Consolidated Interim Management report
at 31 March 2015

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

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EUROTECH S.p.A.
Registered offices: Via Fratelli Solari 3/A, Amaro (Udine), Italy
Paid-in share capital: EUR 8,878,946 fully paid in
Tax code and
Udine Company Register no.: 01791330309

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Company Officers

Board of Directors	
Chairman	Roberto Siagri [7]
Director	Giulio Antonello [1, 2, 3]
Director	Sandro Barazza [1, 4]
Director	Riccardo Costacurta [1, 2, 3, 5, 6]
Director	Alberto Felice De Toni [1, 2]
Director	Chiara Mio [1, 2, 3, 5, 6, 7, 8]
Director	Dino Paladin [1]
Director	Giuseppe Panizzardi [1]

The Board of Directors currently in office was appointed by shareholders at the Annual General Meeting of 24 April 2014 and supplemented by the Annual General Meeting of 24 April 2015; it and will remain in office until approval of the 2016 financial statements.

Board of Statutory Auditors	
Chairman	Claudio Siciliotti
Statutory auditor	Michela Cignolini
Statutory auditor	Giuseppe Pingaro
Substitute auditor	Laura Briganti
Substitute auditor	Gianfranco Favaro

The Board of Statutory Auditors currently in office was appointed by shareholders at the Annual General Meeting of 24 April 2014, and will remain in office until the approval of the 2016 financial statements.

Independent auditor	
	PricewaterhouseCoopers

The independent auditor was appointed for the period 2014-2022 by shareholders at the Annual General Meeting of 24 April 2014.

Corporate name and registered offices of the parent company	
	Eurotech S.p.A. Via Fratelli Solari, 3/A 33020 Amaro (UD), Italy Udine Companies Register number 01791330309

[1] Non-executive Directors.
[2] Independent Directors pursuant to the Corporate Governance Code issued by the Italian Corporate Governance Committee for Listed Companies.
[3] Member of the Committee for Related Party Transactions.
[4] Corporate Financial Reporting Manager as from 29 May 2008.
[5] Member of the Control and Risks Committee.
[6] Member of the Remuneration Committee.
[7] Member of the Appointments Committee.
[8] Lead Independent Director.

Performance highlights

Income statement highlights

(€'000)		1Q 2015	%	1Q 2014	%	% change
OPERATING RESULTS						
SALES REVENUES		14,750	100.0%	14,209	100.0%	3.8%
GROSS PROFIT MARGIN	(*)	7,222	49.0%	7,368	51.9%	-2.0%
EBITDA	(**)	(1,533)	-10.4%	(749)	-5.3%	-104.7%
EBIT	(***)	(2,888)	-19.6%	(2,026)	-14.3%	-42.5%
PROFIT (LOSS) BEFORE TAXES		(1,981)	-13.4%	(2,063)	-14.5%	4.0%
GROUP NET PROFIT (LOSS) FOR THE PERIOD		(1,910)	-12.9%	(2,397)	-16.9%	20.3%

Income statement net of the accounting effects of purchase price allocation

(€'000)		1Q 2015 adjusted	%	1Q 2014 adjusted	%	% change
OPERATING RESULTS						
SALES REVENUES		14,750	100.0%	14,209	100.0%	-3.3%
GROSS PROFIT MARGIN	(*)	7,222	49.0%	7,368	51.9%	-6.3%
EBITDA	(**)	(1,533)	-10.4%	(749)	-5.3%	906.0%
EBIT	(***)	(2,254)	-15.3%	(1,432)	-10.1%	-145.2%
PROFIT (LOSS) BEFORE TAXES		(1,347)	-9.1%	(1,469)	-10.3%	-173.6%
GROUP NET PROFIT (LOSS) FOR THE PERIOD		(1,527)	-10.4%	(2,038)	-14.3%	146.1%

For a breakdown of effects arising from purchase price allocation, see the notes on page 12.

(*) Gross profit = difference between revenues from sale of products and services and consumption of raw materials.

(**) EBITDA, an intermediate figure, is earnings before amortisation, depreciation and impairment of non-current assets, financial income and expenses, the valuations of affiliates at equity and of income taxes for the period. This is a measure used by the Group to monitor and assess its operating performance. Since the composition of EBITDA is not regulated by the reference accounting standards, the determination criteria applied by the Group may not be the same as that used by others and may therefore not be comparable.

(***) EBIT, or earnings before financial income and expenses, the valuations of affiliates at equity and income taxes for the period.

Balance sheet and financial highlights

€'000	at March 31, 2015	at December 31, 2014	at March 31, 2014
NET NON-CURRENT ASSETS	99,609	89,920	91,991
NET WORKING CAPITAL	17,834	14,073	15,758
NET INVESTED CAPITAL*	108,823	96,051	97,180
SHAREHOLDERS' EQUITY	111,105	101,987	106,012
NET FINANCIAL POSITION	(2,282)	(5,936)	(8,832)

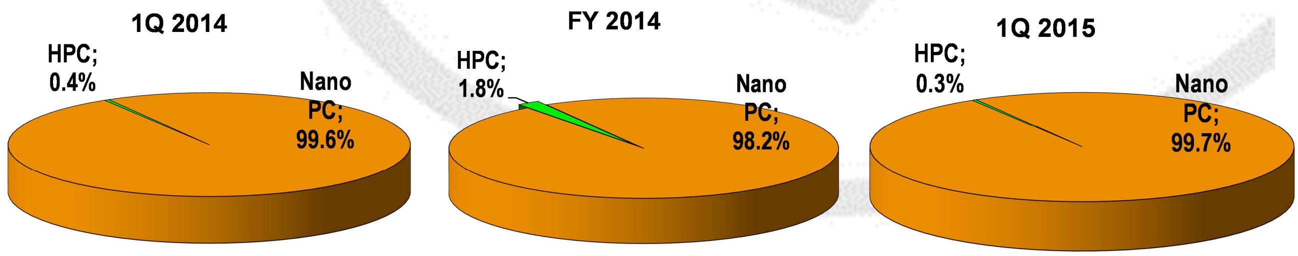
(*) Non-current non-financial assets, plus working capital, less non-current non-financial liabilities.

