

EUROTECH

Interim Management Statement at 30 September 2009

November 16th, 2009

DIGITAL TECHNOLOGIES FOR A BETTER WORLD
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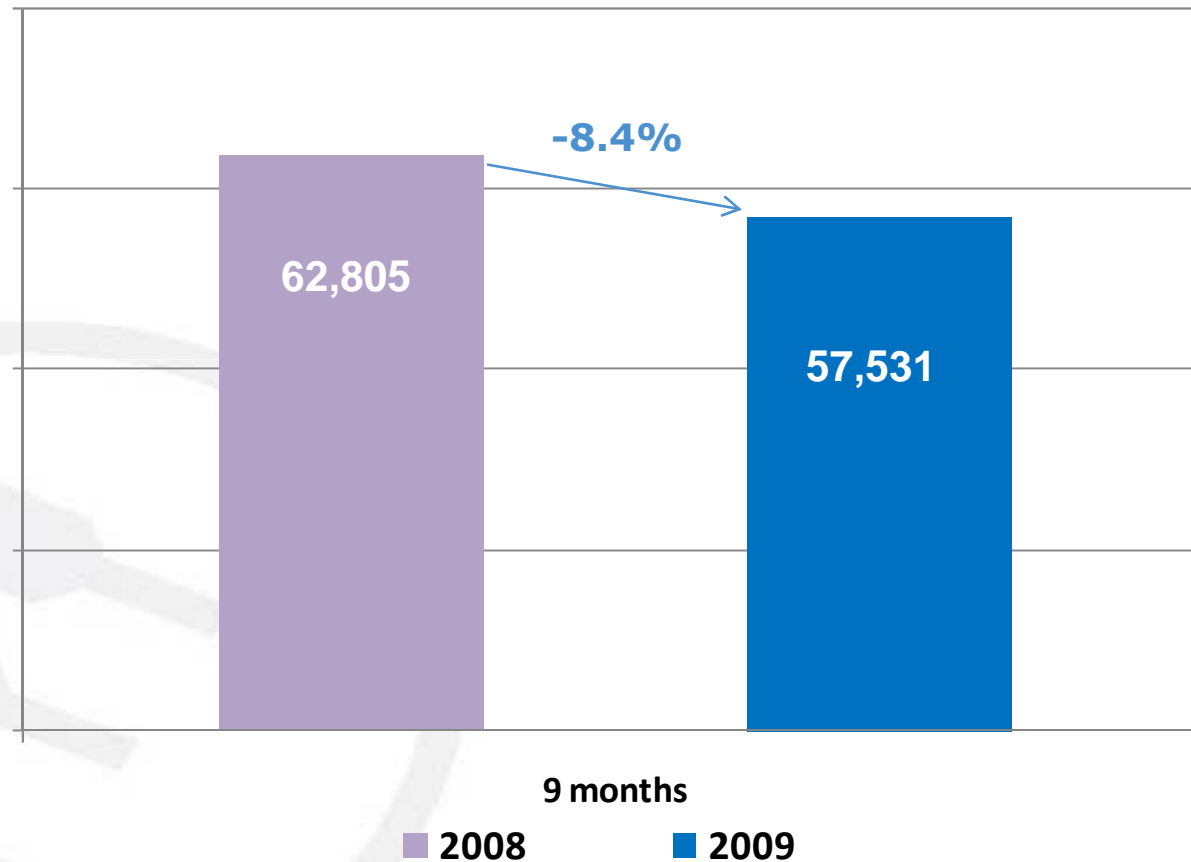
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FINANCIAL HIGHLIGHTS



