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Consolidated Interim Management Report

at 30 September 2011

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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in the 'Investors' section of
www.eurotech.com

EUROTECH SpA
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 bodies

Board of Directors	
Chairman	Roberto Siagri
Vice Chairman	Giampietro Tecchiolli
Director	Sandro Barazza [1] [2]
Director	Giovanni Bertolone [2]
Director	Giancarlo Grasso [2]
Director	Chiara Mio [2] [3] [4]
Director	Maria Cristin Pedicchio [2] [3] [4]
Director	Cesare Pizzul [2] [3] [4] [5]
Director	Giovanni Soccodato [2]

The Board of Directors currently in office was appointed by shareholders at the Annual General Meeting of 28 April 2011, and will remain in office until approval of the financial statements for the year ending 31 December 2013.

Board of Statutory Auditors	
Chairman	Claudio Siciliotti
Statutory Auditor	Michela Cignolini
Statutory Auditor	Giuseppe Pingaro
Substitute Auditor	Lorenzo Ginisio
Substitute Auditor	Michele Testa

The Board of Statutory Auditors currently in office was appointed by shareholders at the Annual General Meeting of 28 April 2011, and will remain in office until the approval of the financial statements for the year ending 31 December 2013.

Independent Auditor	
	Reconta Ernst & Young SpA

The independent auditor was appointed for the three-year period 2005-2007 by shareholders at the Annual General Meeting of 21 July 2005. This term was extended by shareholders for the period 2008-2013 at the Annual General Meeting on 7 May 2007.

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

Performance highlights

Income statement highlights

3rd Q 2011	%	3rd Q 2010	%	% change	(€000)		9M 2011	%	9M 2010	%	% change
					OPERATING RESULTS						
25,035	100.0%	23,932	100.0%	4.6%	SALES REVENUES		66,199	100.0%	65,755	100.0%	0.7%
12,967	51.8%	12,260	51.2%	5.8%	GROSS PROFIT MARGIN	(*)	34,158	51.6%	33,746	51.3%	1.2%
2,433	9.7%	1,206	5.0%	101.7%	EBITDA	(**)	1,835	2.8%	1,709	2.6%	7.4%
579	2.3%	(860)	-3.6%	167.3%	EBIT	(***)	(3,753)	-5.7%	(4,246)	-6.5%	11.6%
103	0.4%	(1,535)	-6.4%	106.7%	PROFIT (LOSS) BEFORE TAXES		(5,266)	-8.0%	(6,299)	-9.6%	16.4%
(1,031)	-4.1%	(2,263)	-9.5%	54.4%	GROUP NET PROFIT (LOSS) FOR THE PERIOD		(6,440)	-9.7%	(7,226)	-11.0%	10.9%

Income statement net of the accounting effects of purchase price allocation

3rd Q 2011 adjusted	%	3rd Q 2010 adjusted	%	% change	(€000)		9M 2011 adjusted	%	9M 2010 adjusted	%	% change
					OPERATING RESULTS						
25,035	100.0%	23,932	100.0%	4.6%	SALES REVENUES		66,199	100.0%	65,755	100.0%	0.7%
12,967	51.8%	12,260	51.2%	5.8%	GROSS PROFIT MARGIN	(*)	34,158	51.6%	33,746	51.3%	1.2%
2,433	9.7%	1,206	5.0%	101.7%	EBITDA	(**)	1,835	2.8%	1,709	2.6%	7.4%
1,393	5.6%	17	0.1%	n.s.	EBIT	(***)	(1,316)	-2.0%	(1,739)	-2.6%	24.3%
917	3.7%	(736)	-3.1%	224.6%	PROFIT (LOSS) BEFORE TAXES		(2,829)	-4.3%	(2,549)	-3.9%	-11.0%
(555)	-2.2%	(1,825)	-7.6%	69.6%	GROUP NET PROFIT (LOSS) FOR THE PERIOD		(5,011)	-7.6%	(4,579)	-7.0%	-9.4%

For a breakdown of effects arising from purchase price allocation, see the notes on page 11.

(*) 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 September 30, 2011	at December 31, 2010	at September 30, 2010
NET NON-CURRENT ASSETS	133,146	130,996	128,458
NET WORKING CAPITAL	31,415	30,213	28,025
NET INVESTED CAPITAL*	146,573	144,124	139,903
SHAREHOLDERS' EQUITY	131,192	135,484	129,001
NET FINANCIAL POSITION	15,381	8,640	10,902

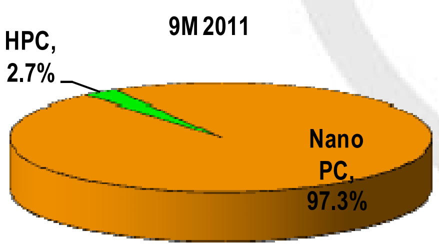
(*) Non-current non-financial assets, plus working capital, less non-current non-financial liabilities.

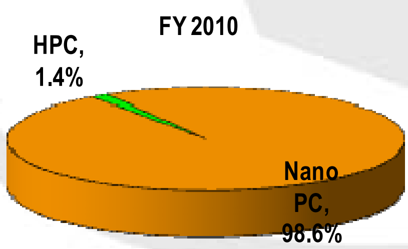
Employee headcount

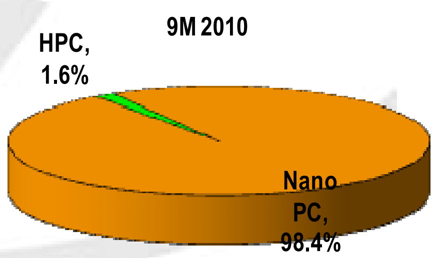
	at September 30, 2011	at December 31, 2010	at September 30, 2010
NUMBER OF EMPLOYEES	470	455	460

Revenues by business line

(€'000)	NanoPC				High Performance Computer				Total			
	9M 2011	9M 2010	% YoY Change	FY 2010	9M 2011	9M 2010	% YoY Change	FY 2010	9M 2011	9M 2010	% YoY Change	FY 2010
Sales revenues	64,424	64,726	-0.5%	98,073	1,775	1,029	72.5%	1,196	66,199	65,755	0.7%	99,269