Employee headcount

	at March 31, 2015	at December 31, 2014	at March 31, 2014
EMPLOYEES	370	365	359

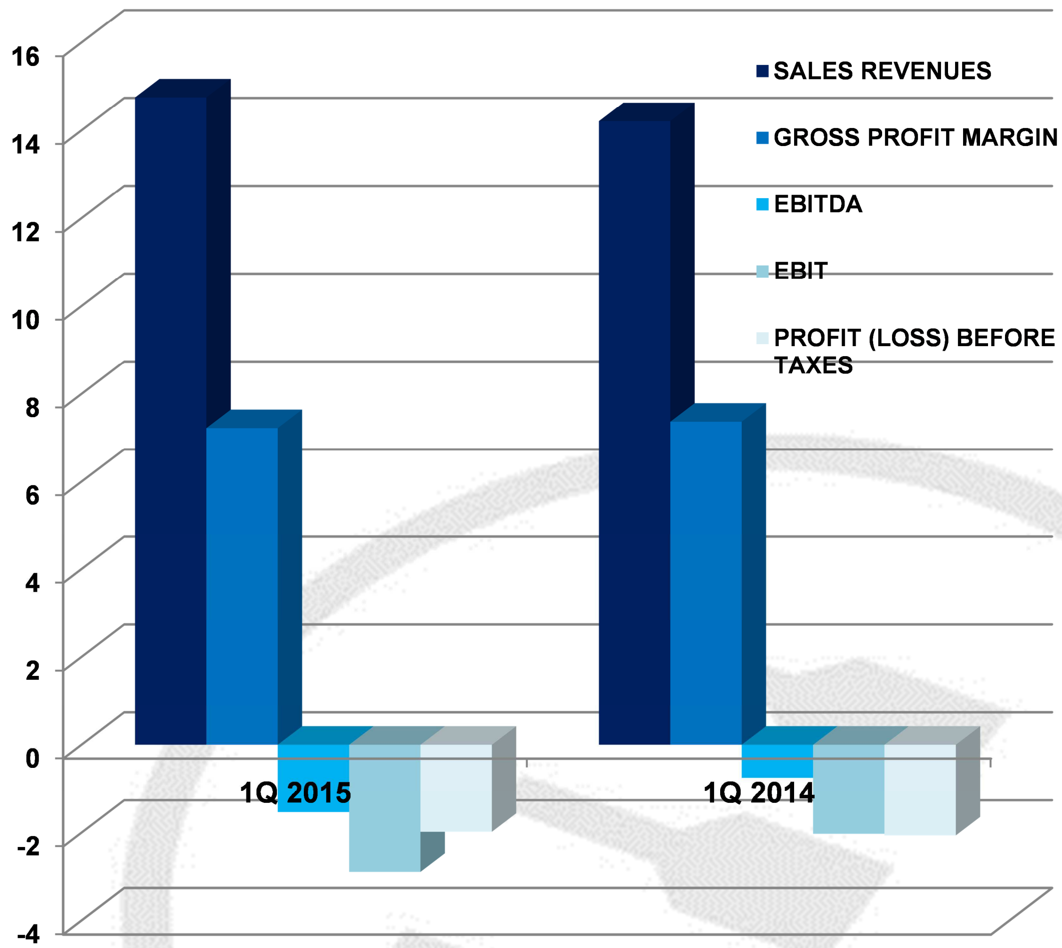
Revenues by business line

(€'000)	NanoPC				High Performance Computer				Total			
	1Q 2015	1Q 2014	% YoY Change	FY 2014	1Q 2015	1Q 2014	% YoY Change	FY 2014	1Q 2015	1Q 2014	% YoY Change	FY 2014
Sales revenues	14,702	14,155	3.9%	62,722	48	54	-11.1%	1,176	14,750	14,209	3.8%	63,898



The business lines covered by the Group are those of 'NanoPCs' and 'HPCs' (High Performance Computers). The NanoPC line comprises miniaturised electronic modules and systems together with software platforms for machine-to-machine (M2M) integration, that are currently for the transport, industrial, medical, logistics, defence and security sectors, while the HPC line consists of highly energy-efficient supercomputers, which has in the past targeted universities and research institutes, and now also has applications in services and industry.

Summary of results



Information for shareholders

The ordinary shares of Eurotech S.p.A., the Parent Company of the Eurotech Group, have been listed on the STAR segment of the Italian stock exchange since 30 November 2005.

Share capital of Eurotech S.p.A. at 31 March 2015

Share capital	Euro 8,878,946.00
Number of ordinary shares (without nominal unit value)	35,515,784
Number of savings shares	-
Number of Eurotech S.p.A. treasury shares	1,319,020
Stock market capitalisation (based on the share's average price in March 2015)	Euro 68 million
Stock market capitalisation (based on the share's reference price at 31 March 2015)	Euro 68 million

Performance of Eurotech S.p.A. shares

Relative performance of EUROTECH S.p.A. shares
01.01.2015 – 31.03.2015

The line graph shows the share's performance based on daily reference prices

The candle chart shows the share's daily maximum and minimum prices

The Eurotech Group

Eurotech is a global company with a strong international focus, which generates sales on three continents. It's a Group that has operating locations in Europe, North America and Japan, led and coordinated by the headquarters in Italy.

The technological paradigm followed by Eurotech is 'pervasive computing' or 'ubiquitous computing'. The pervasive concept combines three key factors: (1) miniaturisation of 'smart' devices, i.e. devices capable of processing information; (2) their spread in the real world – inside buildings and equipment, on board vehicles, worn by people and disseminated in the environment; and (3) their ability to connect with each other in a network and communicate data to business applications.
In this perspective, Eurotech creates miniaturised computers for special uses and M2M platforms (NanoPCs) together with supercomputers with high computing capacity and high energy efficiency (HPCs). NanoPCs and HPCs are the two major classes of devices that, by connecting to and cooperating with each other, form the pervasive computing structure previously known as the 'pervasive computing grid', which today we call the 'Internet of Things'.

In the NanoPC segment, the Group's traditional offering historically varies according to the positions of the various products in the value stack. The NanoPC is typically a miniature computer that can take the form of:
- an embedded board (i.e. inserted within a device or a system), often used as a component of OEM products;
- an embedded subsystem used as an element of an integrated system;
- a ready-to-use device employed in a great variety of application settings, often as support for the provision of value-added services.

All these NanoPCs have wireline or wireless communication channels to ensure their interconnection. It is this combination of computing and communication capabilities that makes Eurotech's NanoPCs key elements of the pervasive scenario that the company wants to create.

The Group's NanoPC offering is used in several application fields, both conventional and emerging. Eurotech is most active in the transport, industrial, medical, defence, security and logistics sectors. The feature common to many of our customers in all these sectors is they are seeking not only a supplier but also a centre of technological competence – and they often see in Eurotech a partner for innovating their products and their way of doing business. They choose Eurotech because they want to minimise the total cost of ownership of their projects or systems. They want to reduce their time-to-market and focus on their core businesses. They often need solutions for harsh operating conditions and for mission-critical applications, or supplies assured for long periods.
In the HPC segment, Eurotech designs and creates green supercomputers with huge computing capacity, occupying little space and highly energy efficient, created via mass and parallel connection of high-performance miniaturised computers. These supercomputers – in the past aimed at cutting-edge research institutes, computing centres, and universities – are turning out to be indispensable in advanced sectors such as nanotechnology, biotechnology and cyber security. Moreover, we expect them to have a significant impact on the medical and industrial fields in the near future.

