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EUROTECH
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Consolidated Quarterly Report
at 30 september 2010

Date of issue: 12 November 2010
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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 information

Board of Directors	
Chairman	Roberto Siagri
Vice Chairman	Giampietro Tecchiolli
Director	Giovanni Soccodato [1 2]
Director	Maurizio Tucci [1 2]
Director	Sandro Barazza [1 2 3]
Director	Chiara Mio [1 4 5]
Director	Alberto Felice De Toni [1 4 5 6]
Director	Cesare Pizzul [1 4 5]
Director	Giovanni Bertolone [1 7]

The Board of Directors currently holding office (following co-optation on 19 October 2010) was appointed by the ordinary shareholders' meeting of 5 May 2008 and supplemented by the ordinary shareholders' meeting of 27 April 2009. It will remain in office until shareholder approval of the financial statements for 2010.

Board of Statutory Auditors	
Chairman	Claudio Siciliotti
Statutory auditor	Michela Cignolini [2]
Statutory auditor	Giuseppe Pingaro [2]
Substitute statutory auditor	Marco Rubatto
Substitute statutory auditor	Lorenzo Spinnato [2]

The incumbent Board of Statutory Auditors was appointed by the ordinary shareholders' meeting of 5 May 2008 and supplemented by the ordinary shareholders' meeting of 27 April 2009. It will remain in office until shareholder approval of the financial statements for 2010.

Independent Auditor	
	Reconta Ernst & Young

The independent auditor was appointed for the three-year period 2005-2007 by the ordinary shareholders' meeting of 21 July 2005. This term was extended for the period 2008-2013 at the ordinary shareholders' meeting of 7 May 2007.

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

[1] Non-executive directors.
[2] Appointed by the ordinary shareholders' meeting of 27 April 2009.
[3] Corporate Financial Reporting Manager as from 29 May 2008.
[4] Member of the Remuneration Committee and of the Internal Control Committee.
[5] Independent directors pursuant to the Corporate Governance Code issued by the Italian Corporate Governance Committee for Listed Companies.
[6] Lead Independent Director.
[7] Co-opted on 19 October 2010 and in office until the next shareholders' meeting

Performance highlights

Income statement highlights

3rd Q 2010	%	3rd Q 2009	%	% change	OPERATING RESULTS €'000		30.09.2010	%	30.09.2009	%	% change
23,932	100.0%	18,617	100.0%	28.5%	SALES REVENUES		65,755	100.0%	57,531	100.0%	14.3%
12,260	51.2%	9,453	50.8%	29.7%	GROSS PROFIT MARGIN	(*)	33,746	51.3%	30,438	52.9%	10.9%
1,206	5.0%	20	0.1%	n.s.	EBITDA	(**)	1,709	2.6%	(1,059)	-1.8%	n.s.
(860)	-3.6%	(1,822)	-9.8%	52.8%	EBIT	(***)	(4,246)	-6.5%	(6,910)	-12.0%	38.6%
(1,535)	-6.4%	(2,363)	-12.7%	35.0%	PROFIT (LOSS) BEFORE TAXES		(6,299)	-9.6%	(7,819)	-13.6%	19.4%
(2,263)	-9.5%	(2,548)	-13.7%	11.2%	GROUP NET PROFIT (LOSS) FOR THE PERIOD		(7,226)	-11.0%	(8,726)	-15.2%	17.2%

Income statement net of the accounting effects of purchase price allocation

3rd Q 2010 adjusted	%	3rd Q 2009 adjusted	%	% change	OPERATING RESULTS €'000		30.09.2010 adjusted	%	30.09.2009 adjusted	%	% change
23,932	100.0%	18,617	100.0%	28.5%	SALES REVENUES		65,755	100.0%	57,531	100.0%	14.3%
12,260	51.2%	9,453	50.8%	29.7%	GROSS PROFIT MARGIN	(*)	33,746	51.3%	30,438	52.9%	10.9%
1,206	5.0%	20	0.1%	n.s.	EBITDA	(**)	1,709	2.6%	(1,059)	-1.8%	n.s.
17	0.1%	(1,081)	-5.8%	101.6%	EBIT	(***)	(1,739)	-2.6%	(4,599)	-8.0%	62.2%
(736)	-3.1%	(1,308)	-7.0%	43.7%	PROFIT (LOSS) BEFORE TAXES		(2,549)	-3.9%	(5,516)	-9.6%	53.8%
(1,825)	-7.6%	(1,831)	-9.8%	0.3%	GROUP NET PROFIT (LOSS) FOR THE PERIOD		(4,579)	-7.0%	(7,468)	-13.0%	38.7%

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 associated companies 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 associated companies at equity and income taxes for the period.

Balance sheet and financial highlights

€'000	at September 30, 2010	at December 31, 2009	at September 30, 2009
NET NON-CURRENT ASSETS	128,458	117,362	119,656
NET WORKING CAPITAL	28,025	27,631	22,739
NET INVESTED CAPITAL*	139,903	129,194	127,373
SHAREHOLDERS' EQUITY	129,001	120,074	123,819
NET FINANCIAL POSITION	10,902	10,109	3,554

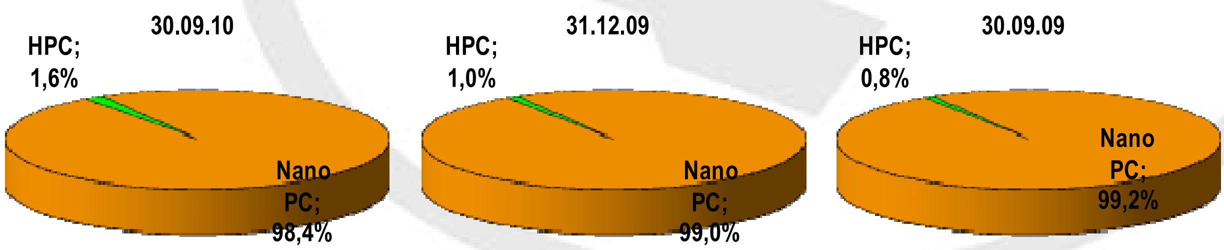
(*) Non-current non-financial assets, plus working capital, less non-current non-financial liabilities.