REVENUES

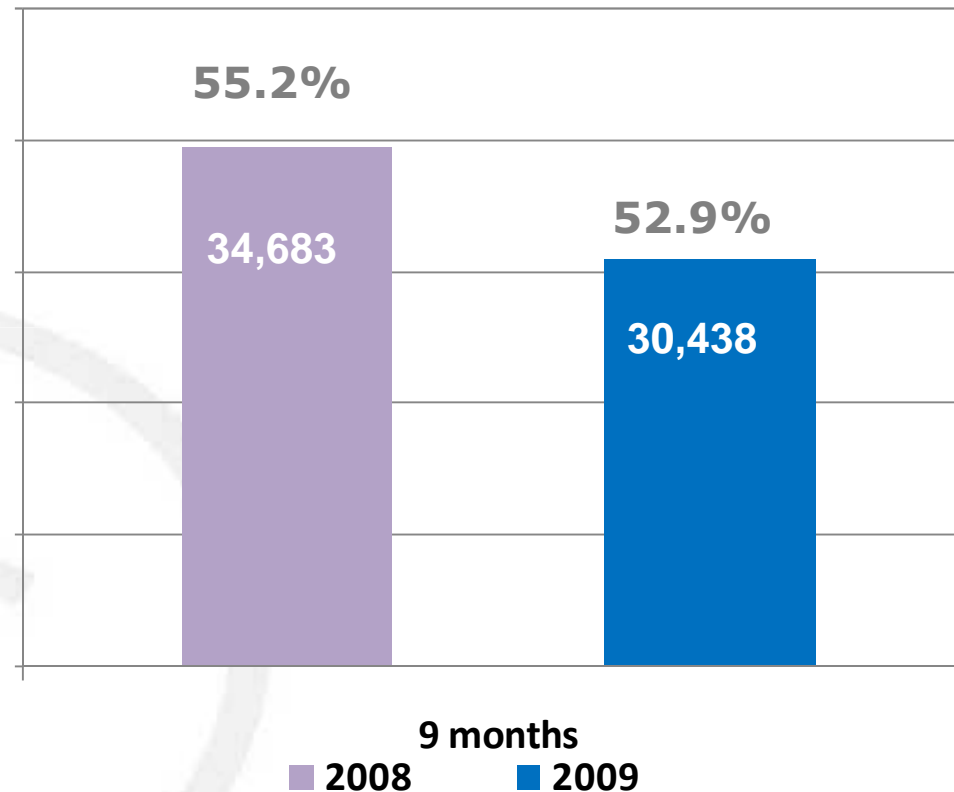
30 September 2008–2009 (€/000)



GROSS PROFIT MARGIN

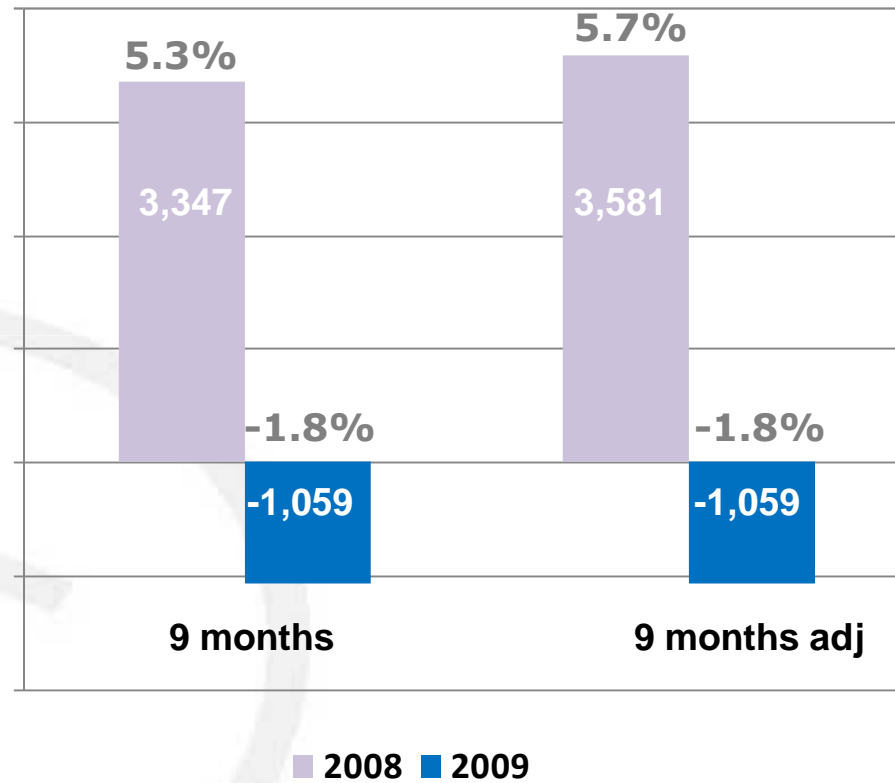
30 September 2008–2009 (€/000)

A change in the sale mix of first 9 months of 2009 led to a different contribution to sales, compared with 2008, of products featuring higher margins.