While we continue to improve our traditional offer of embedded computers, we are increasingly focused on the challenge of creating end-to-end solutions to seamlessly connect distributed smart devices and transmit essential data between machines, using Cloud IT infrastructures.
Any object that is equipped with a small interconnected computer can generate a flow of data and potentially become a web-monitored asset, whether it be a vending machine, a bundle of bank notes, an agricultural

vehicle or a level crossing. But to create the ‘Internet of Things’, the interface between the real and the digital worlds, between sensors and the web, and between devices and the Cloud, have to be managed.
At Eurotech, we know how to process significant data from applications in the real world, transport them in the Cloud and make them usable in business processes and applications. Today, our systems and devices can be easily integrated within a Cloud infrastructure, whether public or private, via our Everywhere Cloud software platform, which rapidly connects smart objects to business applications to build distributed systems for M2M and IoT solutions. Thanks to our platform, our partners and customers can create flexible solutions that support value-added service provision and asset monitoring systems in a whole range of operating contexts.

Summary of performance in the first quarter of 2015 and business outlook

Introduction

The interim management statement of the Eurotech Group at 31 March 2015, which has not been independently audited, and the statements for comparative periods were drawn up according to the IASs/IFRSs issued by the International Accounting Board and endorsed by the European Union.

The Group's results at 31 March 2015 and comparable periods were prepared according to the IASs/IFRSs in force on the date of preparation and the statements drawn up according to Annex 3D of the Italian Issuers' Regulation no. 11971 of 14 May 1999, as amended and supplemented.

Reporting policies

The consolidated financial statements were drafted on the basis of financial statements to 31 March 2015 prepared by the consolidated companies and adjusted, where necessary, to align them with the Group's IFRS-compliant accounting and classification policies.
The accounting policies and consolidation methods used to prepare the Consolidated Quarterly Report are consistent with those used in the Consolidated Annual Financial Report at 31 December 2014, to which we expressly invite readers to refer, except for the adoption of new standards, amendments and interpretations in force at 01 January 2015.

For the first time, the Group adopted standards and amendments that did not require any amendment and/or re-presentation of previous financial statements: these included amendments to IFRS 11 *Joint arrangements*, IAS 16 *Property, plant and equipment*, IAS 38 *Intangible assets*, IAS 27 *Separate financial statements*, IFRS 10 *Consolidated financial statements*, IAS 28 *Investments in associates and joint ventures*, IAS 1 and lastly IFRS 9 *Financial instruments*.

Taxes have been calculated based on the best possible estimates. According to the criterion used for translation into euro of accounts expressed in different currencies, statement of financial position items are translated at the exchange rate in effect on the final day of the accounting period, and income statement items are translated at the average exchange rate for the period. Differences arising from translation of the statement of financial position and income statements are posted to a shareholders' equity reserve.

Unless otherwise specified, the financial statements, tables and explanatory notes are expressed in thousands of euro (€'000).

In accordance with Consob requirements, income statement figures are shown for the quarter under review and are compared with data for the same period in the previous financial year (FY). Restated balance sheet figures, which refer to the closing date of the quarter, are compared with the closing date of the previous FY. The format of the financial statements is the same as that used in the half-yearly report and in the annual financial statements.

This document presents some alternative performance indicators to allow for better evaluation of the Group's economic and financial performance. These are as follows:

- Gross profit, or the difference between revenues from sales and services and use of materials
- EBITDA, the result before depreciation, amortisation and impairment of assets, valuation of equity interests in affiliates using the equity method, financial income and charges and income tax for the year.
- Operating result (EBIT), i.e. the result before valuation of equity interests in affiliates using the equity method, financial income and charges and income tax for the year.

Operating performance in the period

The quarter that just ended was marked on the one hand by ongoing investments in the various corporate areas in order to follow the strategy undertaken last year, and on the other by a basically stable turnover in the periods in question.
Investments undoubtedly affected operating costs in absolute terms and consequently the result of the period, but they fall within a strategic course previously described in the prior quarters as well, a course that aims at creating the conditions for an increase in turnover. Nevertheless, cost control - above all during a stage when turnover is stable - is still one of the main goals set to be able to break even as soon as possible.
The goal of the investments being made in the structure and employees is to strengthen the Group's ability to put, first and foremost, the new offer of M2M/IoT platforms on the market while also remaining competitive in the embedded computer sector.
Group revenues in the first quarter of 2015 totalled €14.75 million, compared to €14.21 million in the first three months of 2014. The 3.8% increase is due to the performance of the currencies in which the foreign financial statements are drawn up and of the consequent conversion of the local financial statements into the functional currency, the Euro.
With reference to the location of the Group's businesses, the USA area returned to being the one that generated the highest turnover during the quarter, posting 37.4% of the total (first quarter 2014: 24.0%), followed by the Japanese area with 34.8% (first quarter 2014: 42.2%), while the European area represented the remaining 27.8% (first quarter 2014: 33.8%).
Historically, the performance of the first quarter is not very significant because it is the weakest of the year. However, the prospects in terms of new opportunities and negotiations, and the positive signals received particularly from the USA area, lead us to believe that the direction taken is the right one.

Before commenting on the income statement figures in more detail, we must point out that some of them reflect the effects of the recognition in the accounts of purchase price allocations [A] relating to the business combinations of Dynatem Inc. and Advanet Inc.

The following is a summary of interim results with and without the effects of PPA:

- EBIT would have come out at €-2.25 million, rather than €-2.89 million;
- Rather than €-1.98 million, the pre-tax result would have been €-1.35 million;
- The consolidated net loss would have been €1.53 million rather than €1.91 million.

[A] More specifically, the effects of recognition in accounts of PPA relating to the business combinations of Dynatem Inc. and the Advanet Group are as follows:

- depreciation, amortization and impairment: €634 thousand (€594 thousand at 31 March 2014), due to higher amortization of amounts allocated to intangible assets (particularly customer relations), the higher amortisation is attributable to the higher values assigned to the Eurotech Inc. cash generating units Dynatem Inc. and the Advanet Group;
- lower income taxes: €251 thousand (€235 thousand at 31 March 2014) resulting from the tax effect on adjustments made.

A recovery of the gross profit margin compared to the year-end figures was desirable in order to achieve the marginality forecast in the budget in order to continue the scheduled investments. Furthermore, the gross profit margin is an important indicator of business performance and any pressure on prices.
The gross profit margin of the first quarter 2015 amounted to €7.22 million, with a percentage of sales of 49.0%, compared to the percentage of 51.9% in the first quarter of 2014 and of 48.1% at year-end 2014. The slight recovery since year-end on the one hand confirms good control of the COGS and, on the other, that at this time pressure on selling prices, although present, is only moderately noticed.