Employee headcount

	9M 2010	FY2009	9M 2009
EMPLOYEES	460	530	538

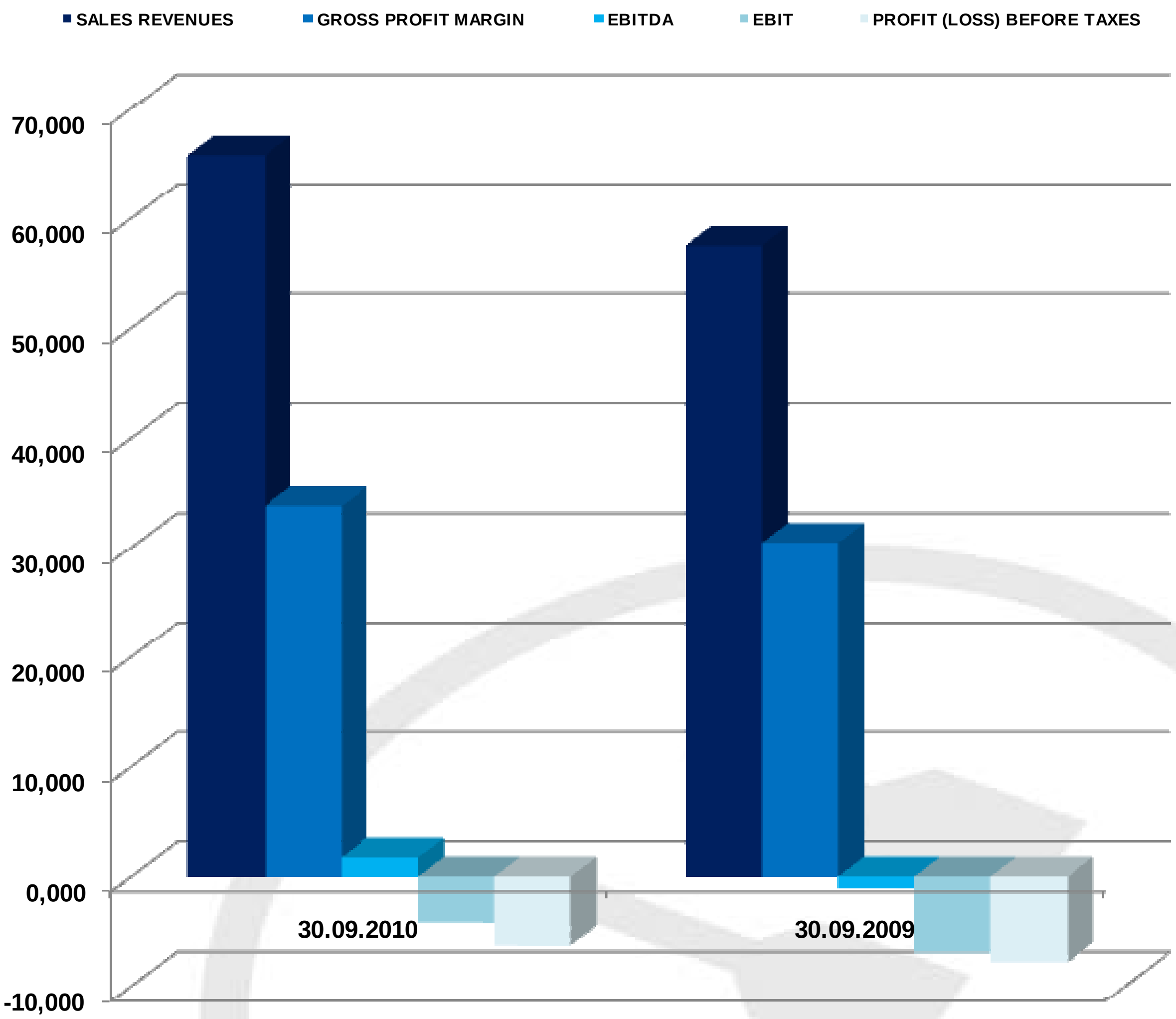
Revenues by business line

(€'000)	NanoPC				High Performance Computer				Total			
	9M 2010	9 months 2009	% YoY Change	FY 2009	9M 2010	9 months 2009	% YoY Change	FY 2009	9M 2010	9 months 2009	% YoY Change	FY 2009
Sales revenues	64,726	57,065	13.4%	82,682	1,029	466	120.8%	847	65,755	57,531	14.3%	83,529



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 of the HPC line are still affected by the start-up of the Aurora line.

Performance



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 Bourse since 30 November 2005.

Share capital of Eurotech SpA as at 30 September 2010

Share capital	€8,878,946.00
Number of ordinary shares (without nominal unit value)	35,515,784
	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 2010)	€76 million
Stock market capitalisation (based on the share's reference price at 30 September 2010)	€76 million

Performance of Eurotech SpA shares

Absolute performance of EUROTECH SpA shares
01.01.2010 – 30.09.2010

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 over 90% of its sales are generated abroad.
The technological paradigm followed by Eurotech is ‘pervasive computing’ or ‘ubiquitous computing’. The pervasive concept combines three key factors: (1) miniaturisation of ‘intelligent’ 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) 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 commonly known as the ‘pervasive GRID’ or ‘pervasive cloud’.

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 system, often used in OEM products
- an application-ready subsystem or platform, used in 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.