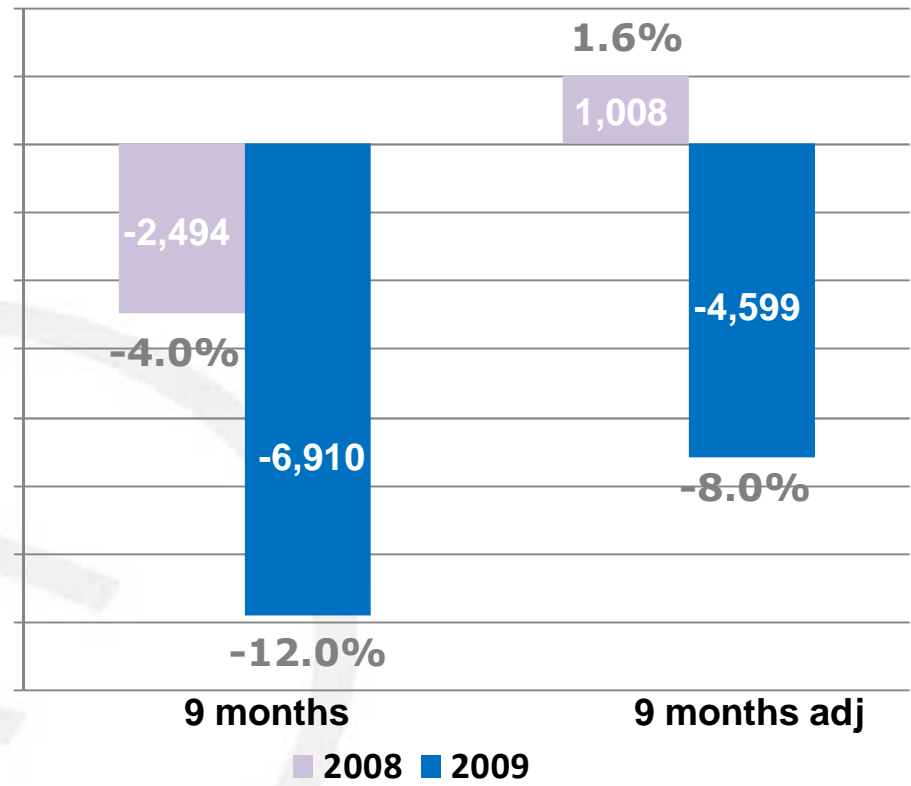
EBITDA

EBITDA & EBITDA adj , 30 September 2008-2009 (€/000)



EBIT

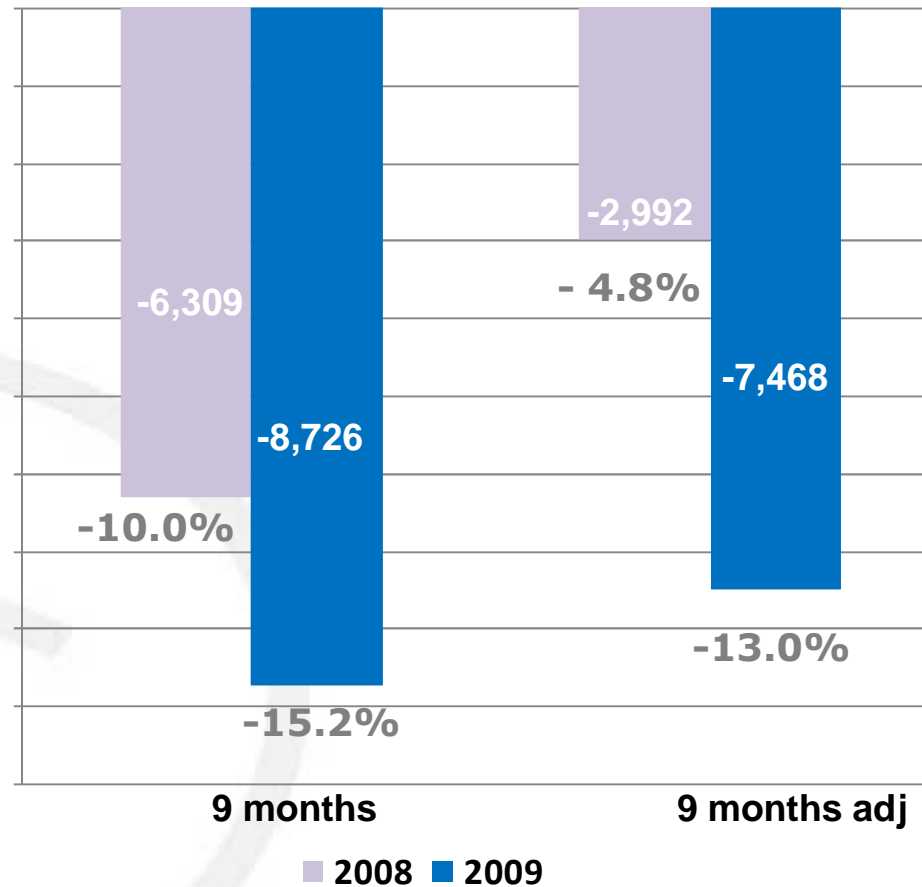
EBIT & EBIT adj , 30 September 2008-2009 (€/000)



