HALF-YEARLY FINANCIAL REPORT
at 30 June 2009

EUROTECH

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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 Companies Register no. 01791330309

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EUROTECH GROUP

Corporate information

Board of Directors	
Chairman	Roberto Siagri
Vice Chairman	Giampietro Tecchiolli
Director	Filippo Bagnato [1 2]
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]

The Board of Directors currently holding office was appointed by shareholders at the Annual General Meeting on 5 May 2008 and supplemented by shareholders at the Annual General Meeting on 27 April 2009. It will remain in office until shareholder approval of the Annual Financial Report for the financial year ending on 31 December 2010.

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

The Board of Statutory Auditors currently holding office was appointed by shareholders at the Annual General Meeting on 5 May 2008 and supplemented by shareholders at the Annual General Meeting on 27 April 2009. It will remain in office until shareholder approval of the Annual Financial Report for the financial year ending on 31 December 2010.

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 on 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 SpA Via Fratelli Solari 3/A 33020 Amaro (UD), Italy Udine Companies Register no. 01791330309

[1] Non-executive directors.
[2] Appointed by shareholders at the Annual General Meeting on 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.

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.

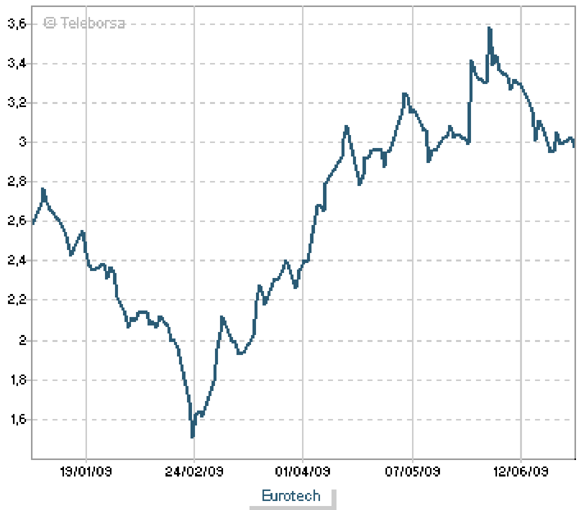
Share capital of Eurotech SpA as at 30 June 2009

Share capital	EUR 8,878,946.00
Number of ordinary shares (without per-share par value)	35,515,784
Number of savings shares	-
Number of Eurotech SpA treasury shares	420,140
Stock market capitalisation (based on average share price in June 2009)	EUR 107 million
Stock market capitalisation (based on official reference price on 30 June 2009)	EUR 106 million

Performance of Eurotech SpA shares

Absolute performance of EUROTECH SpA shares
01.01.2009 – 30.06.2009

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

Management report

Foreword

The annual consolidated financial statements for the Eurotech Group are prepared in compliance with the international financial reporting standards (IFRSs) issued by the International Accounting Standards Board (IASB) and adopted by the European Commission as per the procedure indicated in Article 6 of the EC Regulation no. 1606/2002 of the European Parliament and European Council dated 19 July 2002.
These condensed half-yearly consolidated financial statements for the six-month period ended on 30 June 2009 have been prepared in accordance with the requirements of IAS 34 Interim Financial Reporting and Article 154-ter of the Italian Consolidated Finance Act. These condensed half-yearly consolidated financial statements do not include all the information required to prepare consolidated annual financial statements. Consequently, this report should be read in conjunction with the consolidated annual financial report for the year ended on 31 December 2008.
Unless otherwise stated, data are expressed in thousands of euro (€ '000).

Performance highlights

Income statement highlights

OPERATING RESULTS €'000	1H2008	%	FY2008	%	1H 2009	%
SALES REVENUES	42,115	100.0%	91,731	100.0%	38,914	100.0%
GROSS PROFIT	23,302	55.3%	50,411	55.0%	20,985	53.9%
EBITDA	1,681	4.0%	5,921	6.5%	(1,079)	-2.8%
EBIT	(2,658)	-6.3%	(13,524)	-14.7%	(5,088)	-13.1%
PROFIT (LOSS) BEFORE TAXES	(4,141)	-9.8%	(15,679)	-17.1%	(5,456)	-14.0%
GROUP NET PROFIT (LOSS) FOR THE PERIOD	(5,069)	-12.0%	(12,708)	-13.9%	(6,178)	-15.9%

Balance sheet and financial highlights

PATRIMONIAL DATES	at June 30, 2008	at December 31, 2008	at June 30, 2009
Non-current assets	**116,260**	**125,690**	**119,294**
- of which net intangible assets	106,246	114,399	107,906
- of which net tanbible assets	6,326	7,885	7,221
Current assets	**85,726**	**88,548**	**72,912**
TOTAL ASSETS	**201,986**	**214,238**	**192,206**
Shareholders' equity	**112,423**	**134,059**	**122,747**
Minority interest	**2,513**	**3,414**	**3,221**
Non-current liabilities	**60,388**	**48,922**	**36,964**
Current liabilities	**26,662**	**27,843**	**29,274**
TOTAL LIABILITIES AND EQUITY	**201,986**	**214,238**	**192,206**

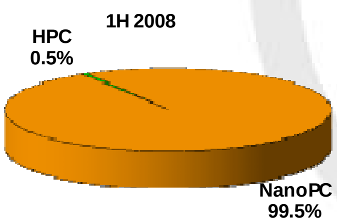
€'000	at June 30, 2008	at December 31, 2008	at June 30, 2009
NET FINANCIAL POSITION	**6,953**	**(572)**	**3,845**
NET WORKING CAPITAL	**23,072**	**27,430**	**25,323**
CASH FLOW DATA			
Cash flow generated (used) in operations	2,091	4,245	(2,930)
Cash flow generated (used) by investment activities	(4,617)	(8,033)	(1,014)
Cash flow generated (used) by financing activities	(10,775)	(14,871)	(2,705)
Charge in the conversion difference	(628)	739	(227)
TOTAL CASH FLOW	**(13,929)**	**(17,920)**	**(6,876)**

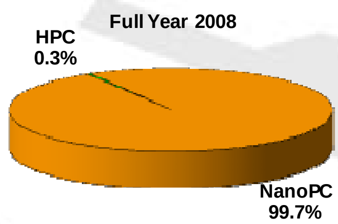
Employee headcount

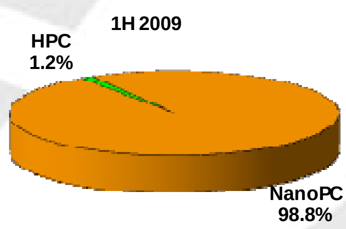
	at June 30, 2008	at December 31, 2008	at June 30, 2009
NUMBER OF EMPLOYEES	608	586	564

Revenues by business segment

(€'000)	NanoPC				High Performance Computer				Total			
	1H 2008	1H 2009	% YoY Change	FY 2008	1H 2008	1H 2009	% YoY Change	FY 2008	1H 2008	1H 2009	% YoY Change	FY 2008
Sales revenues	41,905	38,452	-8.2%	91,413	210	462	120.0%	318	42,115	38,914	-7.6%	91,731







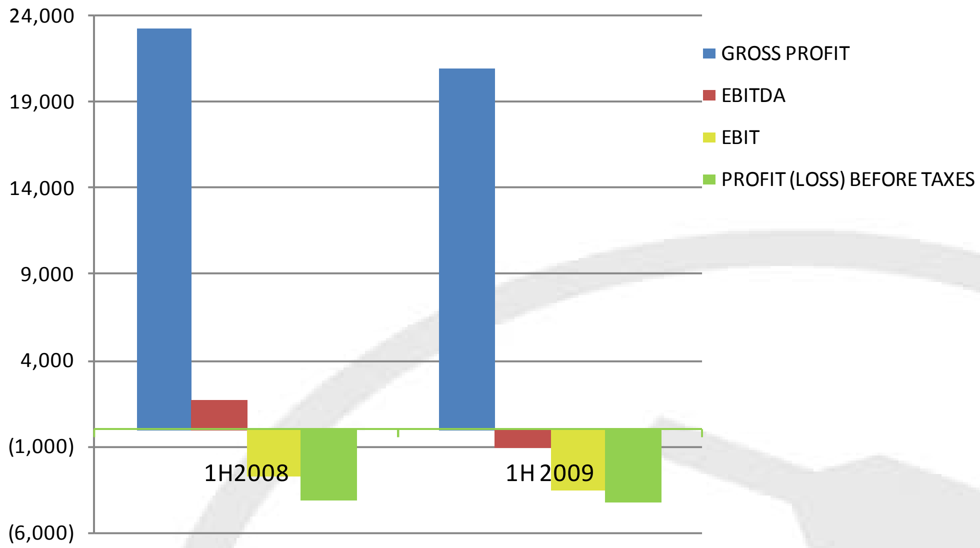
The business segments covered by the Group are "nanoPCs" and "HPCs" (high performance computers). The nanoPC segment comprises miniaturised electronic modules and systems for the transport, aerospace, defence, security, industrial and medical sectors, while the HPC segment consists of computers featuring high performance computing capability currently targeting universities, research institutes and computing centres. Volume of the HPC segment is affected by the cyclicality typical of our clients operating in this segment.