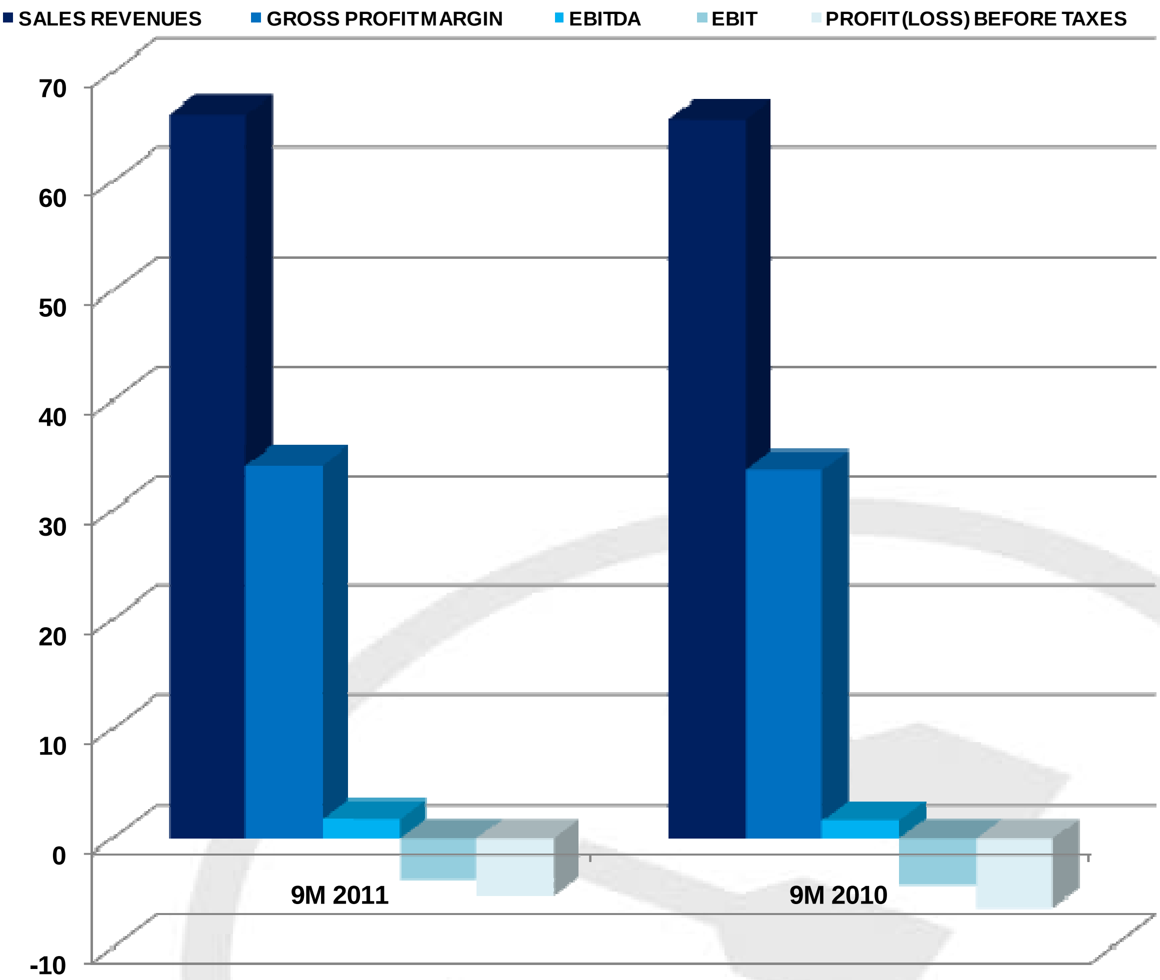






The business lines covered by the Group are 'NanoPCs' and 'HPCs' (high performance computers). The NanoPC line comprises miniaturised electronic modules and systems for the transport, aerospace, defence, security, industrial and medical sectors, while the HPC line consists of computers featuring high performance computing capability currently targeting universities, research institutes and computing centres. Volumes in the HPC business line are affected by the cyclicality of the purchasing model of our clients operating in this sector.

Results' chart



Information for shareholders

The ordinary shares of Eurotech SpA, the Parent Company of the Eurotech Group, have been listed in the STAR segment of the Milan stock market since 30 November 2005.

Share capital of Eurotech SpA at 30.09.11

Share capital	€8,878,946.00
Number of ordinary shares (without nominal unit value)	35,515,784
Number of savings shares	--
Number of Eurotech SpA treasury shares	420,410
Stock market capitalisation (based on the share's average price in September 2011)	€64 million
Stock market capitalisation (based on the share's reference price at 30.09.11)	€63 million

Performance of Eurotech SpA shares

Absolute performance of EUROTECH SpA shares
01.01.2011 – 30.09.2011

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, based in Italy with operating locations in Europe, North America, and Asia. It is a group with a strong international orientation. Its dominant language is English and it generates revenues on three continents.
The technological paradigm followed by Eurotech is ‘pervasive computing’. The pervasive concept combines three key factors: the miniaturisation of ‘intelligent’ devices, i.e. devices capable of processing information; their spread in the real world – inside buildings and equipment, on board vehicles, worn by people, and disseminated in the environment – and the possibility of connecting them up with each other in a network and communicating.
Within this overall vision, Eurotech works on the research, development, engineering, and marketing of special-purpose miniaturised computers (NanoPCs) and of high-performance supercomputers (HPCs). NanoPCs and HPCs are the two major classes of devices that, by connecting to and co-operating with each other, form the pervasive computing infrastructure that is part of the company's vision.

In the NanoPC segment, the Group’s offering differs 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 electronic board, often used as a component of OEM products
- an application-ready subsystem or platform, used as an element of integrated systems
- a ready-to-use device, employed in a great variety of application settings, often as support for the provision of value-added services.

The NanoPCs also include smart sensors, also known as "smart dust", which, combined with other types of NanoPCs, help to create platforms capable of linking the real and digital worlds.
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 many types of applications, both conventional and emerging. Eurotech is most active in the transport, defence, industrial and medical 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 uses designs and creates supercomputers with huge computing capacity via mass connection of miniaturised computers. Until fairly recently, these HPCs were typically used by cutting-edge research institutes, computing centres and universities, but we are now seeing growing interest from the fields of industry and services, for applications in advanced sectors such as nanotechnology, biotechnology and cyber security.