During the three months of reference, operating costs before adjustments increased by €839 thousand, rising from €8.43 million of the first quarter of 2014 to €9.27 million of the first quarter of 2015.
Owing to the revenues performance commented on above, gross operating costs rose as a percentage of revenues, from 59.3% in the first quarter of 2014 to 62.8% in the first quarter of 2015.
In absolute terms, the increase reflects the greater investments made and together with the gross profit margin performance, affected the Group's result before depreciation, amortisation and impairment of assets and financial charges and tax (EBITDA).

EBITDA totalled €-1,533 thousand (-10.4% of revenues) for the first three months of the year, compared with €-749 thousand for 2014 (-5.3% of revenues)

EBIT fell to €-2.89 million in the first three months of 2015 (-19.6% of revenues), from €-2.03 million in the first three months of 2014 (-14.3% of revenues), reflecting performance of both the gross profit margin and the operating costs.
This performance also reflects the effects of the depreciation and amortisation charged to the income statement in the first quarter 2015, which derive from both the operating assets becoming subject to depreciation up to 31 March 2015 and the effects arising from price allocation relating to the acquisition of Dynatem Inc. and Advanet Inc. The effect on EBIT of the PPA amounts in 3M15 was €0.63 million, versus €0.59 million in 3M14.

Financial management during the first three months of 2015 was positive for €907 thousand, compared to a negative value of €37 thousand in the same period of 2014. This management in particular was affected by the different performance of the currencies in terms of average value during the periods considered, and by the reduced financial charges to a lesser extent.
For greater detail, readers should refer to the comments made in Note “J”.

The Group booked a pre-tax operating loss in 3M15 of €1.98 million, versus a loss of €2.06 million in 3M14. The €82 thousand reduction reflects the combined effect of the lower EBIT (€0.86 million) and the positive performance of financial management (€0.94 million) owing to the different performance of exchange rates.
The effects of price allocation on the pre-tax result amounted to €0.63 million in 3M15 and €0.59 million in 3M14.

The Group's net result totalled €-1.91 million for the quarter (€-2.40 million in the first three months of 2014). Not only does it reflect the changes in the pre-tax result, but the performance also was caused by the different tax burden recorded on the whole of the Group's various units.

Financial statements and explanatory notes

The trend in operating performance can be seen in the restated consolidated income statement and is shown below, in both absolute amounts and percentage terms:

Consolidated income statement

CONSOLIDATED INCOME STATEMENT (€ '000)	Notes	1Q 2015 (b)	%	1Q 2014 (a)	%	change (b-a) amount	change (b-a) %
Sales revenue	C	14,750	100.0%	14,209	100.0%	541	3.8%
Cost of material	D	(7,528)	-51.0%	(6,841)	-48.1%	687	10.0%
Gross profit		**7,222**	**49.0%**	**7,368**	**51.9%**	**(146)**	**-2.0%**
Services costs	E	(3,198)	-21.7%	(3,191)	-22.5%	7	-0.2%
Lease & hire costs		(450)	-3.1%	(412)	-2.9%	38	9.2%
Payroll costs	F	(5,284)	-35.8%	(4,612)	-32.5%	672	14.6%
Other provisions and costs	G	(335)	-2.3%	(213)	-1.5%	122	57.3%
Other revenues	H	512	3.5%	311	2.2%	201	64.6%
EBITDA		**(1,533)**	**-10.4%**	**(749)**	**-5.3%**	**(784)**	**-104.7%**
Depreciation & Amortization	I	(1,355)	-9.2%	(1,277)	-9.0%	78	-6.1%
EBIT		**(2,888)**	**-19.6%**	**(2,026)**	**-14.3%**	**(862)**	**42.5%**
Share of associates' profit of equity		0	0.0%	0	0.0%	0	n/a
Finance expense	J	(432)	-2.9%	(345)	-2.4%	87	-25.2%
Finance income	J	1,339	9.1%	308	2.2%	1,031	334.7%
Profit before tax		**(1,981)**	**-13.4%**	**(2,063)**	**-14.5%**	**82**	**4.0%**
Income tax	K	71	0.5%	(334)	-2.4%	(405)	121.3%
Net profit before minority interest		**(1,910)**	**-12.9%**	**(2,397)**	**-16.9%**	**487**	**20.3%**
Minority interest	O	**0**	**0.0%**	**0**	**0.0%**	**0**	**n/a**
Group net profit (loss)	**O**	**(1,910)**	**-12.9%**	**(2,397)**	**-16.9%**	**487**	**20.3%**

(€/000)	Note	1Q 2015	1Q 2014
Net profit (loss) before minority inerest (A)		**(1,910)**	**(2,397)**
Other elements of the statement of comprehensive income			
Other comprehensive income to be reclassified to profit or loss insubsequent periods:			
Net profit/(loss) from Cash Flow Hedge		0	(1)
Tax effect		-	-
		0	*(1)*
Foreign balance sheets conversion difference		*7,042*	*1,012*
Exchange differences on equity investments in foreign companies		3,986	4
Tax effect		-	-
		3,986	*4*
After taxes net other comprehensive income to be reclassified to profit or loss in subsequent periods (B)		*11,028*	*1,015*
Comprehensive net result (A+B)		**9,118**	**(1,382)**
Comprehensive minority interest		**0**	**0**
Comprehensive Group net profit (loss) for period		**9,118**	**(1,382)**

See explanatory note on page 20.

Consolidated statement of financial position

(€'000)	Notes	at March 31, 2015	at December 31, 2014
ASSETS			
Intangible assets		92,966	83,735
Property, Plant and equipment		3,551	3,391
Investments in affiliate companies		802	730
Investments in other companies		314	286
Deferred tax assets		1,367	1,231
Other non-current assets		609	547
Total non-current assets	L	**99,609**	**89,920**
Inventories		17,798	15,295
Contracts in progress		85	79
Trade receivables		18,370	19,846
Income tax receivables		302	215
Other current assets		2,438	1,659
Other current financial assets		2,889	2,570
Cash & cash equivalents		11,279	14,104
Total current assets		**53,161**	**53,768**
Total assets		**152,770**	**143,688**
LIABILITIES AND EQUITY			
Share capital		8,879	8,879
Share premium reserve		136,400	136,400
Other reserves		(34,174)	(43,292)
Group shareholders' equity	O	**111,105**	**101,987**
Equity attributable to minority interest	O	**0**	**0**
Total shareholders' equity	O	**111,105**	**101,987**
Medium-/long-term borrowing		2,662	2,756
Employee benefit obligations		2,153	1,924
Deferred tax liabilities		5,485	5,109
Other non-current liabilities		982	909
Total non-current liabilities		**11,282**	**10,698**
Trade payables		13,435	15,272
Short-term borrowing		9,172	7,930
Derivative instruments		52	52
Income tax liabilities		434	507
Other current liabilities		7,290	7,242
Total current liabilities		**30,383**	**31,003**
Total liabilities		**41,665**	**41,701**
Total liabilities and equity		**152,770**	**143,688**