Within the nanoPC segment and also because of its present significance, the Group identifies some key operating indicators by geographical area. More specifically, the revenues of the nanoPC segment by geographical area – defined as being Europe, North America and Asia based on location of Group companies – were as follows:

Revenues of the nanoPC segment by geographical segment

(€' 000)	NordAmerica			Europe			Asia			Correction, reversal and elimination			Total		
	1H 2008	1H 2009	% YoY Change	1H 2008	1H 2009	% YoY Change	1H 2008	1H 2009	% YoY Change	1H 2008	1H 2009	% YoY Change	1H 2008	1H 2009	% YoY Change
Third party Sales	17,173	20,256		9,837	7,920		14,895	10,276		0	0		41,905	38,452	
Infra-sector Sales	361	934		1,741	1,461		510	905		(2,612)	(3,300)		0	0	
Total Sales revenues	17,534	21,190	20.9%	11,578	9,381	-19.0%	15,405	11,181	-27.4%	(2,612)	(3,300)	26.3%	41,905	38,452	-8.2%

Operating profit performance



The Eurotech Group

Eurotech is a global company, with its home base in Italy and operating locations in Europe, North America, and Asia. It is a group with a strong international vocation. Its dominant language is English and over 85% of its sales are generated outside Italy.

The technological paradigm followed by Eurotech is "pervasive computing" or "ubiquitous computing". The concept of pervasive computing combines three key factors: (1) miniaturisation of "intelligent" devices, i.e. capable of processing information; (2) their spread in the real world – inside buildings and equipment, on board vehicles, worn by people, and disseminated in the environment; and (3) their possibility of connecting up with each other in a network and of communicating.

Within this overall vision, Eurotech works on 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 that pervasive computing infrastructure commonly known as the "pervasive GRID" or "pervasive cloud".

In the nanoPC segment, the Group's proposition is differentiated according to the various products' position in the value stock. In this respect, the nanoPC is typically a miniature computer that can present itself in the form of:

- An embedded electronic board to be installed inside industrial machinery
- An application-ready system or platform to be located on board vehicles such as trains, planes, and buses
- A ready-to-use device for utilisation in a huge 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) and thus be the size of a small coin – as in the case, for example, of intelligent sensors, also called "smart dust".
All these nanoPCs have wireline or wireless communication channels to ensure their interconnection. And it is indeed this combination of computing and communication capabilities that enables Eurotech's nanoPCs to become key elements of the pervasive scenario that the company intends to create.

The Group's nanoPC offering is used in many types of applications, both conventional and emerging. The areas where Eurotech is most present are the transport, defence, security, aerospace, 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 targeting 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.

Right 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, i.e.

- Excellence within market standards
- A fabless production model, i.e. featuring prevalent outsourcing of production volume
- Evolution of the business model towards the finished product ready for use, i.e. closer to the application scenario of the purchaser or end-customer)
- Strong interaction with the academic and basic-research worlds.

As at 30 June 2009 the Eurotech Group consisted of the following companies:

Company name	Business	Share capital	% ownership
Parent company			
Eurotech SpA	Operates in the nanoPCs and HPC (high performance computer) segments and also handles new product development for the Group	EUR 8,878,946	
Subsidiaries			
Eurotech Inc.	Operates in the US market in the field of design, development and production of embedded systems (miniaturised computers) based on Windows CE and Linux operating systems	USD 26,500,000	100.00%
Eurotech Ltd.	Operates in the nanoPC segment and is active primarily in the UK	GBP 33,333	100.00%
E-Tech UK Ltd.	British holding company, currently not operational	GBP 1	100.00%
E-Tech USA Inc.	Holding company that controls 100% of Eurotech Inc.	USD 8,000,000	100.00%
Eurotech Finland Oy	Handles the sale and marketing of Group products in Scandinavian countries and in China	EUR 508,431	100.00%
Eurotech France Sas	Active in the French market in the nanoPC segment	EUR 795,522	100.00%
Saee Srl	Active in technological solutions in the field of sensor networks and wireless applications	EUR 15,500	51.00%
IPS Sistemi Programmabili Srl	Operates in the nanoPC segment under the IPS brand	EUR 51,480	100.00%
Parvus Corp.	Operates in the US nanoPC market	USD 119,243	100.00%
EthLab Srl	Handles research and development on the Group's behalf.	EUR 115,000	99.99%
Advanet Inc.	Operates in the Japanese nanoPC market	JPY 72,440,000	65.00% (1)

Spirit21 Inc.	Primarily performs purchase, production, and product inspection activities on behalf of its direct parent company Advanet Inc.	JPY 10,000,000	65.00% (1)
Chengdu Vantron Technology Inc.	Performs design work and is directly controlled by Eurotech Inc.	USD 108,000	65.00%

(1) The purchase agreement also provides a put & call mechanism for the remaining 35% of Advanet's shares. For consolidation purposes, 90% of the Advanet Group is represented since the put option was valued on 25%.

Business performance

OPERATING RESULTS €'000		1H2008	%	1H 2009	%
SALES REVENUES		42,115	100.0%	38,914	100.0%
GROSS PROFIT	(*)	23,302	55.3%	20,985	53.9%
EBITDA	(**)	1,681	4.0%	(1,079)	-2.8%
EBIT	(***)	(2,658)	-6.3%	(5,088)	-13.1%
PROFIT (LOSS) BEFORE TAXES		(4,141)	-9.8%	(5,456)	-14.0%
GROUP NET PROFIT (LOSS) FOR THE PERIOD		(5,069)	-12.0%	(6,178)	-15.9%

(*) Gross profit = difference between revenues from sale of products and services and consumption of raw materials.
(**) Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA).
(***) Earnings before Interest and Taxes (EBIT).

In the first half of 2009 (1H09), Group revenues decreased by -7.6%, i.e. € 3.20 million (mn), going down from € 42.12 mn in the first half of 2008 (1H08) to € 38.91 mn. This decrease was mainly due to the decrease in order intake that occurred between the end of 2008 and beginning of 2009 following the onset of the global economic crisis, the effects of which emerged during 1H09.
The impact of the global macroeconomic situation is evident above all in Japan and in Europe, where the most significant sales decreases occurred.
In the forthcoming semester (2H09), general macroeconomic conditions are expected to be better than in 1H09. Furthermore, in July we took the first order for the new generation of supercomputers called Aurora – and believe that this will boost sales significantly in the next few years.

In addition, during 1H09 we continued the process of integration and consolidation of acquisitions made in the last few years, with positive effects on the Group's overall level of efficiency. We believe that, with recovery of the economy, it will be possible to (a) see the fruits of the Group's international presence and (b) benefit from the efficiency achieved in terms of rapid increase in margins as sales grow.

Before commenting in detail on income statement figures, we point out that some of them reflect the effects of recognition in accounts of purchase price allocation (PPA) [A] relating to the business combinations concerning the Arcom Group and Applied Data Systems Inc. (now merged into Eurotech Inc.), and the Advanet Group.

[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:

- Consumption of raw materials: € 238 thousand only in 1H08 arising from charging to the income statement of part of the higher inventory value identified at the time of acquisition;
- Depreciation, amortisation and impairment: € 1,570 thousand (€ 2,380 thousand in 1H08), equal to the higher amortisation charged to the higher value attributed to intangible assets (customer relationships, trademarks and order book);
- Finance expense and income: € 174 thousand of finance expense for interest expense (€ 369 thousand in 1H08) and € 496 of finance income coming from different valuation exchange rates (€ 135 thousand in 1H08), relating to recognition of the liability for purchase of a further 25% stake in Advanet Inc. after quantification of a put option;
- Lower income taxes: € 639 thousand (€1,152 thousand in 1H08) arising from the tax effect on the adjustments made;
- Higher net result attributable to minority interests: € 68 thousand (€ 110 thousand in 1H08), stemming from the effect of PPA attributed to minority interests.

Below we summarise interim results as actually reported and as calculated without considering the effects of PPA:
- EBIT instead of € -5.09 mn would amount to € -3.52 mn
- The pre-tax loss instead of € -5.46 mn would have been € -4.21 mn
- The net loss attributable to equity holders of the parent company instead of € -6.18 mn would amount to € -5.64 mn.

Gross profit margin remained in line with that achieved at 2008 year-end and was 53.9%, slightly down vs. the 55.3% margin achieved in 1H08. This level continued to be slightly higher than management's forecasts. It demonstrates the soundness of the business model applied by the Group, increasingly based on the sale of high-value products, and the ongoing attention paid to the curbing of COGS implemented via integration and harmonisation among Group affiliates of processes for managing purchased materials.

In the period in question, operating costs as a percentage of sales rose from 54.5% in 1H08 (= € 22.95 mn) to 61.3% in 1H09 (= € 23.86 mn). This trend, affected by the different impact of exchange rates, in turn affected Group EBITDA.
1H09 featured Group attention to continuing implementation of synergies between the various affiliates, with a special focus on the incidence of existing fixed costs via policies to rein them in and rationalise existing resources. The flexibility of some units made it possible to contain the impact of prevalently fixed costs in a semester that, for the reasons highlighted earlier, was below the Group's real capacity. We also point out that, historically speaking, the Group's business trend features heavier concentration of sales in the second part of the year, meaning that fixed costs typically show better absorption at year-end.