From the time of its foundation in 1992, Eurotech has focused its business model on four guiding principles, which, like four pillars, have underpinned its growth and development and continue to do so. These are:
- excellence within market standards
- a ‘fabless’ production model, i.e. with production volumes mainly outsourced
- evolution of its business model towards ready-to-use products (closer to the application scenario of the purchaser or end-customer)
- strong interaction with the academic and basic-research worlds.

Summary of performance in the third quarter of 2011 and business outlook

Introduction

The consolidated quarterly report of the Eurotech Group at 30.09.11, 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 30.09.11 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 30.09.11 prepared by the consolidated companies and adjusted, where necessary, to align them with the Group's IFRS-compliant accounting and classification policies.
The accounting standards and consolidation methods used to prepare the consolidated quarterly report are consistent with those used in the Group's consolidated financial statements to 31.12.10, to which readers are invited to refer. 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, balance sheets are translated at the exchange rate in effect on the final day of the accounting period, and income statements are translated at the average exchange rate for the period. Differences arising from translation of the balance sheets and income statements are posted to a balance sheet 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.

The preparation of the financial statements and the related notes to the accounts required the use of estimates and assumptions, with particular reference to provisions for write-downs and reserves for risks. Estimates are revised periodically, and any adjustment, following changes in the circumstances on which the estimate was based or in light of new information, is booked in the income statement. The use of estimates is an essential part of preparing the accounting statements, and is not prejudicial to their overall reliability.

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, or earnings before amortisation, depreciation and write-downs, financial income and expenses, the valuations of affiliates at equity and income taxes for the period.
- EBIT, or earnings before financial income and expenses, the valuations of affiliates at equity and income taxes for the period.

Operating performance in the period

Group revenues grew by 0.7% in the period (€0.4 million), from €65.76 million in 9M10 to €66.20 million in 9M2011. Performance in the nine-month period continued to be affected by the global economic climate, that showed its effects in the countries in which the Group operates, although to differing extents in the various market segments.
The macroeconomic scenario requires constant monitoring of trends in the various local economies, but the Group's international presence on three continents allows us to mediate the effects between the various areas and take advantage of opportunities wherever these appear.

Before commenting on detail on income statement figures, it should be noted that some figures are affected by purchase price allocation[A] accounting relating to the business combinations of the Arcom Group, Applied Data Systems Inc. and the Advanet Group.

The following is a summary of interim results with and without the effects of PPA:
- EBIT would have been €-1.32 million, rather than €-3.75 million
- the pre-tax loss would have been €2.83 million, rather than €5.27 million
- the group net loss would have been €5.01 million, rather than €6.44 million.

The gross profit margin came in at 51.6%, just over the figure registered for the first nine months of 2010 and higher than the 50.8% seen at end-2010. As we have already emphasised, the stability of the gross profit margin, aside from some changes due to the mix of products sold according to the sectors in which they are used and their end markets, continues to demonstrate both the Group's ability to maintain its set margins and its care in containing costs when purchasing materials.

In the period under review, operating costs as a percentage of revenues, inclusive of adjustments, decreased from 54.2% in the first nine months of 2010 (EUR 35.67 million) to 51.5% in the first nine months of 2011 (EUR 34.08 million). This had a positive impact on Group EBITDA.
Fixed costs as a percentage of turnover are expected to decrease again over 12 months, since traditionally revenues are concentrated in the fourth quarter and particularly at the end of the year.

[A] More specifically, the effects of recognition in accounts of PPA relating to the business combinations concerning the Arcom Group, Applied Data Systems Inc, and the Advanet Group are as follows:

- Depreciation, amortisation and impairment: €2,437 thousand (€2,507 thousand at 30.09.10), equal to the higher amortisation charged to the higher value attributed to customer relationships (intangible assets). In both periods, the higher amortisation is attributable to the higher values assigned to the Eurotech Inc. cash generating unit (formerly Applied Data Systems Inc. and Arcom Control Systems Inc.) and to the Advanet Group.
- Financial income and expenses: only relating to 30 September 2010, €60 thousand in financial income due to recalculation of the discounting of the option and €1,381 thousand in financial expenses arising from foreign exchange differences, mostly deriving from payment of the liability for the purchase of 23.3% of the shares of Advanet Inc. after exercise of the put option.
- Lower income taxes: €1,008 thousand (€1,032 thousand at 30.09.10) resulting from the tax effect on adjustments made.
- Higher net profit attributable to minorities: only relating to 30.06.2010, €71 thousand deriving from the effect of PPA attributed to minority interests.

In the first nine months of 2011, management continued to rationalise costs in line with policy over recent years, while also pursuing investment in activities expected to provide a return in the next reporting periods. We continue, therefore, to maintain an overall structure that is already capable of sustaining turnover levels much higher than those currently registered.

EBITDA grew by €0.13 million in the period, from €1.71 million in 9M10 to €1.84 million in the same period this year. EBITDA as a percentage of revenues grew from 2.6% in 9M10 to 2.8% in 9M11. The difference between the two periods mainly reflects reduced operating costs, achieved despite a higher headcount, confirming management's aim of building an efficient overall structure. The decrease was partly offset by a lower figure for other revenues, which in 9M10 registered a capital gain from equity interest disposals of €0.6 million, grants worth €0.2 million and a bigger effect from cost adjustments for capitalisations (total other revenues were €1.6 million in the first nine months of 2011 compared with €2.3 million in 2010).

EBIT came in at €-3.75 million in the first nine months of 2011, compared with €-4.25 million in the same period last year. EBIT as a proportion of revenues was affected by the higher margin and the operating cost savings, and came in at -5.7%, compared with -6.5% previously.
This performance reflected the effects of depreciation and amortisation charged to the income statement in 9M11, as well as the trend in EBITDA previously mentioned. The depreciation and amortisation arose from both operating assets that became subject to depreciation in the reporting period, and from non-monetary effects of PPA relating to the acquisitions of Eurotech Inc. (formerly Applied Data Systems Inc. and Arcom Control Systems Inc.) and of the Advanet Group. The effect on EBIT of the higher PPA amounts in 9M11 was €2,437 thousand, versus €2,507 thousand in 9M10.

The financial result was affected by the trend in net financial position, as well as by foreign exchange differences caused by the trend in foreign currencies. The amount of significant foreign exchange losses and profits booked in the period was influenced by purchases and sales in US dollars made by UK subsidiary Eurotech Ltd., which largely cancelled each other out. Overall, foreign exchange differences had an effect on costs of €479 thousand in the period, while the financial result management relative to net interest had an effect of €895 thousand.