Net financial debt

Pursuant to the CESR recommendation of 10 February 2005, the following table shows the Group's net financial debt at 31 March 2015, breaking it down by due date and comparing it with the situation at 31 March 2014 and 31 December 2014:

(€'000)		at March 31, 2015	at December 31, 2014	at March 31, 2014
Cash & cash equivalents	A	(11,279)	(14,104)	(20,457)
Cash equivalent	**B=A**	**(11,279)**	**(14,104)**	**(20,457)**
Other current financial assets	C	(2,889)	(2,570)	(101)
Derivative instruments	D	52	52	160
Short-term borrow ing	E	9,172	7,930	10,995
Other current financial liabilities	F	0	0	0
Short-term financial position	**G=C+D+E+F**	**6,335**	**5,412**	**11,054**
Short-term net financial position	**H=B+G**	**(4,944)**	**(8,692)**	**(9,403)**
Other non current financial liabilities	I	0	0	40
Medium/long term borrow ing	J	2,662	2,756	2,707
Medium-/long-term net financial position	**K=I+J**	**2,662**	**2,756**	**2,747**
(NET FINANCIAL POSITION) NET DEBT pursuant to CONSOB instructions	**L=H+K**	**(2,282)**	**(5,936)**	**(6,656)**
Other non current financial assets	M	0	0	(2,176)
(NET FINANCIAL POSITION) NET DEBT	**N=L+M**	**(2,282)**	**(5,936)**	**(8,832)**

Working capital

The Group's working capital as at 31 March 2015, compared with the situation at 31 March 2014 and 31 December 2014, is as follows:

(€'000)	Notes	at March 31, 2015 (b)	at December 31, 2014 (a)	at March 31, 2014	Changes (b-a)
Inventories		17,798	15,295	14,004	2,503
Contracts in progress		85	79	0	6
Trade receivables		18,370	19,846	17,768	(1,476)
Income tax receivables		302	215	146	87
Other current assets		2,438	1,659	2,877	779
Current assets		*38,993*	*37,094*	*34,795*	*1,899*
Trade payables		(13,435)	(15,272)	(11,873)	1,837
Income tax liabilities		(434)	(507)	(1,059)	73
Other current liabilities		(7,290)	(7,242)	(6,105)	(48)
Current liabilities		*(21,159)*	*(23,021)*	*(19,037)*	*1,862*
Net working capital	M	**17,834**	**14,073**	**15,758**	**3,761**

Cash flow

(€'000)	at March 31, 2015	at December 31, 2014	at March 31, 2014
Cash flow generated (used) in operations	(3,778)	(6,267)	(5,096)
Cash flow generated (used) in investment activities	(1,129)	(4,053)	(1,180)
Cash flow generated (absorbed) by financial assets	1,148	(4,362)	(1,346)
Net foreign exchange difference	934	791	84
Increases (decreases) in cash & cash equivalents	(2,825)	(13,891)	(7,538)
Opening amount in cash & cash equivalents	14,104	27,995	27,995
Cash & cash equivalents at end of period	11,279	14,104	20,457

A – Eurotech Group business

The Group operates in the segments of miniaturised computers for special uses and M2M platforms (NanoPCs), and green supercomputers (HPCs).

The NanoPC business line is represented by miniaturised electronic modules and systems and by software platforms for M2M integration, currently targeting the transport, industrial, defence, security, medical and logistics sectors.
Activity in this line is carried out by Eurotech S.p.A. and I.P.S. Sistemi Programmabili S.r.l., which mainly operate in Italy, Dynatem Inc. and Eurotech Inc. (USA), which mainly operates in the United States, Eurotech Ltd. (United Kingdom), which mainly operates in the United Kingdom, Eurotech France S.A.S. (France), which mainly operates in France, and Advanet Inc. (Japan), which mainly operates in Japan. Our products are marketed under the trademarks Eurotech, Dynatem, IPS and Advanet.

The HPC line consists of energy-efficient high-performance supercomputers currently targeting universities, research institutes and data-processing centres.

Eurotech shares (ETH.MI) have been listed on the STAR segment of the Italian stock exchange since 30 November 2005.

B – Basis of consolidation

The companies included in the basis of consolidation on a line-by-line basis at 31 March 2015 are as follows:

Company name	Registered offices	Share capital		Group share
Parent company				
Eurotech S.p.A.	Via Fratelli Solari 3/A – Amaro (UD)	Euro	8,878,946	
Subsidiary companies consolidated line-by-line				
Dynatem Inc.	Mission Viejo (USA)	USD	1,000	100.00%
E-Tech USA Inc.	Columbia (USA)	USD	8,000,000	100.00%
Eth Devices S.r.o.	Bratislava (Slovakia)	Euro	10,000	100.00%
Eurotech France S.A.S.	Venissieux Cedex (France)	Euro	795,522	100.00%
Eurotech Inc.	Columbia (USA)	USD	26,500,000	100.00%
Eurotech Ltd.	Cambridge (UK)	GBP	33,333	100.00%
I.P.S. Sistemi Programmabili S.r.l.	Via Piave, 54 – Caronno Varesino (VA)	Euro	51,480	100.00%
EthLab S.r.l.	Viale Dante, 300 – Pergine (TN)	Euro	115,000	99.99%
Advanet Inc.	Okayama (Japan)	JPY	72,440,000	90.00% (1)

(1) Officially, the Group owns 90% of the company, but as Advanet holds 10% of the share capital in the form of treasury shares, it is fully consolidated.

The following affiliates are consolidated at equity:

Chengdu Vantron Technology Inc.	Chengdu (China)	45.00%
Delos S.r.l. in liquidation	Via Roberto Cozzi 53 – Milan	40.00%
eVS embedded Vision Systems S.r.l.	Ca' Vignal2, Strada Le Grazie 15 – Verona	24.00%
Emilab S.r.l.	Via Jacopo Linussio, 1 – Amaro (UD)	24.82%
Rotowi Technologies S.p.A. in liquidation (formerly U.T.R.I. S.p.A.)	Via del Follatolo, 12 – Trieste	21.31%

Other smaller companies valued at cost

Kairos Autonomi	Salt Lake City (USA)	19.00%

The main changes with regard to subsidiaries compared with 31 December 2014 are as follows:

- 01/01/2015 the residual value of the company Delos S.r.l. following closure of the liquidation was added to the item "other receivables" while awaiting collection of the tax credits coming from the final liquidation allocation.

The following table provides information on the exchange rates used to translate foreign companies' financial statements into the Eurotech Group's presentation currency (the euro). The rates correspond to those released by the Italian Foreign Exchange Bureau (Ufficio Italiano Cambi).