In the periods considered EBITDA decreased from a result of € 1.68 mn in 1H08 to a loss of € -1.08 mn in 1H09. This performance was primarily due to lower gross-profit contribution following the decrease in sales, as well as to provisioning to cover the risk of insolvency on some trade receivables. Because of these factors, EBITDA margin sales declined from 4.0% in 1H08 to -2.8% in 1H09.

EBIT decreased to € -5.09 mn in 1H09 vs. € -2.66 mn in 1H08. EBIT margin on revenues was affected by the lower sales and was -13.1% vs. -6.3% in 1H08. This performance reflected the effects of depreciation & amortisation charged to the income statement in 1H09, as well as the trend in EBITDA mentioned previously. The depreciation & amortisation arose both from operating assets that became subject to depreciation in 1H09 and from the non-monetary 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 value attributed as a result of PPA was € 1,570 thousand in 1H09 vs. € 2,615 thousand in 1H08.

The finance result was affected by the trend in net financial position, as well as by foreign exchange differences caused by the trend in foreign currencies. Besides careful deployment of cash, this result also reflected reduction of interest rates on bank borrowings. We also point out that 1H09 was affected by € 174 thousand of interest expense from discounting to present value of the foreign currency liability, already booked in December 2007, for valuation of the option on 25% of Advanet Inc.'s capital – exercisable in the early months of 2010 – and by € 496 thousand of positive foreign exchange difference on this financial liability due to the effect of current depreciation of the Japanese yen vs. the Euro, which occurred at the end of June. For greater detail, readers should refer to the comments made in Note 23.

There was a pre-tax loss in 1H09 of € -5.46 mn(vs. a loss of € -4.14 mn in 1H08). This performance was driven by the factors described above. PPA effects on the pre-tax result amounted to € 1,248 thousand in 1H09 and to € 2,849 thousand in 1H08.

In terms of the after-tax result attributable to equity holders of the parent company, the loss increased from € -5,069 thousand in 1H08 to € -6,178 thousand in 1H09. Besides reflecting the trend of the pre-tax result, this mainly arose from the effect of the tax burden of the Group's various companies and, to a lesser extent, to the portion of result attributable to minority interest. Total PPA effects on the Group's bottom-line result in 1H09 amounted to € 541 thousand (€ 1,587 thousand in 1H08).

Following introduction of the new accounting standard IFRS 8 ("Operating Segments"), the Group – as indicated later on in the explanatory notes to condensed half-yearly consolidated accounts Note D) – has presented its segment reporting based on the business segments constituting our corporate activity (nanoPC and HPC) and – solely for the nanoPC segment – based on the geographical area where the various Group companies operate and are currently monitored. These latter areas are defined according to the location of the assets and operations of individual Group companies. The segments identified within the Group are Europe, North America and Asia.

More specifically, below we detail the trend in revenues and margin in the individual business areas and change occurring in 1H09.

(€'000)	NanoPC			High Performance Computer			Total		
	1H 2008	1H 2009	% YoY Change	1H 2008	1H 2009	% YoY Change	1H 2008	1H 2009	% YoY Change
Sales and service revenue by segment									
Sales and service revenue by segment	41,905	38,452	-8.2%	210	462	120.0%	42,115	38,914	-7.6%
Ebitda by segment	1,671	-1,163	-169.6%	10	84	740.0%	1,681	-1,079	-164.2%
Ebit by segment	-2,666	-5,039	89.0%	8	-49	-712.5%	-2,658	-5,088	91.4%
Total EBIT							-2,658	-5,088	91.4%
Net finance income (expense)							-1,423	-345	-75.8%
Shares of associates' profit (loss)	-60	-23					-60	-23	-61.7%
Profit before tax of continuing operations							-4,141	-5,456	31.8%
Income tax							-819	-692	-15.5%
Net profit (loss)							-4,960	-6,148	24.0%

NanoPC breakdown based on geographical area was as shown below:

(€' 000)	NordAmerica			Europe			Asia			Correction, reversal and elimination			Total		
	1H 2008	1H 2009	% YoY Change	1H 2008	1H 2009	% YoY Change	1H 2008	1H 2009	% YoY Change	1H 2008	1H 2009	% YoY Change	1H 2008	1H 2009	% YoY Change
Third party Sales	17,173	20,256		9,837	7,920		14,895	10,276		0	0		41,905	38,452	
Infra-sector Sales	361	934		1,741	1,461		510	905		(2,612)	(3,300)		0	0	
Total Sales revenues	17,534	21,190	20.9%	11,578	9,381	-19.0%	15,405	11,181	-27.4%	(2,612)	(3,300)	26.3%	41,905	38,452	-8.2%
Gross profit	8,767	10,108	15.3%	5,149	3,241	-37.1%	9,320	6,574	-29.5%	(18)	776	n.s.	23,218	20,699	-10.8%
Gross profit margin - %	50.0%	47.7%		44.5%	34.6%		60.5%	58.8%					55.4%	53.8%	
EBITDA													1,671	(1,163)	-169.6%
EBITDA margin - %													4.0%	-3.0%	
EBIT													(2,666)	(5,039)	89.0%
EBIT margin - %													-6.4%	-13.1%	
Profit before taxes													(4,149)	(5,407)	30.3%
Profit before taxes - %													-9.9%	-14.1%	

The North American business area's revenues totalled € 21.2 mn in 1H09 and € 17.5 mn in 1H08, with a +20.9% YoY increase. As well as to the foreign exchange difference, this growth was also ascribable to the contribution of the so-called anti-cyclical sectors, i.e. the medical and defence sectors.
Conversely, the European business area featured a -19.0% decrease, going down from € 11.6 mn in 1H08 to € 9.4 mn in 1H09. In this area, companies mainly focus on industrial applications, have felt the effects of the current contingent economic situation.
The Asian business area also featured a decrease, declining by -27.4% from € 15.4 mn to € 11.2 mn due to the crisis that has hit the semiconductor industry in Japan. This decrease was in line with the trend in this segment and was substantially consistent with the subsidiary's budget forecasts.

Looking at revenues from the point of view of the main business segments, the HPC segment was not significant in 1H09 due to the business cyclicality of clients operating in the segment, also featuring major orders for a limited number of customers, generally forming part of the scientific and research world.
The nanoPC segment featured an -8.2% decrease with sales of € 38,452 thousand in 1H09 vs. € 41,905 thousand in 1H08, as already highlighted previously.

Revenue breakdown by type was as shown below:

SALES BY TIPE	1H 2008	%	1H 2009	%
Industrial revenues	40,055	95.1%	37,747	97.0%
Services revenues	2,060	4.9%	1,167	3.0%
TOTALE SALES AND SERVICE REVENUE	**42,115**	**100.0%**	**38,914**	**100.0%**

Below we show the geographical revenue breakdown based on customer location.

BREAKDOWN BY GEOGRAPHIC AREA	1H 2008	%	1H 2009	%	var. %
Italy	3,776	9.0%	2,699	6.9%	-28.5%
European Union without Italy	6,117	14.5%	6,092	15.7%	-0.4%
United States	15,006	35.6%	19,092	49.1%	27.2%
Japan	14,549	34.5%	9,776	25.1%	-32.8%
Rest of the World	2,667	6.3%	1,255	3.2%	-52.9%
TOTALE SALES AND SERVICE REVENUE	**42,115**	**100.0%**	**38,914**	**100.0%**	**-7.6%**

US revenues increased by 27.2%, i.e. by € 4.09 mn. This increase demonstrates the firmness of the American geographical area, in particular in the anti-cyclical medical and defence sectors, also as a result of the increase in the customer base and of the exchange-rate trend. Conversely, sales in Japan and in Italy decreased.
The sales decrease in Japan was attributable to the present economic crisis in that area, particularly in the semiconductor sector. Sales in Japan were down by € 4.77 mn, with a -32.8% YoY decrease.
As far as Italy is concerned, the downturn was ascribable to the stagnation of specific outlet markets in the area, such as, for example, the public-transport sector.

Statement of financial position

Non-current assets

(€'000)	at December 31, 2008	at June 30, 2009	Changes
ASSETS			
Intangible assets	114,399	107,906	(6,493)
Property, Plant and equipment	7,885	7,221	(664)
Investments in affiliates companies	875	852	(23)
Investments in other companies	249	246	(3)
Deferred tax assets	1,533	2,061	528
Medium/long term borrowing allowed to affiliates companies	0	300	300
Other non-current assets	749	708	(41)
Total non-current assets	**125,690**	**119,294**	**(6,396)**

The Non-current assets item – as shown in the schedule above – decreased from € 125,690 thousand in FY2008 to € 119,294 thousand in 1H09. As well as to the period's depreciation & amortisation, the decrease was also due to the changes in property, plant, and equipment and in intangible assets stemming from the different exchange rate for translation of foreign-currency financial statements and price allocations calculated in foreign entities' currencies.