Price allocation effect 2,311 €

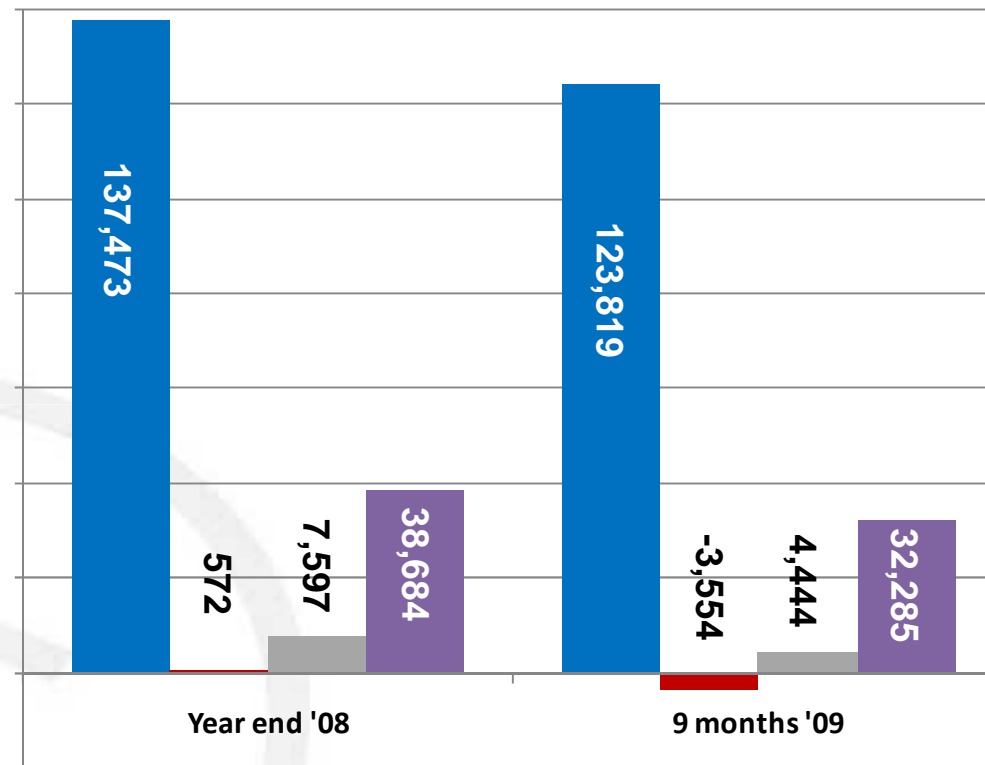
GROUP'S NET RESULT

Group's net results & Group's net results adj, 30 September 2008-2009 (€/000)