NanoPCs can also take the form of a system-on-chip (SoC) or system-on-modul (SoM) and thus be the size of few square centimeters.
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 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. These supercomputers – typically aimed at advanced research centres, computing centres, and universities – are turning out to be indispensable for exploration in the scientific field and in advanced sectors such as nanotechnology, biotechnology, and subatomic physics.

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 as measured by market standards
- a ‘fabless’ production model, i.e. with production volumes mainly outsourced
- development 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 2010 and business outlook

Introduction

The consolidated quarterly report of the Eurotech Group at 30 September 2010, 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 September 2010 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 September 2010 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 December 2009, 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 impairment of non-current assets, financial income and expenses and income taxes for the period
- Operating result (EBIT), or earnings gross of financial income and expenses and income taxes for the period.

Operating performance in the period

Group revenues increased by 14.3% (€8.22 million), from €57.53 million in the first nine months of 2009 to €65.76 million in the first nine months of this year. This rise further confirms the recovery in sales following last year's decline, and reflects the trend of the first six months.

The global economic crisis continues to have an effect, although the recovery, which varies in intensity around the world, has already had a positive impact on many market segments. The Group continues to register an improvement in customer orders.

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 come out at €-1.74 million, rather than €-4.25 million
- instead of €6.30 million, the pre-tax loss would have been €2.55 million;
- the consolidated net loss would have been €4.58 million rather than €7.23 million.

The gross profit margin remains broadly in line with that registered at the end of 2009, and in line with the previous quarters, at 51.3%. It fell slightly versus the 52.9% registered in the first nine months of 2009, owing to two main factors: a different product mix versus the previous year, related to the different contribution to revenues for the period of more profitable companies; and the continued shortage of electronic components (chips) affecting the world electronics market. The percentage value of the gross profit margin for the first nine months of 2010 remains however above 50%, which is the target level set by the management, and confirms both the soundness of the Group's business model, which is increasingly based on sales of high added-value products, and the Group's continuing efforts to limit COGS, despite the fact that the current situation described above has led to a rise in the prices of raw materials.

[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: €2,507 thousand (€2,311 thousand at 30 September 2009), equal to the higher amortisation charged to the higher value attributed to customer relationships (intangible assets). In both periods higher amortisation charges were due to the higher value attributed to the cash generating units Eurotech Inc. (ex-Applied Data Systems Inc. and ex-Arcom Control Systems Inc.) and to the Advanet Group
- financial income and expenses: net finance income of €1,243 thousand (of which €60 thousand relating to interest expense for discounting to present value and €1,303 thousand of foreign exchange valuation losses) for 2010 and, for 2009, net finance expense of €-8 thousand (of which €259 thousand relating to interest expense for discounting to present value and €267 thousand of foreign exchange valuation losses) stemming from recognition of the liability for purchase of a further 25% stake in Advanet Inc. after quantification of a put option
- lower income taxes: €1,032 thousand (€945 thousand at 30 September 2009) resulting from the tax effect on adjustments made
- higher net profit attributable to minorities: €71 thousand (€100 thousand at 30 September 2009) resulting from the effect of purchase price allocation attributable to minorities on adjustments made

In the nine months in question, operating costs as a percentage of revenues, inclusive of adjustments, decreased from 58.9% in 9M09 (€33.88 million) to 54.2% in 9M10 (€35.67 million). This had an impact on Group EBITDA.
During the first nine months of 2010, the management continued to implement synergies between different Group companies, with particular attention to limiting the incidence of fixed costs and rationalising existing resources, with a special focus on maintaining an overall structure able to sustain higher revenue levels.
Fixed costs as a percentage of revenues should be lower over 12 months, given the level of revenues expected for the end of the year.

EBITDA in the first nine months advanced by €2.77 million, improving from a negative €1.06 million in 9M09 to a positive €1.71 million in 9M10. EBITDA as a percentage of revenues rose from -1.8% in the first nine months of 2009 to 2.6% in the first nine months of 2010.

EBIT came in at €-4.25 million in the first nine months of 2010, compared with €-6.91 million in the same period last year. EBIT as a proportion of revenues was affected by higher revenues and came in at -6.5%, compared with -12.0% previously.
This performance reflected the effects of depreciation & amortisation charged to the income statement in 9M10, as well as the trend in EBITDA mentioned previously. The depreciation & amortisation arose both from operating assets that became subject to depreciation in 9M10 and from the effects of PPA relating to the acquisitions of Eurotech Inc. (ex-Applied Data Systems Inc. and ex-Arcom Control Systems Inc.) and of the Advanet Group. The effect on EBIT of the higher PPA amounts in 9M10 was €2,507 thousand, versus €2,311 thousand in 9M09.

Financial income was affected by the trend in the net financial position as well as exchange rate differences due to foreign currency trends. This income was affected by the increase in the spread between interest rates payable and receivable, as well as the careful use of cash in individual Group companies. The first nine months of 2010 were affected by €60 thousand of interest earned from discounting to present value of the foreign currency liability, already booked in December 2010, for the valuation of the option on 25% of Advanet Inc.'s capital – exercised almost entirely in June 2010 – and by €1,303 thousand of negative foreign exchange difference on this financial liability due to the appreciation of the Japanese yen vs. the euro, which occurred at the same time as the mid-June payment.
For further details, see explanatory note L.

The Group booked a pre-tax loss in 9M10 of €6,299 thousand, versus a loss of €7,891 thousand in 9M09. This performance was influenced by the factors outlined above. PPA effects on the pre-tax result amounted to €2,303 thousand in 9M09 and to €3,750 thousand in 9M10.

The Group registered a net loss of €7,226 thousand in the first nine months of 2010, compared with a net loss of €8,726 thousand in the same period last year. This performance not only reflects the pre-tax profit result, but is mainly due to the reduction of the tax burden on the Group's various units and to a lesser extent to the portion of profit attributable to third parties. Total PPA effects on the Group's bottom-line result in 9M10 amounted to €2,647 thousand (€1,258 thousand in 9M09).