The Group's main investments were as follows:

(€'000)	at June 30, 2008	at June 30, 2009
Intangible assets	1,327	1,418
Property, plant and equipment	446	422
Investments	166	0
TOTAL MAIN INVESTMENTS	**1,939**	**1,840**

Current assets

(€'000)	at December 31, 2008	at June 30, 2009	Changes
Inventories	19,783	19,307	(476)
Contracts in progress	383	533	150
Trade receivables	22,063	16,380	(5,683)
Income tax receivables	4,124	2,561	(1,563)
Other current assets	2,792	2,323	(469)
Other current financial assets	719	0	(719)
Cash & cash equivalents	38,684	31,808	(6,876)
Total current assets	**88,548**	**72,912**	**(15,636)**

The Current assets item decreased, going down from € 88,548 thousand in FY2008 to € 72,912 thousand in 1H09.

The decrease in cash & cash equivalents was mainly due to reduction of borrowings as well as to utilisation of resources to support normal business operations. In addition, during 1H09 there was also a decrease in trade receivables and income tax as a result of normal business operations.

Net working capital

Net working capital is the product of current assets, net of cash, and current non-financial liabilities. It showed the following trend in the period:

(€'000)	at December 31, 2008 (a)	at June 30, 2009 (b)	Changes (b-a)
Inventories	19,783	19,307	(476)
Contracts in progress	383	533	150
Trade receivables	22,063	16,380	(5,683)
Income tax receivables	4,124	2,561	(1,563)
Other current assets	2,792	2,323	(469)
Current assets	*49,145*	*41,104*	*(8,041)*
Trade payables	(15,207)	(9,507)	5,700
Income tax liabilities	(1,461)	(1,007)	454
Other current liabilities	(5,047)	(5,267)	(220)
Current liabilities	*(21,715)*	*(15,781)*	*5,934*
Net working capital	**27,430**	**25,323**	**(2,107)**

The decrease in net working capital was primarily due to the combined effect of the decrease in trade receivables (following lower concentration of sales at the end of 1H09 than at FY2008 year-end) and tax receivables (due to partial utilisation of these to offset tax liabilities), which was greater than the decrease in trade payables and other current liabilities.

Net financial position

The following schedule shows the breakdown of the net financial position at the end of each period:

(€'000)		at December 31, 2008	at June 30, 2009
Cash & cash equivalents	A	(38,684)	(31,808)
Cash equivalent	**B=A**	**(38,684)**	**(31,808)**
Other current financial assets	C	(719)	0
Derivative instruments	D	346	511
Short-term borrowing	E	5,782	5,271
Business aggregation liabilities	F	0	7,711
Short-term financial position	**G=C+D+E+F**	**5,409**	**13,493**
Short-term net financial position	**H=B+G**	**(33,275)**	**(18,315)**
Medium/long term borrowing allowed to affiliates companies		0	(300)
Business aggregation liabilities	I	8,049	0
Medium/long term borrowing	J	24,654	22,460
Medium-/long-term net financial position	**K=I+J**	**32,703**	**22,160**
NET FINANCIAL POSITION	**L=H+K**	**(572)**	**3,845**

It is pointed out that calculation of the net financial position also includes € 7,711 thousand as at 30 June 2009 (vs. € 8,049 thousand at the end of FY2008) for future outlays, i.e. not involving an actual cash outflow in the reporting period, featuring the following split:

- A financial liability, at fair value, of € 6.7 mn (€ 7.0 mn at 31 December 2008) against the put option on 25% of Advanet Inc. shares, exercisable in the early months of 2010. We highlight the fact that recognition of this financial liability did not lead to an actual cash outflow and that its value is not definitive but is the best estimate as at today's date;
- A residual debt of € 1 mn (€ 1 mn at 31 December 2008) vis-à-vis the former shareholders of Eurotech Inc. (formerly Applied Data Systems Inc.) for the portion of the price bound to an escrow deposit, payable in 2010.

Cash flows

(€'000)		1H 2008	1H 2009
Cash flow generated (used) in operations	A	1,312	(2,930)
Cash flow generated (used) in investment activities	B	(4,617)	(1,014)
Cash flow generated (used) in financial activities	C	(9,988)	(2,705)
Change in the conversion difference	D	(636)	(227)
Increase (decrease) in cash & cash equivalents	E=A+B+C+D	(13,929)	(6,876)
Opening amount in cash & cash equivalents		56,604	38,684
End of period in cash & cash equivalents		42,675	31,808

Investments and research and development activities

As up to 30 June 2009, technical investments (tangible assets) in equipment and instruments amounted to € 171 thousand and investments in other assets to € 251 thousands.
During the period, the Group worked on industrial research and development and on technological innovation relating both to new products and to process improvements.
Research led to development of new products/applications in the field of computers and embedded systems, high-integration and low-consumption nanoPCs, network appliances and supercomputers. Research also permitted achievement of improved product quality aiming to reduce production costs, and with a consequent increase in corporate competitiveness. In 1H09 we capitalised new-product development costs totalling € 1,292 thousand.

Competitive scenario, business outlook, and future growth strategy

Market conditions continue to be singularly uncertain, as they were during 1H09. Notwithstanding this, the integration and strengthened relations between the various Group companies and the global positioning of individual subsidiaries – together with the Group's soundness in terms of balance sheet and financial position – have enabled us not to lose significant ground in terms of competitiveness. The Group's strategic development will continue, following guidelines similar to those already applied in previous years. In particular, implementation of the strategic plan envisages the following actions:

- Development and marketing – in the nanoPC field – of new products/solutions featuring higher added value with special attention to creation of application-ready platforms (systems) and ready-to-use products (devices);
- Focus – in both the nanoPC and HPC fields - on products/solutions increasingly close to the "pervasive computing" or "cloud computing" paradigm;
- Strengthening of commercial activities, particularly with regard to indirect as well as direct sales channels;
- Heightened integration between individual Group companies, to (a) achieve greater operating effectiveness, (b) benefit from the economies of scale achievable, and (c) consolidate the Eurotech brand image;
- Constant monitoring of opportunities for new acquisitions to extend the Group's presence in specific markets.

Parent company treasury shares, owned directly or by subsidiaries

At the end of 1H09 the parent company Eurotech SpA owned 420,140 treasury shares. No transactions took place during 1H09.

Events after the reporting period

In July 2009 the Japanese subsidiary Advanet Inc. took part with a 40% stake (the remaining 60% is owned by Mr. Fumio Komatsu, the minority shareholder of Advanet Inc.) in the incorporation of a company in Japan called Union Arrow Technologies Inc. (UAT Inc.). The company will dedicate itself to the design and sale of contactless testing equipment for the sector of flat panel displays, OLED display panels and solar cells. Immediately after its incorporation, UAT acquired a company division from the listed Japanese company Tokyo Cathode Laboratory Co. Ltd. and some licenses and patents from the Japanese company OHT, with the aim of focusing on a fabless business model and of becoming – already as of 2010 – an important player in the niche segment of contactless testing equipment.
No other significant events took place after the end of 1H09.

Condensed half-yearly consolidated financial statements as at 30 June 2009

Consolidated statement of financial position

(€'000)	Notes	at December 31, 2008	at June 30, 2009
ASSETS			
Intangible assets	1	114,399	107,906
Property, Plant and equipment	2	7,885	7,221
Investments in affiliates companies	3	875	852
Investments in other companies		249	246
Deferred tax assets		1,533	2,061
Medium/long term borrowing allowed to affiliates companies		0	300
Other non-current assets		749	708
Total non-current assets		**125,690**	**119,294**
Inventories	4	19,783	19,307
Contracts in progress	5	383	533
Trade receivables	6	22,063	16,380
Income tax receivables	7	4,124	2,561
Other current assets	8	2,792	2,323
Other current financial assets		719	0
Cash & cash equivalents	9	38,684	31,808
Total current assets		**88,548**	**72,912**
Total assets		**214,238**	**192,206**

(€'000)	Note	at December 31, 2008	at June 30, 2009
LIABILITIES AND EQUITY			
Share capital		8,879	8,879
Reserves		125,180	113,868
Group shareholders' equity	11	**134,059**	**122,747**
Equity attributable to minority interest	11	**3,414**	**3,221**
Total shareholders' equity	11	**137,473**	**125,968**
Medium-/long-term borrowing	13	24,654	22,460
Employee benefit obligations		1,742	1,525
Deferred tax liabilities		12,556	11,253
Other non-current liabilities		1,921	1,726
Business combination liabilities	16	8,049	0
Total non-current liabilities		**48,922**	**36,964**
Trade payables	14	15,207	9,507
Short-term borrowing	13	5,782	5,271
Derivative instruments		346	511
Income tax liabilities	7	1,461	1,007
Other current liabilities	15	5,047	5,267
Business combination liabilities	16	0	7,711
Total current liabilities		**27,843**	**29,274**
Total liabilities		**76,765**	**66,238**
Total liabilities and equity		**214,238**	**192,206**