A pre-tax loss of €5.27 million was registered in 9M11 (from a loss of €6.30 million in the first nine months of 2010). This performance was influenced by the factors outlined above. PPA effects on the pre-tax result amounted to €3.75 million in 9M10 and to €2.44 million in 9M11.

The group net loss came to €6.44 million in the first nine months of 2011, compared with a net loss of €7.23 million in the same period last year. This performance not only reflects the pre-tax profit result, but is also due to the level of the tax burden on the Group's various units.
Due to the acquisition by Advanet at the start of the year of treasury shares amounting to 10% of its capital, the minority interest in the Japanese group is no longer represented.
Total PPA effects on the group net result in 9M11 amounted to €1,429 thousand (€2,647 thousand in 9M10).

The third quarter saw a rise in Group revenues of around 4.6%, mainly owing to orders acquired at the beginning of the year in the various sectors and markets in which the Group operates. The third quarter saw sales of €25.04 million (accounting for 37.8% of total January to September sales), while the same quarter of 2010 saw sales of €23.93 million, or 36.4% of total sales in the first nine months.
In the same quarter, the different sales mix led to a slight increase in the gross profit margin: 51.8% as a percentage of sales in 3Q11, versus 51.2% in 3Q10.
The interim results are influenced by the trend in operating costs and in depreciation & amortisation. 3Q10 EBITDA was positive for €2,433 thousand, with a 9.7% margin on the quarter's sales, while in 3Q10 EBITDA totalled €1,206 thousand with a 5.0% margin on the quarter's sales.

EBIT improved in the third quarter of 2011, rising to €579 thousand (2.3% as a percentage of revenues), from €-860 thousand (-3.6% of revenues) in the same period of 2010. PPA had a negative effect on EBIT of €814 thousand in the third quarter of 2011 and €877 thousand in the same period a year previously.
These trends contributed to the overall trend in the interim results mentioned above.

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)	Note	3rd Qtr 2011	%	3rd Qtr 2010	%	9 months 2011 (a)	%	9 months 2010 (b)	%	change (b-a) amount	change (b-a) %
Sales revenue	C	25,035	100.0%	23,932	100.0%	66,199	100.0%	65,755	100.0%	444	0.7%
Cost of material	D	(12,068)	-48.2%	(11,672)	-48.8%	(32,041)	-48.4%	(32,009)	-48.7%	(32)	0.1%
Gross profit		**12,967**	**51.8%**	**12,260**	**51.2%**	**34,158**	**51.6%**	**33,746**	**51.3%**	**412**	**1.2%**
Services costs	E	(4,160)	-16.6%	(4,374)	-18.3%	(12,133)	-18.3%	(12,980)	-19.7%	847	-6.5%
Lease & hire costs		(601)	-2.4%	(605)	-2.5%	(1,786)	-2.7%	(1,779)	-2.7%	(7)	0.4%
Payroll costs	F	(6,248)	-25.0%	(6,618)	-27.7%	(19,095)	-28.8%	(19,910)	-30.3%	815	-4.1%
Other provisions and costs	G	(166)	-0.7%	(407)	-17%	(1,066)	-16%	(997)	-15%	(69)	6.9%
Other revenues	H	641	2.6%	950	4.0%	1,757	2.7%	3,629	5.5%	(1,872)	516%
EBITDA		**2,433**	**9.7%**	**1,206**	**5.0%**	**1,835**	**2.8%**	**1,709**	**2.6%**	**126**	**7.4%**
Depreciation & Amortization	I	(1,836)	-7.3%	(2,066)	-8.6%	(5,570)	-8.4%	(5,943)	-9.0%	373	6.3%
Asset impairment	I	(18)	-0.1%	0	0.0%	(18)	0.0%	(12)	0.0%	(6)	50.0%
EBIT		**579**	**2.3%**	**(860)**	**-3.6%**	**(3,753)**	**-5.7%**	**(4,246)**	**-6.5%**	**493**	**11.6%**
Share of associates' profit at equity		0	0.0%	0	0.0%	(139)	-0.2%	(898)	-14%	759	-84.5%
Finance expense	L	(2,266)	-9.1%	(1,516)	-6.3%	(5,864)	-8.9%	(4,275)	-6.5%	(1,589)	37.2%
Finance income	L	1,790	7.1%	841	3.5%	4,490	6.8%	3,120	4.7%	1,370	43.9%
Profit before tax		**103**	**0.4%**	**(1,535)**	**-6.4%**	**(5,266)**	**-8.0%**	**(6,299)**	**-9.6%**	**1,033**	**-16.4%**
Income tax	M	(1,134)	-4.5%	(681)	-2.8%	(1,174)	-18%	(944)	-14%	(230)	24.4%
interest		**(1,031)**	**-4.1%**	**(2,216)**	**-9.3%**	**(6,440)**	**-9.7%**	**(7,243)**	**-11.0%**	**803**	**11.1%**
Minority interest	Q	**0**	**0.0%**	**47**	**0.2%**	**0**	**0.0%**	**(17)**	**0.0%**	**17**	**100.0%**
Group net profit (loss)	Q	**(1,031)**	**-4.1%**	**(2,263)**	**-9.5%**	**(6,440)**	**-9.7%**	**(7,226)**	**-11.0%**	**786**	**10.9%**
Base earnings per share						**(0.183)**		**(0.206)**			
Diluted earnings per share						**(0.183)**		**(0.206)**			

STATEMENT OF COMPREHENSIVE INCOME (€ '000)	Note	9 months 2011	9 months 2010
inerest (A)		**(6,440)**	**(7,243)**
Net profit (loss) from Cash Flow Hedge		(67)	(65)
Tax effect		0	0
		(67)	*(65)*
Foreign balance sheets conversion difference		*4,836*	*13,930*
Exchange differences on equity method		*(43)*	*(17)*
Exchange differences on equity investments in foreign companies		(209)	1,030
Tax effect		0	0
		(209)	*1,030*
		4,517	*14,878*
After tax comprehensive profit (loss) (B)			
Comprehensive net result (A+B)		**(1,923)**	**7,635**
Comprehensive minority interest		**0**	**528**
Comprehensive Group net profit (loss) for period		**(1,923)**	**7,107**

See notes on page 20.