The third quarter saw a rise in Group revenues of around 28.5%, mainly owing to orders acquired at the beginning of the year in the different sectors and markets in which the Group operates. The third quarter featured sales of €23.93 million (accounting for 36.4% of total January to September sales), while the same quarter of 2009 featured sales of €18.62 million, accounting for 32.4% of total sales in the first nine months.
In 3Q09, the different sales mix led to a slight increase in the gross profit margin: 51.2% as a percentage of sales in 3Q10, versus 50.8% in 3Q09.

The interim results are influenced by the trend in operating costs and in depreciation & amortisation. 3Q10 EBITDA was positive to the tune of €1,206 thousand, with a 5.0% margin on the quarter's sales, while 3Q09 EBITDA totalled €20 thousand, with a 0.1% margin on the quarter's sales.
EBIT in the third quarter of 2010 was a negative €860 thousand, with a resulting -3.6% margin on revenues, compared with €-1,822 thousand, with a margin of -9.8% in 3Q09. The adverse effects on EBIT of PPA amounted to €741 thousand in 3Q09 and €877 thousand in 3Q10.
These trends reflected the intermediate profit results discussed 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 2010	%	3rd Qtr 2009	%	9 months 2010 (a)	%	9 months 2009 (b)	%	change (b-a) amount	change (b-a) %
Sales revenue	C	23,932	100.0%	18,617	100.0%	65,755	100.0%	57,531	100.0%	8,224	14.3%
Cost of material	D	(11,672)	-48.8%	(9,164)	-49.2%	(32,009)	-48.7%	(27,093)	-47.1%	(4,916)	18.1%
Gross profit		**12,260**	**51.2%**	**9,453**	**50.8%**	**33,746**	**51.3%**	**30,438**	**52.9%**	**3,308**	**10.9%**
Services costs	E	(4,374)	-18.3%	(3,372)	-18.1%	(12,980)	-19.7%	(11,623)	-20.2%	(1,357)	11.7%
Lease & hire costs		(605)	-2.5%	(516)	-2.8%	(1,779)	-2.7%	(1,579)	-2.7%	(200)	12.7%
Payroll costs	F	(6,618)	-27.7%	(6,046)	-32.5%	(19,910)	-30.3%	(19,559)	-34.0%	(351)	18%
Other provisions and costs	G	(407)	-17%	(85)	-0.5%	(997)	-15%	(1,122)	-2.0%	125	-11.1%
Other revenues	H	950	4.0%	586	3.1%	3,629	5.5%	2,386	4.1%	1,243	52.1%
EBITDA		**1,206**	**5.0%**	**20**	**0.1%**	**1,709**	**2.6%**	**(1,059)**	**-1.8%**	**2,768**	**261.4%**
Depreciation & Amortization	I	(2,066)	-8.6%	(1,788)	-9.6%	(5,943)	-9.0%	(5,440)	-9.5%	(503)	9.2%
Asset impairment	I	0	0.0%	(54)	-0.3%	(12)	0.0%	(411)	-0.7%	399	-97.1%
EBIT		**(860)**	**-3.6%**	**(1,822)**	**-9.8%**	**(4,246)**	**-6.5%**	**(6,910)**	**-12.0%**	**2,664**	**38.6%**
Share of associates' profit at equity		0	0.0%	0	0.0%	(898)	-14%	(23)	0.0%	(875)	n.s.
Finance expense	L	(1,516)	-6.3%	(634)	-3.4%	(4,275)	-6.5%	(2,591)	-4.5%	(1,684)	65.0%
Finance income	L	841	3.5%	93	0.5%	3,120	4.7%	1,705	3.0%	1,415	83.0%
Profit before tax		**(1,535)**	**-6.4%**	**(2,363)**	**-12.7%**	**(6,299)**	**-9.6%**	**(7,819)**	**-13.6%**	**1,520**	**-19.4%**
Income tax	M	(681)	-2.8%	(228)	-12%	(944)	-14%	(920)	-16%	(24)	2.6%
interest		**(2,216)**	**-9.3%**	**(2,591)**	**-13.9%**	**(7,243)**	**-11.0%**	**(8,739)**	**-15.2%**	**1,496**	**17.1%**
Minority interest	Q	**47**	**0.2%**	**(43)**	**-0.2%**	**(17)**	**0.0%**	**(13)**	**0.0%**	**(4)**	**30.8%**
Group net profit (loss)	**Q**	**(2,263)**	**-9.5%**	**(2,548)**	**-13.7%**	**(7,226)**	**-11.0%**	**(8,726)**	**-15.2%**	**1,500**	**17.2%**
Base earnings per share						**(0.206)**		**(0.249)**			
Diluted earnings per share						**(0.206)**		**(0.249)**			

STATEMENT OF COMPREHENSIVE INCOME (€ '000)	9 months 2010	9 months 2009
Net profit (loss) before minority inerest (A)	**(7,243)**	**(8,739)**
Net profit (loss) from Cash Flow Hedge	(65)	(253)
Tax effect	0	0
	(65)	*(253)*
Foreign balance sheets conversion difference	*13,930*	*(3,710)*
Exchange differences on equity method	*(17)*	*0*
Exchange differences on equity investments in foreign companies	1,030	(952)
Tax effect	0	0
	1,030	*(952)*
After tax comprehensive profit (loss) (B)	*14,878*	*(4,915)*
Comprehensive net result (A+B)	**7,635**	**(13,654)**
Comprehensive minority interest	**528**	**(134)**
Comprehensive Group net profit (loss) for period	**7,107**	**(13,520)**

See notes on page 20.