EQUITY, CASH AND NET DEBT

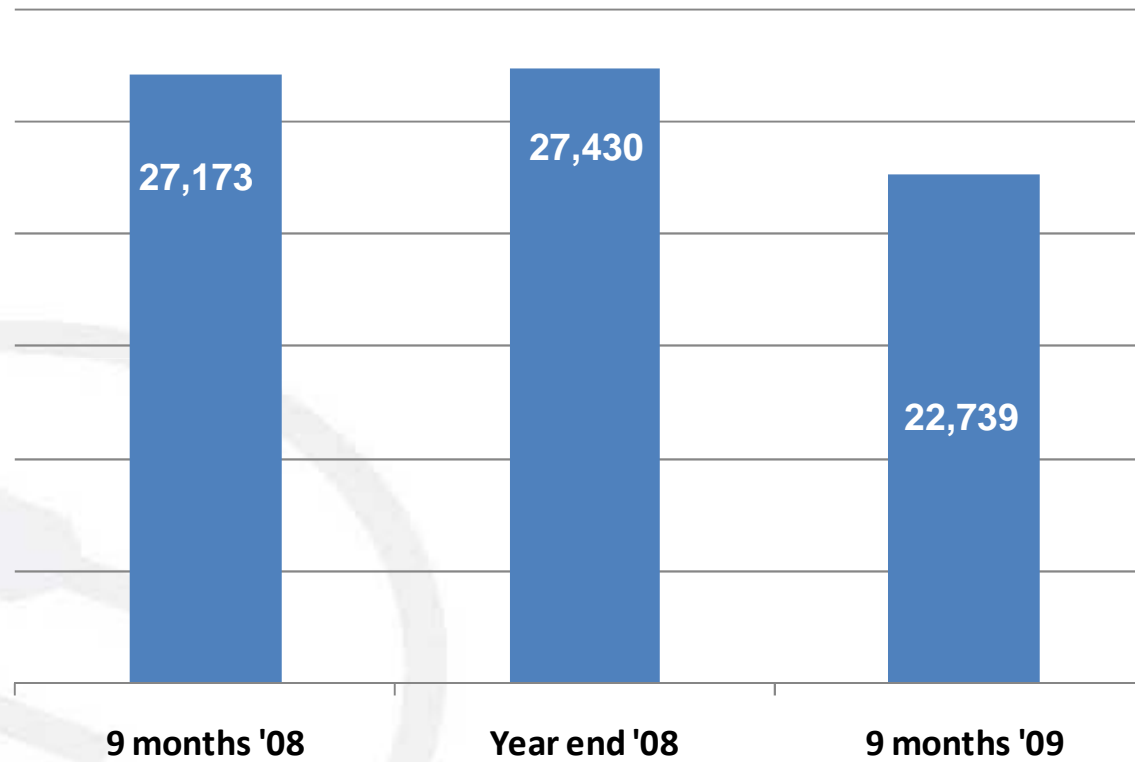
EQUITY, CASH AND NET DEBT , 31 December 2008 - 30 September 2009 (€/000)