Consolidated balance sheet

(€'000)	Notes	at September 30, 2011	at December 31, 2010
ASSETS			
Intangible assets		122,759	120,328
Property, Plant and equipment		5,861	6,582
Investments in affiliate companies		319	308
Investments in other companies		262	230
Deferred tax assets		1,419	1,658
Other non current financial assets		226	236
Medium/long term borrowing allowed to affiliates companies and other Group companies		1,259	636
Other non-current assets		1,041	1,018
Total non-current assets	N	**133,146**	**130,996**
Inventories		26,758	21,587
Contracts in progress		3,321	257
Trade receivables		20,110	28,971
Income tax receivables		1,463	1,879
Other current assets		2,734	3,305
Cash & cash equivalents		12,903	23,751
Total current assets		**67,289**	**79,750**
Total assets		**200,435**	**210,746**
LIABILITIES AND EQUITY			
Share capital		8,879	8,879
Share premium reserve		136,400	136,400
Other reserves		(14,087)	(13,761)
Group shareholders' equity	Q	**131,192**	**131,518**
Equity attributable to minority interest	Q	**0**	**3,966**
Total shareholders' equity	Q	**131,192**	**135,484**
Medium-/long-term borrowing		19,007	22,873
Employee benefit obligations		1,641	1,681
Deferred tax liabilities		12,383	12,307
Other non-current liabilities		2,479	2,225
Total non-current liabilities		**35,510**	**39,086**
Trade payables		15,315	18,824
Short-term borrowing		10,147	8,985
Derivative instruments		406	339
Income tax liabilities		509	1,214
Other current liabilities		7,147	5,748
Business combination liabilities		209	1,066
Total current liabilities		**33,733**	**36,176**
Total liabilities		**69,243**	**75,262**
Total liabilities and equity		**200,435**	**210,746**

Net financial debt

Pursuant to the CESR recommendation of 10 February 2005, the following table shows the Group's net financial debt at 30 September 2011, breaking it down by due date and comparing it with the situation at 30 September 2010 and 31 December 2010:

(€'000)		at September 30, 2011	at December 31, 2010	at September 30, 2010
Cash & cash equivalents	A	(12,903)	(23,751)	(17,189)
Cash equivalent	**B=A**	**(12,903)**	**(23,751)**	**(17,189)**
Other current financial assets	C	0	0	0
Derivative instruments	D	406	339	523
Short-term borrowing	E	10,147	8,985	8,976
Business aggregation liabilities	F	209	1,066	1,778
Short-term financial position	**G=C+D+E+F**	**10,762**	**10,390**	**11,277**
Short-term net financial position	**H=B+G**	**(2,141)**	**(13,361)**	**(5,912)**
Medium/long term borrowing allowed to affiliates companies	I	(1,259)	(636)	(972)
Business aggregation liabilities	J	0	0	0
Other non current financial assets	K	(226)	(236)	(236)
Medium/long term borrowing	L	19,007	22,873	18,022
Medium-/long-term net financial position	**M=I+J+K+L**	**17,522**	**22,001**	**16,814**
(NET FINANCIAL POSITION) NET DEBT	**N=H+M**	**15,381**	**8,640**	**10,902**

Working capital

The Group's net working capital at 30 September 11, compared with the situation at 31 September 2010 and at 31 December 2010, is shown below:

(€'000)	Notes	at September 30, 2011 (b)	at December 31, 2010 (a)	at September 30, 2010	Changes (b-a)
Inventories		26,758	21,587	22,933	5,171
Contracts in progress		3,321	257	319	3,064
Trade receivables		20,110	28,971	22,526	(8,861)
Income tax receivables		1,463	1,879	2,026	(416)
Other current assets		2,734	3,305	4,115	(571)
Current assets		*54,386*	*55,999*	*51,919*	*(1,613)*
Trade payables		(15,315)	(18,824)	(16,866)	3,509
Income tax liabilities		(509)	(1,214)	(900)	705
Other current liabilities		(7,147)	(5,748)	(6,128)	(1,399)
Current liabilities		*(22,971)*	*(25,786)*	*(23,894)*	*2,815*
Net working capital	O	**31,415**	**30,213**	**28,025**	**1,202**

Cash flow

(€'000)	at September 30, 2011	at December 31, 2010	at September 30, 2010
Cash flow generated (used) in operations	(1,232)	3,185	1,017
Cash flow generated (used) in investment activities	(7,322)	(14,377)	(13,137)
Cash flow generated (used) in financial activities	(2,704)	4,953	93
Change in the conversion difference	410	2,066	1,292
Increase (decrease) in cash & cash equivalents	(10,848)	(4,173)	(10,735)
Opening amount in cash & cash equivalents	23,751	27,924	27,924
End of period in cash & cash equivalents	12,903	23,751	17,189

A – Eurotech Group business

The Eurotech Group operates in the segments of miniaturised computers (NanoPCs) and computers featuring high-performance computing capability (High Performance Computers - HPCs).

The NanoPC business line comprises miniaturised electronic modules and systems, currently targeting the transport, industrial, defence, medical and logistics sectors.
Activity in this segment is carried out by Eurotech SpA, I.P.S. Sistemi Programmabili Srl and SAEE Srl, which mainly operate in Italy, as well as Parvus Corp., Dynatem Inc. and Eurotech Inc. (USA), which mainly operate in the US, Eurotech Ltd (United Kingdom), which mainly operates in the UK, Eurotech France SAS (France), which mainly operates in France, the Advanet Group (Japan), which mainly operates in Japan, and Eurotech Finland Oy (Finland), which mainly operates in the markets of northern Europe. Our NanoPC products are marketed under the trademarks Eurotech, Parvus, Dynatem, IPS and Advanet.