Consolidated balance sheet

(€'000)	Notes	at September 30, 2010	at December 31, 2009
ASSETS			
Intangible assets		117,320	106,170
Property, Plant and equipment		6,554	6,858
Investments in affiliate companies		380	1,381
Investments in other companies		253	243
Deferred tax assets		1,740	1,172
Other non current financial assets		236	236
Medium/long term borrowing allowed to affiliates companies		972	511
Other non-current assets		1,003	791
Total non-current assets	N	**128,458**	**117,362**
Inventories		22,933	17,060
Contracts in progress		319	819
Trade receivables		22,526	23,035
Income tax receivables		2,026	5,627
Other current assets		4,115	1,882
Cash & cash equivalents		17,189	27,924
Total current assets		**69,108**	**76,347**
Total assets		**197,566**	**193,709**
LIABILITIES AND EQUITY			
Share capital		8,879	8,879
Share premium reserve		136,400	136,400
Other reserves		(19,984)	(28,383)
Group shareholders' equity	Q	**125,295**	**116,896**
Minority capital and reserves		3,723	3,049
Minority profit (loss) for period		(17)	129
Equity attributable to minority interest	Q	**3,706**	**3,178**
Total shareholders' equity	Q	**129,001**	**120,074**
Medium-/long-term borrowing		18,022	2,417
Employee benefit obligations		1,628	1,609
Deferred tax liabilities		11,886	10,854
Other non-current liabilities		1,858	1,600
Business combination liabilities		0	989
Total non-current liabilities		**33,394**	**17,469**
Trade payables		16,866	14,171
Short-term borrowing		8,976	24,488
Derivative instruments		523	458
Income tax liabilities		900	1,766
Other current liabilities		6,128	4,855
Business combination liabilities		1,778	10,428
Total current liabilities		**35,171**	**56,166**
Total liabilities		**68,565**	**73,635**
Total liabilities and equity		**197,566**	**193,709**

Net financial debt

Pursuant to the CESR recommendation of 10 February 2005, the following table shows the Group's net financial debt as at 30 September 2010, breaking it down by due date and comparing it with the situation as at 30 September 2009 and 31 December 2009:

(€'000)		at September 30, 2010	at December 31, 2009	at September 30, 2009
Cash & cash equivalents	A	(17,189)	(27,924)	(32,285)
Cash equivalent	**B=A**	**(17,189)**	**(27,924)**	**(32,285)**
Other current financial assets	C	0	0	0
Derivative instruments	D	523	458	347
Short-term borrowing	E	8,976	24,488	5,101
Business aggregation liabilities	F	1,778	10,428	7,998
Short-term financial position	**G=C+D+E+F**	**11,277**	**35,374**	**13,446**
Short-term net financial position	**H=B+G**	**(5,912)**	**7,450**	**(18,839)**
Medium/long term borrowing allowed to affiliates companies	I	(972)	(511)	(404)
Business aggregation liabilities	J	0	989	0
Other non current financial assets	K	(236)	(236)	0
Medium/long term borrowing	L	18,022	2,417	22,797
Medium-/long-term net financial position	**M=I+J+K+L**	**16,814**	**2,659**	**22,393**
(NET FINANCIAL POSITION) NET DEBT	**N=H+M**	**10,902**	**10,109**	**3,554**

Working capital

The Group's working capital as at 30 September 2010, compared with the situation at 30 September 2009 and 31 December 2009, is as follows:

(€'000)	Notes	at September 30, 2010 (b)	at December 31, 2009 (a)	at September 30, 2009	Changes (b-a)
Inventories		22,933	17,060	19,553	5,873
Contracts in progress		319	819	953	(500)
Trade receivables		22,526	23,035	14,734	(509)
Income tax receivables		2,026	5,627	2,721	(3,601)
Other current assets		4,115	1,882	2,423	2,233
Current assets		*51,919*	*48,423*	*40,384*	*3,496*
Trade payables		(16,866)	(14,171)	(12,113)	(2,695)
Income tax liabilities		(900)	(1,766)	(675)	866
Other current liabilities		(6,128)	(4,855)	(4,857)	(1,273)
Current liabilities		*(23,894)*	*(20,792)*	*(17,645)*	*(3,102)*
Net working capital	O	**28,025**	**27,631**	**22,739**	**394**

Cash flow

(€'000)	at September 30 2010	FY 2009	at September 30 2009
Cash flow generated (used) in operations	1,017	(2,835)	(945)
Cash flow generated (used) in investment activities	(13,137)	(3,649)	(2,096)
Cash flow generated (used) in financial activities	93	(3,711)	(2,538)
Change in the conversion difference	1,292	(565)	(820)
Increase (decrease) in cash & cash equivalents	(10,735)	(10,760)	(6,399)
Opening amount in cash & cash equivalents	27,924	38,684	38,684
End of period in cash & cash equivalents	17,189	27,924	32,285

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 industrial, transport, defence and medical 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. 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 and the Far East. Our nanoPC products are marketed under the trademarks Eurotech, Parvus, 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 as at 30 September 2010 are as follows:

Company name	Registered office	Share capital		Group % ownership
Parent company				
Eurotech S.p.A.	Via Fratelli Solari, 3/A – Amaro (UD)	€	8,878,946	
Subsidiary companies consolidated line-by-line				
ETH Devices S.r.o.	Bratislava (Slovakia)	€	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 UK Ltd.	Cambridge (UK)	GBP	1	100.00%
E-Tech USA Inc.	Columbia (USA)	USD	8,000,000	100.00%
Eurotech Finland Oy	Helsinki (Finland)	€	508,431	100.00%
Eurotech France S.A.S.	Venissieux Cedex (France)	€	795,522	100.00%
I.P.S. Sistemi Programmabili S.r.l.	Via Piave, 54 – Caronno Varesino (VA)	€	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)	€	15,500	100.00%
EthLab S.r.l.	Via Dante, 78 – Trento	€	115,000	99.99%
Advanet Inc.	Okayama (Japan)	JPY	72,440,000	88.30% (1)
Spirit21 Inc.	Okayama (Japan)	JPY	10,000,000	88.30% (1)

(1) The consolidation percentage remains 90%, in line with previous periods, owing to the put option on 25% of the shares in the subsidiaries, exercised in June 2010 to the tune of 23.3%.

