,641
Income tax receivables	268	362
Other current assets	2,404	2,170
Other current financial assets	101	144
Cash & cash equivalents	27,995	12,116
Total current assets	**63,597**	**60,565**
Total assets	**155,477**	**180,461**
LIABILITIES AND EQUITY		
Share capital	8,879	8,879
Share premium reserve	136,400	136,400
Other reserves	(37,180)	(25,315)
Group shareholders' equity	**108,099**	**119,964**
Equity attributable to minority interest	**0**	**0**
Total shareholders' equity	**108,099**	**119,964**
Medium-/long-term borrowing	2,729	10,327
Employee benefit obligations	1,699	1,884
Deferred tax liabilities	6,023	9,486
Other non current financial liabilities	118	0
Other non-current liabilities	884	846
Total non-current liabilities	**11,453**	**22,543**
Trade payables	14,677	15,084
Short-term borrowing	12,319	13,036
Derivative instruments	159	344
Income tax liabilities	1,657	2,103
Other current liabilities	7,113	7,387
Total current liabilities	**35,925**	**37,954**
Total liabilities	**47,378**	**60,497**
Total liabilities and equity	**155,477**	**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)	(208)	(523)	(1,340)	(2,783)	119,964	-	119,964
2012 Result allocation	-	-	-	-	(2,783)	-	-	-	-	2,783	-	-	-
Profit (loss) as at December 31, 2013	-	-	-	-	-	-	-	-	-	8,240	8,240	-	8,240
Comprehensive other profit (loss)													
- Hedge transactions	-	-	-	-		206	-	-	-	-	206	-	206
- Actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-	(46)	-	-	-	(46)	-	(46)
- Foreign balance sheets conversion difference	-	-	-	(18,597)				-	-	-	(18,597)	-	(18,597)
- Exchange differences on equity investments in foreign companies	-	-	-	-	-	-	-	(876)	-	-	(876)	-	(876)
Comprehensive result	-	-	-	*(18,597)*	-	*206*	*(46)*	*(876)*	-	*8,240*	*(11,073)*	-	*(11,073)*
- Other changes and transfers					21	(21)			(792)		(792)		(792)
Balance as at December 31, 2013	8,879	39	136,400	4,196	(45,711)	(159)	(254)	(1,399)	(2,132)	8,240	108,099	-	108,099

NET FINANCIAL POSITION

(€'000)		at December 31, 2013	at December 31, 2012
Cash & cash equivalents	A	(27,995)	(12,116)
Cash equivalent	**B=A**	**(27,995)**	**(12,116)**
Other current financial assets	C	(101)	(144)
Derivative instruments	D	159	344
Short-term borrowing	E	12,319	13,036
Business aggregation liabilities	F	0	0
Short-term financial position	**G=C+D+E+F**	**12,377**	**13,236**
Short-term net financial position	**H=B+G**	**(15,618)**	**1,120**
Other non current financial assets	I	(2,342)	0
Other non current financial liabilities	J	118	0
Medium/long term borrowing	K	2,729	10,327
Medium-/long-term net financial position	**L=I+J+K**	**505**	**10,327**
(NET FINANCIAL POSITION) NET DEBT	**M=G+L**	**(15,113)**	**11,447**

WORKING CAPITAL

(€'000)	2013 (b)	2012 (a)	Changes (b-a)
Inventories	14,156	18,282	(4,126)
Contracts in progress	0	850	(850)
Trade receivables	18,673	26,641	(7,968)
Income tax receivables	268	362	(94)
Other current assets	2,404	2,170	234
Current assets	*35,501*	*48,305*	*(12,804)*
Trade payables	(14,677)	(15,084)	407
Income tax liabilities	(1,657)	(2,103)	446
Other current liabilities	(7,113)	(7,387)	274
Current liabilities	*(23,447)*	*(24,574)*	*1,127*
Net working capital	**12,054**	**23,731**	**(11,677)**