Consolidated basic income statement

INCOME STATEMENT (€'000)	Note	1H 2008	1H 2009
Revenues from sales of products and services	D	42,115	38,914
Other revenues		334	508
Cost of materials	17	(18,813)	(17,929)
Service costs	19	(8,082)	(8,251)
Lease & hire costs		(1,046)	(1,063)
Payroll costs	19	(13,399)	(13,513)
Other provisions and other costs		(423)	(1,037)
current assets	21	995	1,292
Depreciation & amortisation	22	(4,109)	(3,652)
Asset impairment	22	(230)	(357)
Operating profit		**(2,658)**	**(5,088)**
Share of associates' profit of equity	23	(60)	(23)
Finance expense	23	(2,481)	(1,957)
Finance income	23	1,058	1,612
Profit before taxes		**(4,141)**	**(5,456)**
Income tax	24	(819)	(692)
Net profit (loss) before minority interest		**(4,960)**	**(6,148)**
Minority interest		**109**	**30**
Group net profit (loss) for period		**(5,069)**	**(6,178)**
Base earnings (losses) per share	12	**(0.143)**	**(0.176)**
Diluted earnings (losses) per share	12	**(0.143)**	**(0.176)**

Consolidated comprehensive income statement

OPERATING RESULTS (€/000)	1H 2008	1H 2009
Net profit (loss) before minority inerest (A)	**(4,960)**	**(6,148)**
Net profit (loss) from Cash Flow Hedge	325	(164)
Tax effect	0	0
	325	*(164)*
Foreign balance sheets conversion difference	*(2,980)*	*(4,899)*
Minority purchase	*(181)*	*0*
Exchange differences on equity investments in foreign companies	(1,200)	(294)
Tax effect	0	0
	(1,200)	*(294)*
After tax comprehensive profit (loss) (B)	*(4,036)*	*(5,357)*
Comprehensive net result (A+B)	**(8,996)**	**(11,505)**
Comprehensive minority interest	**49**	**(192)**
Comprehensive Group net profit (loss) for period	**(9,045)**	**(11,313)**

Statement of changes in equity

(€'000)	Share capital	Legal reserve	Share premium reserve	Conversion reserve	Other reserves	Cash flow hedge reserve	Exchange differences reserv	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, 2007	**8,879**	**39**	**136,400**	**(3,978)**	**(12,365)**	**81**	**(2,622)**	**(44)**	**(4,922)**	**121,468**	**2,549**	**(85)**	**2,464**	**123,932**
2007 Result allocation	-	-	-	-	(4,922)	-	-	-	4,922	-	(85)	85	-	-
Profit (loss) as at June 30, 2008	-	-	-	-	-	-	-	-	(5,069)	(5,069)	-	109	109	(4,960)
Comprehensive other profit (loss)														
- Hedge transactions	-	-	-	-	-	325	-	-	-	325	-	-	-	325
- Foreign balance sheets conversion difference	-	-	-	(2,972)	-	-	-	-	-	(2,972)	(8)	-	(8)	(2,980)
- Exchange differences on equity investments in foreign companies	-	-	-	-	-	-	(1,200)	-	-	(1,200)	-	-	-	(1,200)
Minority purchase	-	-	-	-	(129)	-	-	-	-	(129)	(52)	-	(52)	(181)
Comprehensive result	-	-	-	*(2,972)*	*(129)*	*325*	*(1,200)*	-	*(5,069)*	*(9,045)*	*(60)*	*109*	*49*	*(8,996)*
Balance as at June 30, 2008	**8,879**	**39**	**136,400**	**(6,950)**	**(17,416)**	**406**	**(3,822)**	**(44)**	**(5,069)**	**112,423**	**2,404**	**109**	**2,513**	**114,936**

(€'000)	Share capital	Legal reserve	Share premium reserve	Conversion reserve	Other reserves	Cash flow hedge reserve	Exchange differences reserv	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, 2008	**8,879**	**39**	**136,400**	**12,562**	**(7,852)**	**(347)**	**(1,574)**	**(1,340)**	**(12,708)**	**134,059**	**3,184**	**230**	**3,414**	**137,473**
2008 Result allocation	-	-	-	-	(12,708)	-	-	-	12,708	-	230	(230)	-	-
Profit (loss) as at June 30, 2009	-	-	-	-	-	-	-	-	(6,178)	(6,178)	-	30	30	(6,148)
Comprehensive other profit (loss)														
- Hedge transactions	-	-	-	-	-	(164)	-	-	-	(164)	-	-	-	(164)
- Foreign balance sheets conversion difference	-	-	-	(4,676)	-	-	-	-	-	(4,676)	(223)	-	(223)	(4,899)
- Exchange differences on equity investments in foreign companies	-	-	-	-	-	-	(294)	-	-	(294)	-	-	-	(294)
Comprehensive result	-	-	-	*(4,676)*	-	*(164)*	*(294)*	-	*(6,178)*	*(11,312)*	*(223)*	*30*	*(193)*	*(11,505)*
Balance as at June 30, 2009	**8,879**	**39**	**136,400**	**7,886**	**(20,560)**	**(511)**	**(1,868)**	**(1,340)**	**(6,178)**	**122,747**	**3,191**	**30**	**3,221**	**125,968**

Cash flow statement

CASH FLOW STATEMENT (€'000)		1H 2008		1H 2009
CASH FLOWS GENERATED BY OPERATIONS:				
Group net profit		**(5,069)**		**(6,178)**
Adjustments to reconcile reported net profit with cash & cash equivalents generated (used) in operations:				
Minority interests		109		30
Depreciation & amortization intangible assets, property, plant and equipment		4,339		4,009
Write-down of receivables		305		709
Interest income		(779)		(357)
Affiliated companies booked at equity		0		23
Cost for bringing up-to-date and exchange adjustment for put option		235		(322)
Provision for (use of) long-term employee severance indemnities		22		(217)
Provision for (use of) risk provision		(56)		(195)
(Provision for) / use of deferred tax asset / Provision for (use of) deferred tax liability		(1,622)		(1,831)
Changes in current assets and liabilities				
Trade receivables		2,779		4,974
Other current assets		(55)		2,033
Inventories and contracts in process		3,671		326
Trade payables		(3,017)		(5,700)
Other current liabilities		390		(234)
Total adjustments and changes		**6,381**		**3,248**
Cash flow generated (used) in operations		**1,312**		**(2,930)**
CASH FLOW FROM INVESTMENT ACTIVITIES:				
Sales of tangible and intangible assets		2		6
Interest income		779		357
Purchase of intangible fixed assets		(1,326)		(1,418)
Purchase of tangible fixed assets		(446)		(422)
Decreases (Increases) other financial assets		0		419
Net investments in long-term investments and non-current assets		(138)		44
Business acquisition net of cash acquired:		(3,488)		0
Minority purchase	*(129)*		*0*	
Business combination liabilities	*(3,359)*		*0*	
Cash flow generated (used) in investment activities		**(4,617)**		**(1,014)**

CASH FLOW FROM FINANCING ACTIVITIES:

Minorty	(82)	0
Loans taken	139	476
Increases (decreases) short term loan	(1,894)	(113)
Repaid loans medium/long term	(8,151)	(3,068)
Cash flow generated (absorbed) by financial assets	**(9,988)**	**(2,705)**
Changes in the conversion difference	(636)	(227)
Increases (decreases) in cash & cash equivalents	**(13,929)**	**(6,876)**
Opening amount in cash & cash equivalents	**56,604**	**38,684**
Cash & cash equivalents at end of period	**42,675**	**31,808**
Interest paid	**1,784**	**704**
Income taxes paid	**2,102**	**2,325**

Explanatory notes to financial statements

A – Corporate information

Publication of the condensed half-yearly consolidated financial statements of Eurotech SpA for the six-month period ended on 30 June 2009 was authorised by directors with the resolution passed on 28 August 2009. Eurotech SpA is a joint stock company incorporated and domiciled in Italy.
Eurotech is a group active in the research, development, and marketing of miniaturised computers (nanoPCs) and high-performance computers featuring high computing capacity (HPCs). For greater information, reference should be made to Note E – Segment Reporting.