In addition, the following associated companies are consolidated at equity:

Affiliated companies consolidated at equity		
Chengdu Vantron Technology Inc.	Chengdu (China)	49.50%
Delos S.r.l.	Via Roberto Cozzi 53 – Milan	40.00%
Isidorey Llc	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%
UTRI Srl	Via del Follatolo, 12 – Trieste	21.31%

Other minor companies measured at cost		
Kairos Autonomi	Salt Lake City (USA)	19.00%

The main changes in terms of the subsidiary and associated companies with respect to 31 December 2009 are as follows:

- On 29 January 2010, the company Isidorey Llc was created, with a registered office in Wilmington (USA). The company will develop software for device connection and remote management.
- On 1 April 2010, 40% of Union Arrow Technologies Inc. owned through Advanet Inc., was sold.
- On 22 July 2010, the liquidation of Delos Srl began.

After the end of the quarter, on November 9th, 2010, through the purchase of the remaining 1.7% equity interest in its subsidiary Advanet, Eurotech has completed the exercise of the planned option to acquire the 25% of Advanet's capital.

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 9M 2010	As of September 30, 2010	Average at 2009	As of December 31, 2009	Average 9Months	As of September 30, 2009
British pound sterling	0.85730	0.85995	0.88810	0.89094	0.88621	0.90930
Japanese Yen	117.66057	113.68000	130.33660	133.16000	129.53487	131.07000
Renmimbi	n/a	n/a	9.52771	9.83500	9.33619	9.99580
USA Dollar	1.31453	1.36480	1.39478	1.44060	1.36648	1.46430

C - Revenues

Revenues earned by the Group amount to €65,755 thousand (€57,531 thousand in the first nine months of 2009), an increase of €8,224 million (14.3%) on the same period of last year. This increase is attributable to a general upturn in revenues both in Europe and Asia, supported by a steady recovery in orders in the current year.

For operating purposes the Group is organised in business lines, also known as business segments, in which the nanoPC and HPC (High Performance Computer) 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 localisation 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:

3° Q 2010	%	3° Q 2009	%	SALES BY BUSINESS SEGMENT	30.09.2010	%	FY 2009	%	30.09.2009	%
23,496	98.2%	18,613	100.0%	NanoPC	64,726	98.4%	82,682	99.0%	57,065	99.2%
436	1.8%	4	0.0%	High Perf. Computer	1,029	1.6%	847	1.0%	466	0.8%
23,932	**100.0%**	**18,617**	**100.0%**	**TOTALE SALES AND SERVICE REVENUE**	**65,755**	**100.0%**	**83,529**	**100.0%**	**57,531**	**100.0%**

NanoPC revenues, amounting to €57,065 thousand for the first nine months of 2009 and €64,726 thousand for the first nine months of 2010, grew by 13.4%.
The HPC segment's revenues were also up slightly on the previous year, progressing from €466 thousand in 9M09 to €1,029 thousand in 9M10.
The low weighting of the HPC business line's revenues is due to the cyclical nature of this segment, which is also characterised by large orders for a limited number of customers, mainly in science and research.

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)	NordAmerica			Europe			Asia			Correction, reversal and elimination			Total		
	9M 2010	9M 2009	%YoY Change	9M 2010	9M 2009	%YoY Change	9M 2010	9M 2009	%YoY Change	9M 2010	9M 2009	%YoY Change	9M 2010	9M 2009	%YoY Change
Third party Sales	30,453	29,983		15,039	12,310		19,234	14,772		0	0		64,726	57,065	
Infra-sector Sales	1,504	1,320		7,281	2,049		228	1,200		(9,013)	(4,569)		0	0	
Total Sales revenues	31,957	31,303	2.1%	22,320	14,359	55.4%	19,462	15,972	21.9%	(9,013)	(4,569)	-97.3%	64,726	57,065	13.4%

The North American business area's revenues totalled €30.45 million in 9M10 versus €29.98 million in 9M09, an increase of 1.6%. This increase would have been different if it had not been for the different time allocation in orders within the year compared to the past in the defence sector.
The Europe business area also registered growth, from €12.31 million in 9M09 to €15.04 million in 9M10, owing to the contribution to sales of the Paris office opened last year and growth in the UK area.
Finally, the Asia business area registered an increase of 30.2%, from €14.77 million to €19.23 million, owing to both the foreign exchange difference and a different order distribution versus the previous year. However, note that orders recovered in the semiconductor equipment sector, whose crisis hit the Japanese market hard in 2009.

Revenues by customer geographical area

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

3°Q 2010	%	3°Q 2009	%	BREAKDOWN BY GEOGRAPHIC AREA	9M 2010	%	9 months 2009	%	var. %
1,628	6.8%	1,158	6.2%	Italy	3,817	5.8%	3,857	6.7%	-1.0%
3,230	13.5%	2,507	13.5%	European Union w ithout Italy	9,104	13.8%	8,599	14.9%	5.9%
10,577	44.2%	9,013	48.4%	United States	28,924	44.0%	28,105	48.9%	2.9%
7,439	31.1%	4,324	23.2%	Japan	18,751	28.5%	14,100	24.5%	33.0%
1,058	4.4%	1,615	8.7%	Rest of the World	5,159	7.8%	2,870	5.0%	79.8%
23,932	**100.0%**	**18,617**	**100.0%**	**TOTALE SALES AND SERVICE REVENUE**	**65,755**	**100.0%**	**57,531**	**100.0%**	**14.3%**

As regards the figures by geographical area shown in the table above, sales in the US advanced by 2.9%, despite the different distribution of customers, which saw an increase for the Canada area (classified under "Others").
As well as the exchange rate effect, the increase for the Japan area reflects the trend in the semiconductor equipment market, which showed signs of a recovery that is expected to fully emerge in 4Q10 and 1Q11. The increase was 33.0%, or €4.7 million.
As regards Italy, the decline is still attributable to the stagnation of specific markets, such as public transport.
The increase in the “Rest of the European Union” area is due to greater sales in France by the French subsidiary.