■ SHEREOLDERS' EQUITY ■ NET DEBT
■ NET DEBT adj (w/o ADV option) ■ CASH & CASH EQUIVALENTS

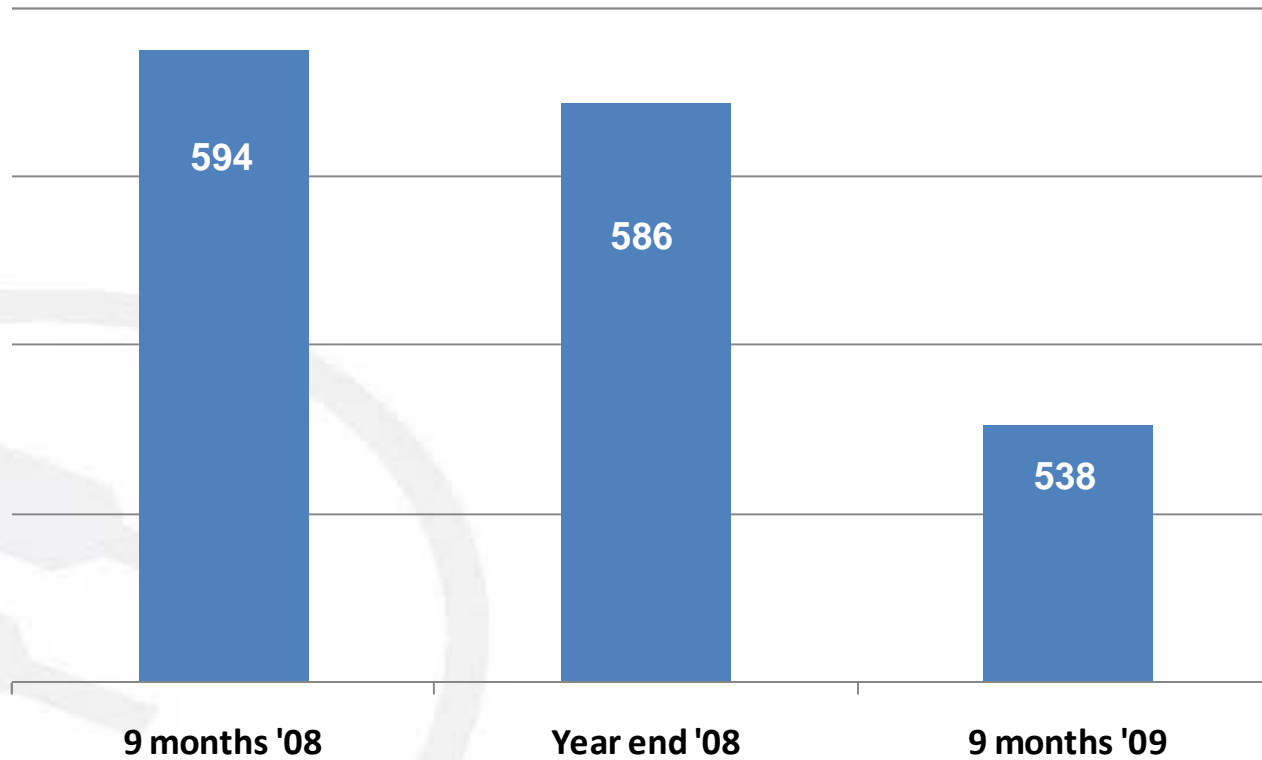
NET WORKING CAPITAL

30 September 2008 – 31 December 2008 – 30 September 2009 (€/000)



EMPLOYEES

Headcount at the end of specified period



CONSOLIDATED INCOME STATEMENT

OPERATING RESULTS €'000	30 September '08	%	30 September '09	%	30 September '08 adjuste	%	30 September '09 adjuste	%
SALES REVENUES	62,805	100.0%	57,531	100.0%	62,805	100.0%	57,531	100.0%
GROSS PROFIT	34,683	55.2%	30,438	52.9%	34,917	55.6%	30,438	52.9%
EBITDA	3,347	5.3%	(1,059)	-1.8%	3,581	5.7%	(1,059)	-1.8%
EBIT	(2,494)	-4.0%	(6,901)	-12.0%	1,008	1.6%	(4,599)	-8.0%
PROFIT (LOSS) BEFORE TAXES	(4,970)	-7.9%	(7,819)	-13.6%	588	0.9%	(5,516)	-9.6%
GROUP NET PROFIT (LOSS) FOR THE PERIOD	(6,309)	-10.0%	(8,726)	-15.2%	(2,992)	-4.8%	(7,468)	-13.0%

CONSOLIDATED BALANCE SHEET

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

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

GROWTH DRIVERS FOR 2010



Defence

- Investments in the area of unmanned vehicles will grow, due to Congressional mandate of “*1/3 unmanned by 2015*”
- Eurotech is already active in both UGVs and UAVs
 - E.g., Parvus supplies the Mission Computer for the UAV Excalibur made by Aurora Flight Sciences
- Net-centric approach to military operations is now established
 - All units on-field needs to communicate each other and with the control center, so all vehicles have to become reliable communication hubs
 - This is driving the demand for MARs (Mobile Access Routers) and similar devices, that are one of Eurotech’s major areas of expertise.

Transportation

- Big movement in USA to increase the use of public transportation
 - The idea is to transform buses, metros & railroad cars into “small offices” for commuters
 - We have all HW&SW platforms to build up, within a vehicle, a wireless connectivity which emulates the stability & reliability of a fixed internet connection.
 - We are already doing this: in May 2009 we celebrated the millionth commuter in US who connected wireless to Internet thanks to our platforms, mounted on board of public vehicles.

Industrial

- Industrial market remains the most affected by the global slowdown
- Anyway, some segments should experience a recovery in 2010
- We see at least 2 opportunities for Eurotech
 1. Capex investments in the semiconductor industry will grow about 20-25% in 2010 according to all major market research
 2. Revamping of buildings to make them more “green” thanks to the use of digital technologies will benefit in USA of Government investments valued at about \$7billions

Medical & Healthcare

- The whole healthcare system is facing a deep transformation
- In USA, computerization of medical records itself can count on a stimulus plan of \$19 billions
- More and more money will be spent to cure patients at their homes
- From January this year we put in place specific M&S actions to take advantage of these trends, which demands for:
 - a) low-power, robust and reliable mobile devices, for which we can provide the computing engine
 - b) IT infrastructures to connect – through the IP backbone – the center with the periphery and vice versa, for which we have specific HW & SW platforms.
- Starting from September, our actions became visible in our news flow, in the form of contracts and orders that we announced.

Upsides expected from the HPCs

- Another area of business in which we expect to grow is HPCs (high-performance computers)
- After the big success achieved at the 2009 International Supercomputer Conference (ISC) held in Germany in June, we are presenting Aurora this week at the Supercomputer Conference in Portland (USA).
- This supercomputing platform should be able to give a significant boost to sales in the next few years.