Currency	Average 3Months 2015	As of March 31, 2015	Average 2014	As of December 31, 2014	Average 3Months 2014	As of March 31, 2014
British pound sterling	0.74336	0.72730	0.80612	0.77890	0.82787	0.82820
Japanese Yen	134.12063	128.95000	140.30612	145.23000	140.79778	142.42000
USA Dollar	1.12614	1.07590	1.32850	1.21410	1.36963	1.37880

C – Revenues

Revenues earned by the Group in the first quarter of 2015 amounted to €14.75 million (€14.21 million in the first three months of 2014), an increase of €0.54 million (3.8%) on the same period of last year. This performance is totally due to the foreign exchange difference at the time of conversion. An increase in the USA area to the detriment of the European and Asian areas is however highlighted. Prospects are still positive, also considering the investments that are being made and the feedbacks coming from the local management in every geographic area.

For operating purposes, the Group is organised in business lines, also known as business segments: "NanoPC" and "HPC" (High Performance Computers) are the relevant segments. In view of the current predominance of the NanoPC segment it has been decided to provide disclosure on it on a geographical basis, in terms of the location of the Group's companies and based on the same criteria for monitoring activities as is currently used by top management.
The Group's geographical areas in the NanoPC segment are defined according to the location of Group assets and operations. The areas identified within the Group are: Europe, North America and Asia.

Revenues by business line

Revenues by individual business line and related changes were as follows:

SALES BY BUSINESS SEGMENT	1Q 2015	%	1Q 2014	%	Var. %
NanoPC	14,702	99.7%	14,155	99.6%	3.9%
High Perf. Computer	48	0.3%	54	0.4%	-11.1%
TOTALE SALES AND SERVICE REVENUE	**14,750**	**100.0%**	**14,209**	**100.0%**	**3.8%**

NanoPC revenues, €14.16 million in the first three months of 2014 were €14.70 million in the first three months of 2015.
HPC line revenues were rather insignificant also during the first quarter of 2015: €48 thousand compared to €54 thousand in the first three months of 2014. The HPC business line is still marked by large orders for a limited number of customers, historically attributable to the science and research sectors, and today to the services sector as well, and this makes distribution of revenues over time extremely varied.

Revenues of NanoPC segment by business geographical area

As specifically regards the NanoPC segment, revenues of the operating units by geographical area can be further detailed as follows:

(€' 000)	North America			Europe			Asia			Correction, reversal and elimination			Total		
	1Q 2015	1Q 2014	%YoY Change	1Q 2015	1Q 2014	%YoY Change	1Q 2015	1Q 2014	%YoY Change	1Q 2015	1Q 2014	%YoY Change	1Q 2015	1Q 2014	%YoY Change
Third party Sales	5,520	3,416		4,043	4,738		5,139	6,001		0	0		14,702	14,155	
Infra-sector Sales	201	76		658	494		66	6		(925)	(576)		0	0	
Total Sales revenues	5,721	3,492	63.8%	4,701	5,232	-10.1%	5,205	6,007	-13.4%	(925)	(576)	-60.6%	14,702	14,155	3.9%

The North American business area's revenues totalled €5.72 million in 3M15 compared with €3.49 million in 3M14, up 63.8%. This increase is the effect of the prospects that are materialising in that area by virtue of the orders present, which should generate a higher turnover, particularly in the second half of the year. The policy of developing turnover implemented with key customers with substantial orders is fundamental for medium-long-term turnover growth in the area, and we are waiting to see those results from one quarter to the next.
The European business area registered a decrease, dropping from €5.23 million of the first quarter 2014 to €4.70 million of the first quarter 2015 (-10.1%), which is mainly due to the lower turnover of the UK subsidiary. In looking at the European area as a whole, the still stagnant economic situation generates a general lack of growth of demand in the European area countries.
The Asian business area has shown a 13.4% decrease, down from €6.01 million to €5.20 million following a distribution of the orders of several historical customers different from last year.

Revenues by customer geographical area

The following table shows the geographical breakdown of revenues based on customer location:

BREAKDOWN BY GEOGRAPHIC AREA	1Q 2015	%	1Q 2014	%	var. %
European Union	2,262	15.3%	1,973	13.9%	14.6%
United States	6,048	41.0%	5,252	37.0%	15.2%
Japan	5,125	34.7%	6,000	42.2%	-14.6%
Other	1,315	8.9%	984	6.9%	33.6%
TOTAL SALES AND SERVICE REVENUES	**14,750**	**100.0%**	**14,209**	**100.0%**	**3.8%**

As regards the figures by geographical area shown in the table, revenues in the US rose 15.2% and this led it to contribute 41.0% of total turnover in the first three months of 2015 as compared to 37.0% of the same period last year.
The Japanese area posted a fall as described above, and contributes 34.7% of Group turnover, while in 2014 it was the number one market for the Group with a 42.2% share of the total.
In Europe, again with reference to customer location, turnover increased by 14.6%, and accounted for 15.3% of total revenues. Note that the lower turnover of the UK subsidiary mentioned above is correlated with customers located outside of Europe.

D – Costs of raw & auxiliary materials and consumables used

Costs of raw & auxiliary materials and consumables used, which strictly relate to sales, rose in the period under review from €6.84 million in 3M14 to €7.53 million in 3M15. Therefore, a €0.69 million change (10.0%) was recorded in the period under review, higher than the 3.8% increase in turnover. This imperfect proportion is partly due to the different mix of products sold in the two periods compared and partly to the different trend of prices of finished products and components, especially in the Japanese area.

Costs for raw and auxiliary materials and consumables as a percentage of revenues rose from 48.1% in the first three months of 2014 to 51.0% in the first three months of 2015.

E – Service costs

Service costs remained basically stable in the 2014 and 2015 periods considered, and amounted to €3.20 million. This cost item decreased as a percentage of revenues from 22.5% in 3M14 to 21.7% in 3M15.
In addition to referring to routine management, the costs refer to the investments that the Group is making mainly in the new business lines of the M2M platforms for applications in industry and services. These investments concern not only the research and development area, but also - and above all - the sales and marketing area in order to get closer to the customers and develop a presence in the markets.

F – Payroll costs

In the period under review, payroll costs increased by 14.6%, from €4.61 million (32.5% of revenues) to €5.28 million (35.8% of revenues). Payroll is still an area management is paying attention to, also by virtue to the new recruitments made to align the operational structure with the strategic vision.
Compared to 31 December 2014, staff rose from 365 to 370 units.

The table below shows the number of Group employees:

Employees	at March 31, 2015	at December 31, 2014	at March 31, 2014
Manager	13	12	11
Clerical w orkers	328	325	319
Line w orkers	29	28	29
TOTAL	370	365	359

G – Other provisions and costs

At 31 March 2015, this item included a provision for doubtful accounts of €73 thousand (€14 thousand in the first three months of 2014), and refers to provisions made for the possibility of uncollectable trade receivables. Other provisions and costs as a percentage of revenues were 2.3%, slightly higher than the 1.5% in the same period in 2014.