The HPC line consists of computers featuring high performance computing capability 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 30.09.11 are as follows:

Company name	Registered office	Share capital		Group % ownership
Parent company				
Eurotech S.p.A.	Via Fratelli Solari, 3/A – Amaro (UD)	Euro	8.878.946	
Subsidiary companies consoldiated line-by-line				
Dynatem Inc.	Mission Viejo (USA)	USD	1.000	100,00%
ETH Devices S.r.o.	Bratislava (Slovakia)	Euro	10.000	100,00%
Eurotech Inc.	Columbia (USA)	USD	26.500.000	100,00%
Eurotech Ltd.	Cambridge (UK)	GBP	33.333	100,00%
E-Tech USA Inc.	Columbia (USA)	USD	8.000.000	100,00%
Eurotech Finland Oy in liquidazione	Helsinki (Finland)	Euro	508.431	100,00%
Eurotech France S.A.S.	Venissieux Cedex (Francie)	Euro	795.522	100,00%
I.P.S. Sistemi Programmabili S.r.l.	Via Piave, 54 – Caronno Varesino (VA)	Euro	51.480	100,00%
Parvus Corp.	Salt Lake City (USA)	USD	119.243	100,00%
Saee S.r.l.	Via Fratelli Solari, 5 Amaro (UD)	Euro	15.500	100,00%
EthLab S.r.l.	Via Dante, 78 – Trento	Euro	115.000	99,99%
Advanet Inc. (2)	Okayama (Japan)	JPY	72.440.000	90,00% (1)

(1) The percentage of formal possession is 90%, but due to the possession by Advanet of 10% of the share capital in the form of treasury shares, it is fully consolidated.
(2) As of 1 April 2011, the Japanese indirect subsidiary, Spirit21 Inc., was merged by incorporation with Advanet Inc..

The following affiliates are consolidated at equity:

Affiliated companies consolidated equity		
Chengdu Vantron Technology Inc.	Chengdu (Cina)	43,75%
Delos S.r.l. in liquidation	Via Roberto Cozzi, 53 – Milan	40,00%
Isidorey Llc. in liquidation	Columbia (USA)	40,00%
eVS embedded Vision Systems S.r.l.	Ca' Vignal2, Strada Le Grazie 15 – Verona	32,00%
Emilab S.r.l.	Via Jacopo Linussio, 1 – Amaro (UD)	24,82%
U.T.R.I. S.r.l.	Via del Follatolo, 12 – Trieste	21,31%

Other minory companies measured at cost		
Kairos Autonomi	Salt Lake City (USA)	19,00%

The main changes with regard to subsidiaries and affiliates compared with 31.12.10 are as follows:
- 01/04/2011: Spirit 21 Inc. was merged by incorporation with parent company Advanet Inc. which held 100% of its capital
- 20/05/2011: Advanet bought back treasury shares amounting to 10% of its share capital
- 01/06/2011: 100% of the capital of US company Dynatem Inc., active in the NanoPC sector, was acquired through subsidiary E-tech USA Inc.

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 9Months 2011	As of September 30,	Average at 2010	As of December 31,	Average 9M 2010	As of September 30,
British pound sterling	0.87140	0.86665	0.85784	0.86075	0.85730	0.85995
Japanese Yen	113.19244	103.79000	116.23857	108.65000	117.66057	113.68000
USA Dollar	1.40648	1.35030	1.32572	1.33620	1.31453	1.36480

C - Revenues

Revenues earned by the Group came to €66,199 thousand (€65,755 thousand in the first nine months of 2010), with an increase of €444 thousand (0.7%) on the same period last year. The figure is therefore largely the same in the periods under comparison, although, as will be seen, it subdivides slightly differently by region.

For operating purposes the Group is organised in business lines, also known as business segments, in which the NanoPC and HPC (high performance computers) segments are the most important. 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

Revenue trends by individual business line and related changes were as follows:

3rd Q 2011	%	3rd Q 2010	%	SALES BY BUSINESS SEGMENT	9M 2011	%	FY 2010	%	9M 2010	%
23,870	95.3%	23,496	98.2%	NanoPC	64,424	97.3%	98,073	98.8%	64,726	98.4%
1,165	4.7%	436	1.8%	High Perf. Computer	1,775	2.7%	1,196	1.2%	1,029	1.6%
25,035	100.0%	23,932	100.0%	TOTALE SALES AND SERVICE REVENUE	66,199	100.0%	99,269	100.0%	65,755	100.0%

NanoPC revenues decreased by 0.5%, from €64,726 thousand in the first nine months of 2010 to €64,424 thousand in the first nine months of 2011.
The HPC segment's revenues were up on the previous year, progressing from €1,029 thousand in 9M10 to €1,775 thousand in 9M11.
The low weighting of the HPC business line's revenues is again due to the cyclical nature of this segment, which is also characterised by large orders from a limited number of customers.

Revenues of NanoPC segment by business geographical area

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

(€' 000)	North America			Europe			Asia			Correction, reversal and elimination			Total		
	9M 2011	9M 2010	%YoY Change	9M 2011	9M 2010	%YoY Change	9M 2011	9M 2010	%YoY Change	9M 2011	9M 2010	%YoY Change	9M 2011	9M 2010	%YoY Change
Third party Sales	25,738	30,453		19,549	15,039		19,137	19,234		0	0		64,424	64,726	
Infra-sector Sales	1,222	1,504		6,316	7,281		298	228		(7,836)	(9,013)		0	0	
Total Sales revenues	26,960	31,957	-15.6%	25,865	22,320	15.9%	19,435	19,462	-0.1%	(7,836)	(9,013)	13.1%	64,424	64,726	-0.5%

The North American business area's revenues totalled €26.96 million in 9M11 compared with €31.96 million in 9M10, down 15.6%. The change reflects the slowdown in the US economy during the present year, which has led to a contraction in orders. The US defence market has also seen delays to funding allocation due to government policy.
The European business area registered a 15.9% increase in revenues (including interregional sales) from €22.32 million in 9M10 to €25.87 million in 9M11, mainly attributable to increased UK turnover.
Finally, turnover in the Asian business area was largely stable, at €19.44 million compared with €19.46 million previously, due to the steady recovery in the semi-conductor sector and despite the effects of the Japanese earthquake, which has caused some order deferrals to the next 3-6 months.

Revenues by customer geographical area

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

3rd Q2011	%	3rd Q2010	%	BREAKDOWN BY GEOGRAPHIC AREA	9M 2011	%	9M 2010	%	var. %
4,358	17.4%	4,858	20.3%	European Union	12,472	18.8%	12,921	19.7%	-3.5%
10,968	43.8%	10,577	44.2%	United States	29,732	44.9%	28,924	44.0%	2.8%
7,053	28.2%	7,439	31.1%	Japan	19,090	28.8%	18,751	28.5%	1.8%
2,656	10.6%	1,058	4.4%	Other	4,905	7.4%	5,159	7.8%	-4.9%
25,035	100.0%	23,932	100.0%	TOTAL SALES AND SERVICE REVENUES	66,199	100.0%	65,755	100.0%	0.7%

The figures by region in the table show a 2.8% increase in US revenues, which represented 44.9% of total revenues.
Despite domestic problems caused by this year's earthquake, Japan showed growth of 1.8%, sustained by the recovery in the semiconductor equipment market.
In Europe, again with reference to customer location, turnover decreased by 3.5%, remaining at about 19% of total revenues.