D – Costs for raw & auxiliary materials and consumables used

Costs for raw & auxiliary materials and consumables used, strictly related to sales, increased in the period considered, from €27,093 thousand in 9M09 to €32,009 thousand in 9M10. This was an increase of €4,916 thousand, or 18.1%.
The increase, which was more than proportional compared to that registered in sales, was due to the different contribution made by the more profitable companies and the higher costs of raw materials.

As a percentage of revenues, these costs rose from 47.1% in 9M09 to 48.7% in 9M10.

E – Service costs

Service costs increased from €11,623 thousand in 9M09 to €12,980 thousand in 9M10, a rise in absolute terms of €1,357 thousand, or 11.7%. However, this cost item decreased as a percentage of revenues from 20.2% in 9M09 to 19.7% in 9M10.
The rise is mainly attributable to the effect of converting foreign companies’ figures into euro: an analysis of individual companies in local currency shows a drop in these costs.

F – Payroll costs

In the period under review, payroll costs rose by 1.8%, from €19,559 thousand to €19,910 thousand. Despite this increase, determined by the different exchange rate applied in the periods under review, the number of employees fell over the period, as reflected in a fall in costs expressed in local currency, a drop also supported by policies introduced to limit salary levels in different companies.
As a percentage of revenues, this cost item decreased from 34.0% in the first nine months of 2009 to 30.3% in the first nine months of 2010.

Headcount fell by 70 versus 31 December 2009. As well as the deconsolidation on 31 December 2009 of Chengdu Vantron Technologies (which had 42 employees, included in the end-of-year headcount), this decrease was due to a reduction in staff resulting from synergies between various Group companies.

The table below details Group employee headcount.

Employees	30.09.2010	FY2009	30.09.2009
Manager	19	19	18
Clerical w orkers	373	429	465
Line w orkers	68	82	73
TOTAL	460	530	538

G – Other provisions and costs

At 30 September 2010, this item included a provision for doubtful accounts of €332 thousand (€716 thousand in the first nine months of 2009).
Other provisions and costs as a percentage of revenue were 1.5% vs. 2.0% in the same period of 2009.

H – Other revenues

The item "other revenues" reported an increase of 52.1%. This item went from €2,386 thousand in the first nine months of 2009 to €3,629 thousand in the same period of 2010. Other revenues consisted of €2,302 thousand relating to capitalisation of development costs for new solutions featuring highly integrated standard modules and systems (€1,841 thousand in 9M09); operating grants of €230 thousand (€193 thousand in 9M09) and miscellaneous income of €1,096 thousand (€352 thousand in 9M09).

I – Depreciation & amortisation and impairment

This item increased by €503 thousand, from €5,440 thousand in 9M09 to €5,943 thousand in 9M10.

Amortisation relating to purchase price allocation, which as at 30 September 2010 totalled €2,507 thousand, related entirely to the residual portion of customer relationships.

L – Finance expense and income

The increase in finance expense, which rose from €2,591 thousand in 9M09 to €4,275 thousand in 9M10, is mainly attributable to exchange rate losses and in particular those related to foreign currency financial payables booked following the valuation of the put option on 25% of Advanet's capital. The Group also registered higher exchange rate losses on commercial transactions and lower interest expense on loans.
The absolute value and percentage on revenues of the main finance expense items were as follows:

- exchange rate losses: €3,541 thousand at 30 September 2010 (5.4% as a percentage of sales), versus €1,313 thousand at 30 September 2009 (2.3% as a percentage of sales)
- various interest expense: €532 thousand at 30 September 2010 (0.8% of sales), versus €1,179 thousand at 30 September 2009 (2.0% of sales).

Finance income increased by €1,415 thousand, from €1,705 thousand in 9M09 to €3,120 thousand in the same period this year. This increase was mainly due to greater exchange rate gains in the current period versus last year.

3°Q 2010	3°Q 2009	(€'000)	30.09.2010	30.09.09
1,375	320	Exchange-rate losses	2,238	1,313
(78)	0	Exchange-rate losses from PUT option	1,303	0
195	216	Interest expenses	532	920
0	85	Interest expenses due to the discounting	0	259
0	1	Expenses on derivatives	159	61
24	12	Other finance expenses	43	38
1,516	**634**	**Financial charges**	**4,275**	**2,591**

3°Q 2010	3°Q 2009	(€'000)	30.09.2010	30.09.09
806	190	Exchange-rate gains	2,877	945
0	(496)	Exchange-rate gains from PUT option	0	0
0	267	Interest income due to the discounting	60	267
35	128	Interest income	183	485
0	4	Other finance income	0	8
841	**93**	**Financial incomes**	**3,120**	**1,705**
(675)	**(541)**	**Net financial income**	**(1,155)**	**(886)**

M – Income taxes

Income taxes as at 30 September 2010 totalled €944 thousand (current taxes of €1,956 thousand and €1,012 thousand for net deferred tax assets) as compared with €920 thousand as at 30 September 2009 (of which €1,961 thousand for current taxes and €1,041 thousand in net deferred tax assets), posting an increase of €24 thousand.