H – Other revenues

The other revenues item registered a 64.6% increase. It rose from €311 thousand in the first three months of 2014 to €512 thousand in the same period this year. Other revenues comprise the capitalisation of development costs for new solutions featuring highly integrated standard modules and systems for €476 thousand (€287 thousand in the first three months of 2014), miscellaneous income of €36 thousand (€24 thousand in the first three months of 2014), and no operating grants totalled (as was also true in the first three months of 2014).

I – Amortisation, depreciation and write-downs

This item increased by €78 thousand, from €1.28 million in 3M14 to €1.35 million in 3M15, mainly due to an effect of converting foreign financial statements into Euro.

Depreciation and amortisation relating to the PPA at 31 March 2015, totalling €0.63 million, relate exclusively to customer relationships.

J – Financial income and expenses

The increase in financial expense from €0.34 million in the first three months of 2014 to €0.43 million in the first three months of 2015 was mainly due to increased losses on foreign exchange rates relating to trends in the US dollar and the UK pound.

The absolute value and percentage on revenues of the main financial expense items were as follows:

- foreign exchange losses: €0.32 million at 31 March 2015 (0.9% as a percentage of revenues), compared with €0.20 million at 31 March 2014 (1.2% as a percentage of revenues);
- miscellaneous interest expenses: €94 thousand at 31 March 2015 (0.6% as a percentage of revenues), compared with €124 thousand at 31 March 2014 (0.9% as a percentage of revenues).

Financial income as well, again due to the increase in the exchange rate difference, showed an increase of €1.03 million, up from €0.31 million in the first three months of 2014 to €1.34 million in the first three months of 2015.

(€'000)	1Q 2015	1Q 2014	change %
Exchange-rate losses	324	204	58.8%
Interest expenses	94	124	-24.2%
Interest expenses due to the discounting	0	0	n/a
Expenses on derivatives	0	0	n/a
Other finance expenses	14	17	-17.6%
Financial charges	**432**	**345**	**25.2%**

(€'000)	1Q 2015	1Q 2014	change %
Exchange-rate gains	1,328	282	370.9%
Interest income due to the discounting	4	0	n/a
Interest income	4	22	-81.8%
Other finance income	3	4	-25.0%
Financial incomes	**1,339**	**308**	**334.7%**
Net financial income	**907**	**(37)**	**n.s.**
% impact on sales	**6.1%**	**-0.3%**	

K – Income taxes

Income taxes at 31 March 2015 were positive as a whole for €71 thousand (of which €163 thousand for current taxes and €234 thousand for net deferred tax assets), compared with an impact of €334 thousand at

31 March 2014 (of which €441 thousand for current taxes and €107 thousand for net deferred tax assets), representing a positive change of €405 thousand.

L – Non-current assets

The increase in non-current assets between 31 December 2014 and 31 March 2015 of €9.69 million is primarily due to the exchange rate changes. Net investments in property, plant and equipment and intangible assets totalling €0.66 million are more than balanced with the depreciation and amortisation totalling €1.35 million.
The most significant increases were due to the intangible assets item, and primarily to the research and development activities that concern projects to develop new products, for the total amount of €0.43 million.

a – Intangible assets

The table below shows their breakdown and main changes during the period:

(€ '000)	DEVELOPMENT COSTS	GOODWILL	SOFTWARE TRADEMARKS PATENTS	ASSETS UNDER CONSTRUCTION & ADVANCES	OTHER INTANGIBLE ASSETS	TOTAL INTANGIBLE ASSETS
OPENING BALANCE (A)	2,156	65,359	7,571	2,426	6,223	83,735
Changes as at March 31, 2015						
- Purchases	-	-	8	428	-	436
- Disposals	-	-	-	-	-	-
- Amortisation and impairment in period (-)	(485)	-	(32)	-	(634)	(1,151)
- Other changes	1,447	7,834	946	(1,041)	760	9,946
Total changes (B)	**962**	**7,834**	**922**	**(613)**	**126**	**9,231**
CLOSING BALANCE (A+B)	3,118	73,193	8,493	1,813	6,349	92,966

The carrying value of goodwill and trademarks with an indefinite useful life allocated to each of the cash-generating units is as follows:

Cash generating units	at March 31, 2015		at December 31, 2014	
	Goodwill	Trademark with an indefinite useful life	Goodwill	Trademark with an indefinite useful life
Advanet Inc.	43,247	8,212	38,399	7,292
Eurotech Inc. (ex Applied Data Systems e ex Arcom Inc.)	22,800	-	20,212	-
Eurotech Ltd. (ex Arcom Ltd.)	6,005	-	5,607	-
Eurotech France S.a.s.	1,051	-	1,051	-
Other	90	-	90	-
TOTAL	73,193	8,212	65,359	7,292

b – Property, plant and equipment

The table below shows their breakdown and main changes during the period:

(€ '000)	LAND AND BUILDINGS	PLANT AND MACHINERY	INDUSTRIAL & COMMERCIAL EQUIPMENT	OTHER ASSETS	ASSETS UNDER CONSTRUCTION & ADVANCES	LEASED ASSETS	TOTAL PROPERTY, PLANT & EQUIPMENT
OPENING BALANCE (A)	1,232	587	353	1,031	95	93	3,391
2014							
- Purchases	-	2	115	104	-	-	221
- Disposals	-	(2)	-	(3)	-	-	(5)
- Amortisation and impairment in period (-)	(10)	(58)	(51)	(75)	-	(10)	(204)
- Other changes	1	12	37	75	12	11	148
Total changes (B)	**(9)**	**(46)**	**101**	**101**	**12**	**1**	**160**
CLOSING BALANCE (A+B)	1,223	541	454	1,132	107	94	3,551

M – Net working capital

Net working capital rose from €14.07 million at 31 December 2014 to €17.83 million at 31 March 2015, registering a €3.76 million increase due to the different performance of collection and payment flows as usually occurs during the first half of the year.
The positive change in current assets totalling €1.90 million is mainly due to the increase in inventories for €2.50 million and the other current assets for €0.78 million, only in part balanced by a decrease in the other current assets for €1.48 million.
The increase in current liabilities totalling €1.86 million is almost entirely ascribable to the reduced trade payables.

N – Net financial position

The Group reports a net financial position with a net cash of €2.28 million at 31 March 2015, down from the figure at 31 December 2014 of €5.94 million.
The change is primarily attributable to the use of cash for current operations and investments made, also in consideration of the traditional seasonality of the Eurotech Group's revenues, which generate greater cash flows during the second half-year period.
See also Cash flow on page 18.