D – Costs of raw & auxiliary materials and consumables used

Costs of raw & auxiliary materials and consumables used, which closely relate in absolute terms to sales, were flat in the period under review, going from €32,009 thousand in 9M10 to €32,041 thousand in 9M11.

As a percentage of revenues, consumption of raw & auxiliary materials and consumables was largely unchanged, at 48.4% in 9M11 (compared with 48.7% in 2010).

E – Service costs

Service costs decreased from €12,980 thousand in 9M10 to €12,133 thousand in 9M11, a decrease in absolute terms of €847 thousand, or 6.5%. This cost item decreased as a percentage of revenues from 19.7% in 9M10 to 18.3% in 9M11.
The decrease largely reflects careful cost containment by the Group and synergies generated.

F – Payroll costs

In the period under review payroll costs decreased by 4.1%, from €19,910 thousand to €19,095 thousand. The reduction reflects actions undertaken in the first half of 2010.

As a percentage of revenues, this cost item decreased from 30.3% in the first nine months of 2010 to 28.8% in the first nine months of 2011.

As the following table shows, the Group headcount grew in the period, from 460 in the first nine months of 2010 to 470 in the first nine months of 2011, up 10 units compared with 31 December 2010. The change in staff numbers was above all due – as well as Dynatem's inclusion in the Group (with 19 employees) – to an increase in the Japanese workforce, mainly in response to the relocation to this area of the manufacturing of HPC blades, which was previously outsourced.

The table below shows the Group headcount.

Employees	at September 30, 2011	at December 31, 2010	at September 30, 2010
Manager	22	23	19
Clerical workers	370	346	373
Line workers	78	86	68
TOTAL	470	455	460

G – Other provisions and costs

At 30 September 2011, this item included a provision for doubtful accounts of €165 thousand (€332 thousand in the first nine months of 2010), and refers to provisions made for the possibility of uncollectable trade receivables.
Other provisions and costs as a percentage of revenues were 1.6%, compared with 1.5% in the same period of 2010.

H – Other revenues

Other revenues decreased by 51.6%. The item decreased from €3,629 thousand in the first nine months of 2010 to €1,757 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 €1,595 thousand (€2,302 thousand in the first nine months of 2010), as well as miscellaneous income of €162 thousand (€1,096 thousand in the first nine months of 2010), while there were no operating grants in the period (compared with €230 thousand in such grants at September 2010).
The miscellaneous income item at 30 June 2010 included €560 thousand in income from the sale of the entire stake in Japanese affiliate Union Arrow Technologies Inc..

I – Depreciation & amortisation and impairment

This item decreased by €367 thousand, from €5,955 thousand in the first nine months of 2010 to €5,588 thousand in the first nine months of 2011.

Amortisation relating to purchase price allocation, which at 30.09.11 totalled €2,437 thousand, related entirely to the residual portion of customer relationships.

L – Financial income and expenses

The increase in financial expenses, from €4,275 thousand in the first nine months of 2010 to €5,864 thousand in the first nine months of 2011, mainly reflects foreign exchange losses and increased interest expense.

Financial income increased by €1,370 thousand, from €3,120 thousand in the first nine months of 2010 to €4,402 thousand in the first nine months of 2011. This increase is mainly due to greater foreign exchange gains in the period under review.

The amount of significant foreign exchange losses and profits booked in the period was influenced by purchases and sales in US dollars made by UK subsidiary Eurotech Ltd., which largely cancelled each other out.

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

- foreign exchange losses: €4,881 thousand at 30 September 2011 (7.4% as a percentage of revenues), compared with €3,541 thousand at 30 September 2010 (5.4% as a percentage of revenues)
- miscellaneous interest expenses: €810 thousand at 30 September 2011 (1.2% of revenues), compared with €532 thousand at 30 September 2010 (0.8% of revenues).

3rd Q 2011	3rd Q 2010	(€'000)	9M 2011	9M 2010
1,874	1,375	Exchange-rate losses	4,881	2,238
0	(78)	Exchange-rate losses from PUT option	0	1,303
380	195	Interest expenses	810	532
0	0	Expenses on derivatives	137	159
12	24	Other finance expenses	36	43
2,266	**1,516**	**Financial charges**	**5,864**	**4,275**

3rd Q 2011	3rd Q 2010	(€'000)	9M 2011	9M 2010
1,758	806	Exchange-rate gains	4,402	2,877
0	0	Interest income due to the discounting	0	60
31	35	Interest income	74	183
1	0	Other finance income	14	0
1,790	**841**	**Financial incomes**	**4,490**	**3,120**
(476)	**(675)**	**Net financial income**	**(1,374)**	**(1,155)**

M – Income taxes

Taxes at 30 September 2011 amount to €1,174 thousand (of which €1,048 thousand for current taxes and €126 thousand for net deferred tax assets) compared with tax of €944 thousand at 30 September 2010 (of which €1,956 thousand for current taxes and €1,012 thousand for net deferred tax assets), representing an increase of €230 thousand.

N – Non-current assets

The increase in non-current assets between 31.12.10 and 30.09.11 was €2,150 thousand, and was primarily due to foreign exchange rate changes as well as net investments of about €2,269 thousand in tangible and intangible assets before depreciation and amortisation totalling €5,588 thousand.
The most significant increase was attributable to intangible assets, and primarily the exchange differences accrued on the opening balances of the values expressed in foreign currency and especially in relation to goodwill and other fixed assets, which includes the value of customer relations defined at the time of allocation of the purchase price.

O – Working capital

Working capital rose by €1,202 thousand, from €30,213 thousand at 31 December 2010 to €31,415 thousand at 31 September 2011.
The decrease of €1,613 thousand in current assets was mainly due to the combined effect of an increase in inventories of €8,235 thousand owing to preparation of inventories and work in progress to be delivered in the fourth quarter, and a decrease in customer receivables of €8,861 thousand owing to the receipt of trade receivables.
The decrease of €2,815 thousand in current liabilities was due to the combined effect of lower trade payables (€3,509 thousand), lower income taxes (€705 thousand) and higher other current liabilities (€1,399 thousand).