N – Non-current assets

The increase in non-current assets between 31 December 2009 and 30 September 2010 amounted to €11,096 thousand, and was primarily due to currency exchange differences as well as net investments of €3,158 thousand in tangible and intangible assets before depreciation and amortisation totalling €5,943 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 slightly, by €394 thousand, from €27,631 thousand as at 31 December 2009 to €28,025 thousand as at 30 September 2010.
The positive €3,496 thousand change in current assets was mainly due to the combined effect of the increase in inventories of €5,373 thousand and the decrease in tax receivables of €3,601 thousand (owing to the partial use of this credit to offset tax payables and the repayment of tax credits by the US tax administration).
The increase of €3,102 thousand in current liabilities was due to the combined effect of higher trade payables (by €2,695 thousand) and higher other current liabilities (by €1,273 thousand), and lower income taxes (by €866 thousand).

P – Net financial position

The Group had net financial debt of €10,902 thousand at 30 September 2010, against net financial debt of €10,109 thousand at 31 December 2009.
The calculation of net financial position also includes €1,778 thousand as at 30 September 2010 (31 December 2009:
€11,417 thousand) in future outlays, which did not involve any actual cash outlay, due to both the financial liability on the remaining 1.7% of shares in Advanet Inc., exercised by minority shareholders in June 2010 for

23.3% of the overall 25%, and the residual debt to former shareholders of Eurotech Inc. (ex Applied Data Systems Inc.) due to a restricted escrow deposit against an agreed share price, payable in 2011.

With reference to two financing contracts for which at 31 December 2009 the Group was not in compliance with one of the covenants included therein, resulting in the loss of the benefit of the term and the reclassification among current liabilities of the medium/long-term portions of the loans, note that by 30 June 2010, the Parent Company had obtained from both lending institutions waiver letters, through which the lenders formally expressed their willingness to continue the loan relationship based on the original amortisation plan, implementing only one increase on the interest spread applied. Therefore, having obtained these waiver letters, at 30 September 2010, the Parent Company restated the medium/long-term loans on the basis of the original maturity of the amortisation plan.

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 September 2010.

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, 2009	8,879	39	136,400	8,213	(23,010)	(458)	(2,226)	(1,340)	(9,601)	116,896	3,049	129	3,178	120,074
2009 Result allocation	-	-	-	-	(9,601)	-	-	-	9,601	-	129	(129)	-	-
2010	-	-	-	-	-	-	-	-	(7,226)	(7,226)	-	(17)	(17)	(7,243)
Comprehensive other profit (loss)														
- Hedge transactions	-	-	-	-	-	(65)	-	-	-	(65)	-	-	-	(65)
- Foreign balance sheets conversion difference	-	-	-	13,385	-	-	-	-	-	13,385	545	-	545	13,930
- Exchange differences on equity method	-	-	-	-	(17)	-	-	-	-	(17)	-	-	-	(17)
- Exchange differences on equity investments in foreign companies	-	-	-	-	-	-	1,030	-	-	1,030	-	-	-	1,030
Comprehensive result	-	-	-	*13,385*	*(17)*	*(65)*	*1,030*	-	*(7,226)*	*7,107*	*545*	*(17)*	*528*	*7,635*
Minority purchase	-	-	-	-	1,292	-	-	-	-	1,292	-	-	-	1,292
Balance as at September 30, 2010	8,879	39	136,400	21,598	(31,336)	(523)	(1,196)	(1,340)	(7,226)	125,295	3,723	(17)	3,706	129,001

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 at www.eurotech.com on the page http://www.eurotech.com/IT/newslist.aspx?pg=news):
– 01/07/2010: Eurotech receives USD 1.35m contract from important industrial customer
– 05/07/2010: New USD 1.2m contract to provide embedded computers for industrial material handling application

– 12/07/2010: Eurotech wins USD 10m contract to supply embedded computers for electronic ticketing systems
– 15/07/2010: Eurotech wins USD 1.2m contract to provide embedded computers for medical applications
– 20/07/2010: Eurotech obtains USD 4.2m contract to supply embedded computers for augmentative communication devices
– 04/08/2010: USD 1m order from Cadec Global to supply embedded computers for fleet management solutions
– 25/08/2010: Eurotech obtains USD 1.8m to provide embedded computers for uninterruptible power supply systems
– 27/08/2010: Board of Directors approves consolidated half-yearly results to 30 June 2010
– 08/09/2010: Eurotech and Wind River announce agreement to speed up development of embedded applications
– 16/09/2010: EUROTECH: USD 3.1m contract from Parvus for DuraCOR mission computers
– 18/09/2010: Filippo Bagnato resigns from the Board of Directors
– 27/09/2010: EUROTECH: Parvus receives new supply contract for SEAHAWK helicopters from US Navy

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 at www.eurotech.com on the page http://www.eurotech.com/IT/newslist.aspx?pg=news):
– 19/10/2010: New appointment to the Board of Directors of Eurotech SpA.
– 09/11/2010: Eurotech: purchase of Advanet stakes

The company also took part in the Star Conference 2010 in London on 6 October and the 5th South European & Switzerland Midcap Event organised by CF&B communication in Paris on 21 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 September 2010
- 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 2010
- as at 31 December 2009 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

- 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, 12 November 2010

On Behalf of the Board of Directors

Signed Roberto Siagri
Chairman

Declaration of the Financial Reporting Manager

Amaro, 12 November 2010

D E C L A R A T I O N

PURSUANT TO ART. 154 BIS, SECTION 2, - PART IV, TITLE III, CHAPTER II, SECTION V-BIS OF LEGISLATIVE DECREE 58 OF 24 FEBRUARY 1998: "CONSOLIDATED LAW ON FINANCE, IN ACCORDANCE WITH ARTICLES 8 AND 21 OF LEG. DECREE NO. 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 September 2010, approved by the Board of Directors of the Company on 12 November 2010,

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 September 2010 corresponds to documentary records, ledgers and accounting entries.

The Financial Reporting Manager
Signed Sandro Barazza

[Digitare il testo]

www.eurotech.com