Medium-/long-term financial liabilities include principal on bank loans and finance leases falling due beyond 12 months.
Short-term financial liabilities mainly consist of current account overdrafts, the current portion of mortgage loans, and payables to other lenders falling due by 31 March 2016.

O – 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, 2014	8,879	1,037	136,400	4,413	(38,469)	(52)	(346)	2,144	(3,097)	(8,922)	101,987	-	101,987
2014 Result allocation	-	163	-	-	(9,085)	-	-	-	-	8,922	-	-	-
Profit (loss) as at Marzo 31, 2015	-	-	-	-	-	-	-	-	-	(1,910)	(1,910)	-	(1,910)
(loss)													
- Hedge transactions	-	-	-	-		-	-	-	-	-	-	-	-
Actuarial gains/(losses) on defined benefit plans for	-	-	-	-	-	-	-	-	-	-	-	-	-
- Foreign balance sheets conversion difference	-	-	-	7,042	-			-	-	-	7,042	-	7,042
- Exchange differences on equity investments in foreign companies	-	-	-	-	-	-	-	3,986	-	-	3,986	-	3,986
Comprehensive result	-	-	-	*7,042*	-	-	-	*3,986*	-	*(1,910)*	*9,118*	-	*9,118*
- Other changes and transfers				204	(204)	-			-		-		-
Balance as at March 31, 2015	8,879	1,200	136,400	11,659	(47,758)	(52)	(346)	6,130	(3,097)	(1,910)	111,105	-	111,105

P – Significant events in the quarter

The significant events of the quarter were announced in the press releases listed below (the full text can be consulted on the Group website www.eurotech.com on page http://www.eurotech.com/en/press+room/news):

– 07/01/2015 Eurotech: Strengthening of the Offering for the Internet of Things
– 13/01/2015 Eurotech Announces Release of Everyware Software Framework (ESF) 3.0, the Java-OSGi Framework for M2M Gateways, Smart Devices and IoT applications
– 20/01/2015 Eurotech Receives 2014 M2M Evolution IoT Excellence Award
– 22/01/2015 Eurotech Announces CPU-351-13, Power Efficient Embedded Platform
– 26/01/2015 Eurotech Sponsors M2M Evolution Conference & Expo at a Platinum Level
– 02/02/2015 Eurotech announces its Partnership with InVMA Limited, a dedicated and experienced IoT & M2M company building out IoT applications on field proven platforms
– 09/02/2015 Eurotech Announces Release of Everyware Cloud™(EC) 3.5, the M2M/IoT Integration Platform
24/02/2015 Eurotech is showcasing its M2M/IoT solutions offering at Embedded World in Nuremberg
– 13/03/2015 Eurotech: BOD approves 2014 draft annual and consolidated financial statements
– 31/03/2014: Eurotech: Deposit of the Financial Statements as of December 2014 .

The company also took part in the Star Conference 2015 in Milan on March 25th.

Other than those discussed in previous paragraphs, no other particularly significant events occurred in the quarter.

Q – Events after the reporting period

For the significant events after 31 March, please refer to the press releases listed below (the full text can be consulted on the Group website www.eurotech.com on page http://www.eurotech.com/en/press+room/news):

– 03/04/2015 Eurotech: USD 3M escrow deposit related to Parvus Corp. sales released
– 08/04/2015 Eurotech and WebRatio Extend Their Technological Collaboration for the IoT
– 15/04/2015 Eventometers debuts at the Fuorisalone. Mobile App integrated with IoT sensors and Social Analytics to monitor the success of the events
– 22/04/2015 iNebula and Eurotech team up to create iNebula Connect for smart objects
– 24/04/2015 Eurotech: Resolutions passed by Ordinary Shareholders' Meeting on 24 April 2015

R – Risks and uncertainties

Please refer to the sections "Main risks and uncertainties to which the Group is exposed" and "Financial risk management: objectives and criteria" in the document 2014 Consolidated Financial Statements, in which the risks to which the Eurotech Group is exposed are explained.

S – Other information

We also specify that:

- Group intercompany transactions take place at market prices and are eliminated during the consolidation process;
- Group companies' related-party transactions form part of the normal course of business and are settled under arm's length conditions;
- pursuant to CONSOB communication 15519/2005, there were no non-recurring economic components in the consolidated quarterly results to 31 March 2015;
- pursuant to CONSOB communication DEM/6064296 of 28 July 2006, there were no atypical and/or unusual transactions carried out in the first quarter of 2015;
- at 31 March 2015 the company held 1,319,020 treasury shares for a total value of €3,097 thousand. The changes follow:

	No. of shares	Face value of a share (Thousand of Euro)	% share capital	Carrying value (€'000)	Average unit value
Status as at 1 January 2015	1,319,020	330	3.71%	3,097	2.35
Purchases	-	-	0.00%	0	
Status as at 31 March 2015	1,319,020	330	3.71%	3,097	2.35

- as regards the requirements of Article 150, paragraph 1, of Italian Legislative Decree no. 58 of 24 February 1998, no members of the Board of Directors have executed transactions with Group companies in situations of potential conflict of interest
- pursuant to Article 3 of Consob Resolution no. 18079 of 20 January 2012, Eurotech has adopted the simplification procedure set out in Articles 70, paragraph 8, and 71, paragraph 1-bis, of the Regulation adopted by Consob with Resolution no. 11971 of 14 May 1999 as amended. It therefore opts to derogate from the requirement to publish the information documents set out in Attachment 3B of this Consob Regulation for significant transactions such as mergers, spin-offs, capital increases via contributions in kind, acquisitions and sales.

Amaro, 14 May 2015

On behalf of the Board of Directors

Signed Roberto Siagri
Chairman

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Declaration of the Financial Reporting Manager

Amaro, 14 May 2015

D E C L A R A T I O N

PURSUANT TO ARTICLE 154 *BIS*, PARAGRAPH 2 – PART IV, TITLE III, CHAPTER II, SECTION V-BIS, OF ITALIAN LEGISLATIVE DECREE 58 OF 24 FEBRUARY 1998: "CONSOLIDATED FINANCE ACT, PURSUANT TO ARTICLES 8 AND 21 OF LAW 52 OF 6 FEBRUARY 1996"

I, Sandro Barazza,

Financial Reporting Manager of Eurotech S.p.A., with reference to the Consolidated Interim Management Statement at 31 March 2015 approved by the company's Board of Directors on 14 May 2015,

S T A T E

in compliance with the matters set forth under ex - art. 154 *bis*, paragraph 2, part IV, title III, chapter II, section V-*bis* of the Italian Legislative Decree 58 of 24 February 1998, to the best of my knowledge, the Consolidated Interim Management Statement at 31 March 2015 corresponds to the accounting entries.

The Financial Reporting Manager
Signed Sandro Barazza

www.eurotech.com