P – Net financial position

The Group had net financial debt of €15,381 thousand at 30 September 2011, compared with €8,640 thousand at 31 December 2010.
The reduction in non-current debt mainly relates to the repayment of portions of loans, while the increase in current debt mainly relates to the increase in the portions of current loans and the use of some bank loans.

Apart from the payment of the portions of the loans, the change in liquidity was due to disbursements arising from investments and the use of available cash for normal business operations. Specifically in terms of investments, note the acquisition of US company Dynatem Inc. and the acquisition of 10% residual stake in Japanese company Advanet Inc..

Medium-/long-term financial liabilities include principal on bank loans and finance leases falling due beyond 12 months except those mentioned above.
Short-term financial liabilities mainly consist of current account overdrafts, the current portion of mortgage loans, and payables to other lenders falling due by 30.09.12.

Q – Changes in equity

(€000)	Share capital	Legal reserve	Share premium reserve	Conversion reserve	Other reserves	Cash flow hedge reserve	Exchange rate differences reserve	Treasury shares	Profit (loss) for period	Group shareholders' equity	Minority interest capital & reserves	Profit (loss) of third parties	Equity attributable to Minority interest	Total shareholders' equity
Balance as at December 31, 2010	8,879	39	136,400	25,938	(31,203)	(339)	(777)	(1,340)	(6,079)	131,518	3,900	66	3,966	135,484
2010 Result allocation	-	-	-	-	(6,079)	-	-	-	6,079	-	66	(66)	-	-
2011	-	-	-	-	-	-	-	-	(6,440)	(6,440)	-	-	-	(6,440)
Comprehensive other profit (loss)														
- Hedge transactions	-	-	-	-	-	(67)	-	-	-	(67)	-	-	-	(67)
- Foreign balance sheets conversion difference	-	-	-	4,836	-		-	-	-	4,836	-	-	-	4,836
- Exchange differences on equity method	-	-	-	-	(43)	-	-	-	-	(43)	-	-	-	(43)
- Exchange differences on equity investments in foreign companies	-	-	-	-	-	-	(209)	-	-	(209)	-	-	-	(209)
Comprehensive result	-	-	-	*4,836*	*(43)*	*(67)*	*(209)*	-	*(6,440)*	*(1,923)*	-	-	-	*(1,923)*
Minority purchase	-	-	-	-	1,597	-	-	-	-	1,597	(3,966)	-	(3,966)	(2,369)
Balance as at September 30, 2011	8,879	39	136,400	30,774	(35,728)	(406)	(986)	(1,340)	(6,440)	131,192	-	-	-	131,192

R – Significant events in the quarter

The main events occurring in the quarter were announced in the press releases listed below (the full text can be viewed on the Group website at www.eurotech.com on the page http://www.eurotech.com/IT/newslist.aspx?pg=news):

– 11/07/2011: Eurotech: € 4M order from Selex Elsag for AURORA HPC for cyber security applications
– 18/07/2011: Eurotech selected by DRS Defense Solutions for Ultra Low-Power Embedded Computing Platform
– 21/07/2011: Eurotech: Parvus now supports VxWorks across entire MIL/COTS DuraCOR® product line
– 16/08/2011: Eurotech: Parvus unveils Rugged Mobile Router Subsystem with Cisco 5915 ESR Card and Integrated Gigabit Ethernet Switch
– 17/08/2011: Eurotech: Parvus introduces Ruggedized Cisco IE-3000 Switch for Extreme Military/Civil Networking Applications
– 29/08/2011: Eurotech: Board approves consolidated half-year results to 30 June 2011
– 30/08/2011: Eurotech: 1.5M USD Contract to Supply Embedded Computers for Medical Application
– 01/09/2011: Eurotech: $1.7M Follow-On Order for ZyWAN Router in Smart Grid application
– 15/09/2011: Eurotech: 1.5M USD order Catalyst TC Embedded Module for Homeland Security and Defense Application.

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

S – Events after the reporting period

For events occurring since 30 September, please see the press releases listed below (the full text can be viewed on the Group's website at www.eurotech.com on the page http://www.eurotech.com/IT/newslist.aspx?pg=news):

– 03/10/2011: Eurotech's DynaVIS 10-00 Compact Rugged Display Computer Delivers Advanced Communications and Low Power Consumption
– 10/10/2011: Connected World Magazine names Eurotech to CW 100 for Leadership in M2M Technology and Connected Devices
– 11/10/2011: Eurotech Everyware Software Framework Deployed on Wide Porfolio of M2M Hardware Platform
– 03/11/2011: Eurotech and IBM Contribute Software to Connect Next Generation of Wireless and Mobile Devices
– 10/11/2011: Eurotech: founded the European Technology Platform for HPC (High Performance Computing).

The company also took part in the Star Conference 2011 in London on 3 October and the 6th South European & Switzerland Midcap Event organised by CF&B communication in Paris on 20 October.

T – 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 30.09.11
- pursuant to CONSOB communication DEM/6064296 of 28 July 2006, there were no atypical and/or unusual transactions carried out in the third quarter of 2011
- at 31.12.10 the company held 420,140 treasury shares for a total value of €1,340 thousand: there have been no changes in treasury shares as of the date of this report
- the detailed Corporate Governance report is provided with the annual financial statements
- pursuant to CONSOB communication DEM/11070007 of 5 August 2011, relating to disclosure in financial reports of the exposure of listed companies to sovereign debt, note that the Group does not hold sovereign debt securities

- 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.

Amaro, 14.11.11

On behalf of the Board of Directors

Signed Roberto Siagri
Chairman

Declaration of the Financial Reporting Manager

Amaro, 14.11.11

D E C L A R A T I O N

PURSUANT TO ARTICLE 54 *BIS*, PARAGRAPH 2 – PART IV, TITLE III, CHAPTER II, SECTION V-*BIS*, OF 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 quarterly report at 30.09.11, approved by the Board of Directors of the Company on 14.11.11,

S T A T E

in accordance with the provisions of Article 154 *bis*, - Part IV, Title III, Chapter II, Section V-*bis* of Legislative Decree 58 of 24 February 1998, to the best of my knowledge, the Consolidated Quarterly Report at 30.09.11 corresponds to documentary records, ledgers and accounting entries.

The Financial Reporting Manager
Signed Sandro Barazza

www.eurotech.com