B – Reporting policies and IFRS compliance

The annual consolidated financial statements for the Eurotech Group are prepared in compliance with the international financial reporting standards (IFRSs) issued by the International Accounting Standards Board (IASB) and adopted by the European Commission as per the procedure indicated in Article 6 of the EC Regulation no. 1606/2002 of the European Parliament and European Council dated 19 July 2002.
These condensed half-yearly consolidated financial statements for the six-month period ended on 30 June 2009 have been prepared in accordance with the requirements of IAS 34 Interim Financial Reporting and Article 154-ter of the Italian Consolidated Finance Act. These condensed half-yearly consolidated financial statements do not include all the information required to prepare consolidated annual financial statements. Consequently, this report should be read in conjunction with the consolidated annual financial report for the year ended on 31 December 2008.
Preparation of interim financial statements requires top management to make estimates and assumptions that affect the amounts of reported revenues, costs, assets and liabilities and disclosure concerning contingent assets and liabilities as at the interim reporting date. If in future these estimates and assumptions, which are based on management's best possible evaluation, were to differ from actual circumstances, they would be amended accordingly in the period when such circumstances materialised. For a fuller description of the Group's most important evaluation processes, readers should refer to the content of chapter C – "Discretionary evaluations and relevant accounting estimates" – of the Consolidated Annual Financial Report at 31 December 2008.
We also point out that some evaluation processes – in particular the more complex ones such as calculation of any impairment of non-current assets – are generally performed in full only when annual financial statements are drawn up, i.e. when all and any information required is available. The exceptions to this are cases when impairment indicators exist such as to require immediate testing for any impairment.
Income taxes are recognised according to the best estimate of the weighted average tax rate expected for the full financial year.
The accounting standards applied are the same as those used as at 31 December 2008, except for the following standards, applied for the first time by the Group as of 1 January 2009:

- *IAS 1 revised – Presentation of financial statements* – this standard no long allows presentation of income components, i.e. income and charges (defined as "changes generated by transactions with non-shareholders") in the Statement of Changes in Equity, instead requiring that they be indicated separately to changes generated by transactions with shareholders. According to the revised version of IAS 1, all changes generated by transactions with non-shareholders must be set out either in a single statement showing the period's performance (statement of comprehensive profits or losses recognised) or in two separate statements (basic income statement and comprehensive income statement). Such changes must also be shown separately in the Statement of Changes in Equity. The Group has applied the revised version of the standard retrospectively as of 1 January 2009, opting to show all changes generated by transactions with non-shareholders in two statements measuring the period's performance, respectively called "Basic consolidated income statement" and "Comprehensive consolidated income statement". The Group has consequently changed the presentation of the Statement of Changes in Equity;
- *IFRS 2 revised – Share based payments: vesting conditions and cancellations* – the standard also sets forth that only service conditions and performance conditions can be considered the vesting conditions of the plans for the purpose of evaluating share-based compensation instruments. The amendment also clarifies that the same accounting treatment applies to cancelled plans regardless of whether it was cancelled by the Group or another party. The amendment will be applied as from the 2009 financial year and will not cause any accounting effects;

- *IFRS 8 – Operating segments* – this standard requires disclosure concerning the Group's operating segments and replaces the need to determine its primary reporting segment (business) and secondary reporting segment (geographical). Adoption of this change has no impact on the Group's financial position or performance. While confiming the operating segments previously established under IAS 14 Segment Reporting, the Group has nevertheless decided to provide additional disclosure concerning each geographical business area of the nanoPC segment. The revised and corrected comparative information is shown in Note D;
- *IAS 19 improvement – Employee benefits* – as at 30 June 2009, no accounting effect following adoption of this amendment;
- *IAS 20 improvement – Accounting for government grants and disclosure of government assistance* –the standard establishes that benefits arising from government loans granted at below-market interest rates must be treated as government grants and therefore follow the rules of recognition established by IAS 20. The previous version of IAS 20 established that, in the case of low-rate loans received as government grants, the entity did not have to recognise any benefit. As at 30 June 2009, adoption of this amendment did not give rise to any accounting effect;
- *IAS 23 improvement – Borrowing costs* - the new version of the standard requires capitalisation of borrowing costs directly attributable to the purchase, creation or production of an asset that takes a significant period of time to become ready for use or for sale. As at 30 June 2009, adoption of this amendment did not give rise to any accounting effect;
- *IAS 28 improvement – Investments in associates* – the standard establishes that, in the case of investments accounted for using the equity method, any impairment must not be allocated to the individual assets (and in particular to any goodwill) forming the investment's carrying value but to the investment's overall value. Given this, in the presence of conditions allowing subsequent reinstatement of value, such reinstatement must be fully recognised. Adoption of this new standard did not generate any accounting effect because, in 1H09, the Group did not recognise any reinstatement of goodwill included in investments' carrying value.

The condensed half-yearly consolidated financial statements are drawn up in euro, rounding amounts to the nearest thousand. The financial statements consist of the statement of financial position, basic income statement, comprehensive income statement, statement of changes in equity, cash flow statement, and of the following explanatory notes.

The data used for consolidation have been taken from the income statements and balance sheets prepared by the directors of individual subsidiaries. These figures have been appropriately amended and restated, when necessary, to align them with IFRSs and with uniform group-wide classification policies.

C – Scope of consolidation

The condensed half-yearly consolidated financial statements include the statutory half-yearly financial statements of the parent company, Eurotech SpA, and of the Italian and foreign subsidiaries over which Eurotech has the right to exercise control, directly or indirectly (through subsidiaries and associates), determining their financial and operating decisions, and the right to obtain related benefits.
Subsidiaries are consolidated starting on the date when control was effectively transferred to the Group and cease to be consolidated as from the date when control is transferred outside the Group
The companies included in the scope of consolidation as at 30 June 2009 and consolidated on a 100% line-by-line basis are as follows:

Company name	Registered offices	Share capital	% ownership
Parent company			
Eurotech SpA	Via Fratelli Solari, 3/A – Amaro (UD)	EUR 8,878,946	
Subsidiaries consolidated line by line			
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)	EUR	508,431	100.00%
Eurotech France Sas	Venissieux Cedex (France)	EUR	795,522	100.00%
I.P.S. Sistemi Programmabili Srl	Via Piave, 54 – Caronno Varesino (VA)	EUR	51,480	100.00%
Parvus Corp.	Salt Lake City (USA)	USD	119,243	100.00%
Saee Srl	Via Fratelli Solari, 5 Amaro (UD)	EUR	15,500	51.00%
EthLab Srl	Via Dante, 78 – Trento	EUR	115,000	99.99%
Chengdu Vantron Technology Limited	Chengdu (China)	USD	108,000	65.00%
Advanet Inc.	Okayama (Japan)	JPY	72,440,000	65.00% (1)
Spirit21 Inc.	Okayama (Japan)	JPY	10,000,000	65.00% (1)

(1) As a result of valuation of a put option on the remaining 25% of share capital, the consolidation percentage is 90%.

In addition, the following associate companies are accounted for at equity:

Equity-accounted associates		
Delos Srl	Via Roberto Cozzi, 53 – Milan	40.00%
eVS embedded Vision Systems Srl	Ca' Vignal2, Strada Le Grazie 15 – Verona	32.00%
Emilab Srl	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%

As at 30 June 2009 there had been no changes, compared with 31 December 2008, in the stakes owned in subsidiaries and associates.

The following schedule provides information on the exchange rates used to translate the 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 1H 2008	As of June 30, 2008	Average at 2008	As of December 31, 2008	Average 1H 2009	As of June 30, 2009
British pound sterling (GBP)	0.77521	0.79225	0.79628	0.95250	0.89392	0.85210
Japanese Yen	160.61857	166.44000	152.45406	126.14000	127.27384	135.51000
Renmimbi	10.79888	10.80510	10.22361	9.49560	9.10703	9.65450
USA Dollar	1.53042	1.57640	1.47076	1.39170	1.33278	1.41340

D – Segment reporting

For operating purposes the Group is organised in business segments, in which the nanoPC and HPC (High Performance Computer) segments are the most important In view of the cyclicality of the HPC operating segment and of its present scarce significance, it has been decided to provide disclosure concerning the nanoPC segment on a geographical basis, defined as per the location of the Group's companies and based on which top management currently monitors the latter's activities.
Besides the HPC segment, the Group's geographical areas in the nanoPC segment are defined according to the localisation of Group assets and operations. Those identified within the Group are Europe, North America and Asia.
Management monitors results separately in terms of the gross profit of individual business units in order to take decisions concerning resource allocation and assessment of performance.

Operating segments

The following schedule presents revenue data, based on Group results, respectively for 1H09 and 1H08.

(€'000)	NanoPC		High Performance Computer		Total	
	1H 2008	1H 2009	1H 2008	1H 2009	1H 2008	1H 2009
Sales and service revenue by segment						
Sales and service revenue by segment	41,905	38,452	210	462	42,115	38,914
Ebitda by segment	1,671	-1,163	10	84	1,681	-1,079
Ebit by segment	-2,666	-5,039	8	-49	-2,658	-5,088
Total EBIT					-2,658	-5,088
Net finance income (expense)					-1,423	-345
Shares of associates' profit (loss)	-60	-23			-60	-23
Profit before tax of continuing operations					-4,141	-5,456
Income tax					-819	-692
Net profit (loss)					-4,960	-6,148

For the particular NanoPC sector, disclosure can be detailed as follows:

(€' 000)	NordAmerica		Europe		Asia		Correction, reversal and elimination		Total	
	1H 2008	1H 2009	1H 2008	1H 2009	1H 2008	1H 2009	1H 2008	1H 2009	1H 2008	1H 2009
Third party Sales	17,173	20,256	9,837	7,920	14,895	10,276	0	0	41,905	38,452
Infra-sector Sales	361	934	1,741	1,461	510	905	(2,612)	(3,300)	0	0
Total Sales revenues	17,534	21,190	11,578	9,381	15,405	11,181	(2,612)	(3,300)	41,905	38,452
Gross profit	8,767	10,108	5,149	3,241	9,320	6,574	(18)	776	23,218	20,699
EBIT									(2,666)	(5,039)
Profit before taxes									(4,149)	(5,407)

The schedule below shows the assets and the investments of the Group's individual operating segments as at 30 June 2009 and 31 December 2008.

(€'000)	NanoPC		High Performance Computer		Total	
	1H 2008	1H 2009	1H 2008	1H 2009	1H 2008	1H 2009
Assets and liabilites						
Segment assets	210,187	186,309	960	2,547	211,147	188,856
Investments in associate & other companies	1,124	1,098	0	0	1,124	1,098
Unallocated assets					1,967	2,252
Total assets	**211,311**	**187,407**	**960**	**2,547**	**214,238**	**192,206**
Segment liabilities	76,484	65,741	281	497	76,765	66,238
Unallocated liabiities					0	0
Total liabilities	**76,484**	**65,741**	**281**	**497**	**76,765**	**66,238**
Other segment information						
Investments in tangible assets	2,495	422	0	0	2,495	422
Investments in intangible assets	2,783	764	283	654	3,066	1,418
Depreciation & amortisation	19,436	3,875	9	134	19,445	4,009

The floowong schedule shows assets and investments of the NanoPC sector according to geographic zone:

(€' 000)	NordAmerica		Europe		Asia		Correction, reversal and elimination		Total	
	at December 31, 2008	at June 30, 2009	at December 31, 2008	at June 30, 2009	at December 31, 2008	at June 30, 2009	at December 31, 2008	at June 30, 2009	at December 31, 2008	at June 30, 2009
Activitis by sector	52,464	49,762	56,271	44,721	107,006	94,503	(5,554)	(2,677)	210,187	186,309
Investiments	711	627	2,815	520	1,925	39	0	0	5,451	1,186

Segment assets as at 30 June 2009 do not include investments in associates and other companies (€ 1.1 mn) and current tax assets of the parent companu (€ 2.3 mn).

E – Breakdown of main balance sheet captions and items

1 – Intangible assets

The following schedule shows evolution of the historical cost and cumulative amortisation of intangible assets in the period considered:

(€ '000)	DEVELOPMENT COSTS	GOODWILL	SOFTWARE TRADEMARKS PATENTS	ASSETS UNDER CONSTRUCTION & ADVANCES	OTHER INTANGIBLE ASSETS	TOTAL INTANGIBLE ASSETS
Purchase or production cost	7,312	75,706	23,254	1,084	33,482	140,838
Previous years' impairment	(311)	(640)	(10,442)	(15)	-	(11,408)
Previous years' amortisation	(3,085)	(166)	(3,043)	-	(8,737)	(15,031)
OPENING BALANCE	**3,916**	**74,900**	**9,769**	**1,069**	**24,745**	**114,399**
Purchases	527	-	126	765	-	1,418
Other changes	108	(2,877)	(284)	(30)	(1,885)	(4,968)
Impairment in period	(147)	-	(3)	(235)	-	(385)
Transfers	150	-	96	(246)	-	-
Amortisation in period	(733)	-	(344)	-	(1,637)	(2,714)
Other changes in cumulative impairment	(5)	-	(356)	-	-	(361)
Other changes in cumulative amortisation	(23)	-	56	-	484	517
TOTAL CHANGES	**(123)**	**(2,877)**	**(709)**	**254**	**(3,038)**	**(6,493)**
Purchase or production costs	8,097	72,829	23,192	1,573	31,597	137,288
Impairment	(463)	(640)	(10,801)	(250)	-	(12,154)
Cumulative amortisation	(3,841)	(166)	(3,331)	-	(9,890)	(17,228)
CLOSING BALANCE	**3,793**	**72,023**	**9,060**	**1,323**	**21,707**	**107,906**

The decrease in intangible assets was mainly due to the effect of changes in exchange rates, particularly on goodwill, trademarks, and customer relationships posted at the time of acquisition purchase price allocation, and to amortisation and write-downs reported in 1H09. Intangible assets' value in fact decreased from € 114,399 thousand in FY2008 to € 107,906 thousand in 1H09.

Investments totalling € 1,278 thousand were made in the first six months, mainly relating to the Group's new-product development projects.

In addition, development costs capitalised in previous years were written down by € 382 thousand because they referred to products that did not achieve the market acceptance originally expected.

Goodwill refers to the higher value paid, when fully consolidated subsidiaries were acquired, in excess of the fair value of the assets and liabilities acquired. As from the beginning of 2004, goodwill is no longer amortised but is instead tested annually for impairment.

For the annual check of any impairment of value, individual goodwill and assets with indefinite lives - carried as a result of business combinations – have been allocated to their respective cash-generating units (CGUs). These CGUs generally correspond to the legal entity or group of companies to which reference is made to check for any impairment. More specifically, in order to check for any impairment, at the end of 2008 goodwill generated by acquisition of the Arcom Group was split and allocated to the respective CGUs consisting of the geographical areas in which the two ex-Arcom companies operate – namely the UK and USA – and therefore Eurotech Ltd. and Eurotech Inc. respectively. Goodwill generated by the acquisition of Applied Data Systems Inc., inclusive of the goodwill generated by the acquisition of Chengdu Vantron Technology Inc., was allocated to the CGU consisting of Eurotech Inc.
Lastly, goodwill generated by acquisition of the Advanet Group and the “Advanet” trademark with an indefinite useful life remained allocated to the CGU consisting of the Advanet Group.

Carrying value of goodwill and trademarks with an indefinite useful life allocated to each of the cash-generating units:

Cash generating units	At December 31, 2008		At June 30, 2009	
	Goodwill	**Trademark with an indefinite useful life**	**Goodwill**	**Trademark with an indefinite useful life**
Advanet Group	44,210	8,395	41,153	7,815
Eurotech Inc. (ex Applied Data Systems e ex Arcom Inc.)	23,486	-	23,126	-
Eurotech Ltd. (ex Arcom Ltd.)	4,585	-	5,125	-
Eurotech France S.a.s.	1,051	-	1,051	-
I.P.S. sistemi Programmabili S.r.l.	-	-	-	-
Parvus Corp.	1,478	-	1,478	-
Saee s.r.l.	-	-	-	-
Other	90	-	90	-
TOTAL	**74,900**	**8,395**	**72,023**	**7,815**

Management has considered the outcome of the impairment tests performed when preparing annual accounts as at 31 December 2008, after having written off the ADS and Arcom trademarks for € 10.8 million following the decision not to make any further use of them. It has also considered the evolution in the period concerned of the external indicators and internal amounts originally used to estimate the recoverable value of individual CGUs (cash-generating units), in relation to which in some core markets the uncertainties highlighted earlier remain. Based on these considerations, management decided that it was not appropriate, as at 30 June 2009, to redo a full impairment test of the carrying value of goodwill and of the trademark with an indefinite useful life.

The change in the carrying value of the Advanet Group, Eurotech Inc. and Eurotech Ltd is due to the fact that the amounts concerned are expressed in the foreign operations’ functional currency and consequently converted at different exchange rates.

2 – Property, plant and equipment

The following schedule shows evolution of the historical cost, cumulative depreciation, and valuations of property, plant, and equipment in the period considered:

(€ '000)	LAND AND BUILDINGS	PLANT AND MACHINERY	INDUSTRIAL & COMMERCIAL EQUIPMENT	OTHER ASSETS	ASSETS UNDER CONSTRUCTION & ADVANCES	LEASED ASSETS	TOTAL PROPERTY, PLANT & EQUIPMENT
Purchse of production cost	773	6,795	2,614	6,714	27	896	17,819
Depreciation	-	-	-	(67)	-	-	(67)
Previous year's depreciation	(75)	(3,613)	(2,001)	(3,980)	-	(198)	(9,867)
OPENING BALANCE	**698**	**3,182**	**613**	**2,667**	**27**	**698**	**7,885**
Purchases	-	41	131	250	-	-	422
Disposals	-	-	-	(43)	-	-	(43)
Other changes	-	(371)	(15)	(71)	-	-	(457)
Depreciation				28			28
Depreciation in period	(7)	(385)	(187)	(347)	-	(12)	(938)
Reversal of cumulative depreciation	-	-		37	-	-	37
Other changes in cumulative impairment	-	-	-	(15)	-	-	(15)
Other changes and transfers in cumulative depreciation	-	243	23	36	-	-	302
TOTAL CHANGES	**(7)**	**(472)**	**(48)**	**(125)**	**-**	**(12)**	**(664)**
Purchase or production cost	773	6,465	2,730	6,850	27	896	17,741
Depreciation	-	-	-	(54)	-	-	(54)
Cumulative depreciation	(82)	(3,755)	(2,165)	(4,254)	-	(210)	(10,466)
CLOSING BALANCE	**691**	**2,710**	**565**	**2,542**	**27**	**686**	**7,221**

The Other changes item, which refers both to cost and to related cumulative depreciation, concerns the different exchange rates at which foreign entities' amounts were converted at 30 June 2009 compared with those applied at 31 December 2008.
Purchases made in 1H09 related mainly to computers, office equipment and industrial equipment.
The Leased assets item of € 686 thousand relates to assets acquired via lease contracts, booked according to the financial method. Of this amount, € 2 thousand relates to office furniture, furnishings and machinery and € 684 thousand to the land and building located in Amaro (Udine), the Company's production site.

3 – Investments in associates and other companies

The following schedule shows changes in investments in associates and other companies in the period in question:

	At June 30, 2009						
(€'000)	INITIAL VALUE	INCREASES	DECREASES	WRITE-UPS /WRITE-DOWN	OTHER	EOP VALUE	% OWNERSHIP
Investments in associate companies:							
Emilab S.r.l.	26	-		19	-	45	24.82%
Delos S.r.l.	21	-	-	-	-	21	40.00%
eVS embedded Vision Systems S.r.l.	3	-	-	4	-	7	32.00%
UTRI S.p.A.	825	-	-	(46)	-	779	21.32%
TOTAL INVESTMENTS IN ASSOCIATE COMPANIES	**875**	**-**	**-**	**(23)**	**-**	**852**	
Investments in other companies:							
Cosint	2	-	-	-	-	2	
Consorzio nazionale fidi	0	-	-	-	-	-	
ALC Consortium	3	-	-	-		3	
Consorzio Ecor' IT	2	-	-	-	-	2	
Consorzio Aeneas	5	-	-	-	-	5	
Inasset S.r.l.	36	-	-	-	-	36	6.10%
Veneto Nanotech Scpa	10	-	-	-	-	10	
Kairos Autonomi	189	-	-	-	(3)	186	19.00%
Others	2	-	-	-	-	2	
TOTAL INVESTMENTS IN OTHER COMPANIES	**249**	**-**	**-**	**-**	**(3)**	**246**	
TOTAL INVESTMENTS	**1,124**	**-**	**-**	**(23)**	**(3)**	**1,098**	

The item "Write-ups/write-downs" relates to application of the equity accounting method to investments in associates.

Eurotech owns the following shareholdings in associates to which the equity accounting method is applied:
- Emilab Srl = 24.82%, founded in 1998;
- Delos Srl = 40%, founded during the first half of 2005;
- eVS - embedded Vision Systems Srl = 32%, founded in the first half of 2007;
- UTRI Srl = 21.32%, following a capital increase and the purchase of stakes in 2007 and 2008.

4 – Inventories

The following schedule shows inventory breakdown at the end of the periods considered:

(€'000)	at December 31, 2008	at June 30, 2009
Raw & auxiliary materials and consumables - gross	7,647	6,112
Inventory write-down provision	(580)	(625)
Raw & auxiliary materials and consumables - net	**7,067**	**5,487**
Work in process and semi-finished goods	**8,005**	**7,878**
Finished poducts and goods for resale - gross	5,513	6,923
Inventory write-down provision	(830)	(1,019)
Finished products and goods for resale - net	**4,683**	**5,904**
Advances	**28**	**38**
TOTAL INVENTORIES	**19,783**	**19,307**

As at 30 June 2009 inventories amounted to € 19,307 thousand net of provisions for obsolescent and slow-moving items totalling € 1,644 thousand. Inventory value was in line with the FY2008 year-end amount.

5 – Work in progress

The following schedule highlights information relating to contracts in progress as at reporting date:

(€'000)	at December 31, 2008	at June 30, 2009
Contract revenues recognised as revenue in the period	14	150
Contract costs bome as at balance-sheet date	8	150
Profits recognised as at balance-sheet date	**6**	**-**
Down payments received	0	0
Gross amount owed by customer for contractual work	383	533
Contract costs and proits recognised as at balance-sheet date	14	164
Revenues recognised in previous periods	631	631
Billing based on completion status	262	262
Gross amount owed by customer for contractual work	**383**	**533**

6 – Trade receivables

The following schedule shows the breakdown of trade receivables, together with doubtful debt provision, as at 31 December 2008 and 30 June 2009:

(€'000)	at December 31, 2008	at June 30, 2009
Trade receivables - customers	22,516	17,508
Trade receivables - affiliate companies	0	2
Doubtful debt provision	(453)	(1,130)
TOTAL TRADE RECEIVABLES	**22,063**	**16,380**

We point out that, as at reporting date, the Group did not feature significant concentrations of credit risk. It is believed that these receivables are collectable within 12 months. Trade receivables are non-interest bearing and generally fall due 90-120 days after invoice date.

Trade receivables decreased by € 5,006 thousand vs. 31 December 2008. The decrease was mainly due to regular as-due payment of customer receivables, as well as to the different distribution of sales in the last months of 1H09 compared with what occurred in the last months of FY2008.
Receivables include some € 657 thousand of cash orders presented subject to collection but not yet due at the end of the reporting period.

During FY2008 and 1H09 the parent company entered into receivables assignment deals leading to full transfer of risks and benefits to premier financial counterparties. The related sum not yet due as at 30 June 2009 amounted to € 1,322 thousand (vs. € 2,161 thousand as at 31 December 2008).

Receivables are shown net of doubtful debt provision of € 1,130 thousand. There was an increase of € 677 thousand in 1H09 for individual adjustment of receivables' amounts – particularly in the USA - to their presumed realisable value. The Group's policy is in fact to specifically identify receivables to be written down, meaning that provisioning posted reflects specific write-downs.

7 – Tax receivables and payables

Receivables for income taxes consist of receivables vis-à-vis individual countries for direct taxation (corporate tax in Italy and the various countries) which should be recovered within 12 months, as well as receivables for withholding taxes applied by the American companies following payment of interest on infragroup loans.
Payables for income taxes consist of current taxes relating to the year yet to be paid and represent the amounts that individual companies must pay to the tax authorities of their respective countries. These payables are calculated based on the tax rates currently in force in each country. Payables for foreign taxes amounted to € 998 thousand (€ 1,450 thousand in 2008), while Italian tax payables amounted to € 9 thousand (€ 11 thousand in 2008).

8 – Other current assets

The following schedule shows the breakdown of other current assets at 31 December 2008 and 30 June 2009:

(€'000)	at December 31, 2008	at June 30, 2009
Amounts receivable for grants	651	208
Advance payments to suppliers	104	15
Tax receivables	309	448
Other receivables	740	178
Accrued income and prepaid expenses	988	1,474
TOTAL OTHER CURRENT ASSETS	**2,792**	**2,323**

Tax receivables mainly consist of receivables for indirect (VAT) taxation. VAT receivables do not bear interest and are generally settled with the competent tax authority on a monthly basis.

9 – Cash & cash equivalents

The following schedule shows the breakdown of cash and cash equivalents (i.e. banks) at 31 December 2008 and 30 June 2009:

(€'000)	at December 31, 2008	at June 30, 2009
Bank and post office deposits	38,640	31,778
Cash and valuables in hand	44	30
TOTAL CASH & CASH EQUIVALENTS	**38,684**	**31,808**

Bank deposits are mostly on demand and are remunerated at a variable rate of interest. The fair value of cash & cash equivalents was € 31,808 thousand (vs. € 38,684 thousand as at 31 December 2008). The item includes the amount of € 1,008 thousand relating to the escrow account for the residual debt, posted among other payables, vis-à-vis the ex-owners of Eurotech Inc (formerly Applied Data Systems Inc.).

Cash & cash equivalents decreased by € 6,876 thousand vs. 31 December 2008 both because of payment of loan instalments falling due during 1H09 and utilisation of liquidity to support normal operations.

10 – Net financial position

The Group's net financial position was as shown below:

(€'000)		at December 31, 2008	at June 30, 2009
Cash & cash equivalents	A	(38,684)	(31,808)
Cash equivalent	**B=A**	**(38,684)**	**(31,808)**
Other current financial assets	C	(719)	0
Derivative instruments	D	346	511
Short-term borrowing	E	5,782	5,271
Business aggregation liabilities	F	0	7,711
Short-term financial position	**G=C+D+E+F**	**5,409**	**13,493**
Short-term net financial position	**H=B+G**	**(33,275)**	**(18,315)**
Medium/long term borrowing allowed to affiliates companies		0	(300)
Business aggregation liabilities	I	8,049	0
Medium/long term borrowing	J	24,654	22,460
Medium-/long-term net financial position	**K=I+J**	**32,703**	**22,160**
NET FINANCIAL POSITION	**L=H+K**	**(572)**	**3,845**

The net financial position was affected by recognition of payables of € 7,711 thousand for business combinations. This was mainly due to recognition of the put option for purchase of 25% of the shares of the Japanese company Advanet Inc. (€ 6.7 mn) and to the residual debt of € 1 mn vis-à-vis the ex-shareholders of Applied Data Systems Inc. (now Eurotech Inc.). As at the end of December 2008, the liabilities for business combinations included in the financial position amounted to € 8,049 thousand.

11 - Equity

The following schedule shows the breakdown of equity at 31 December 2008 and 30 June 2009:

(€'000)	at December 31, 2008	at June 30, 2009
LIABILITIES AND EQUITY		
Share capital	8,879	8,879
Reserves	137,888	120,046
Net profit (loss) for period	(12,708)	(6,178)
Group shareholders' equity	**134,059**	**122,747**
Minority capital and reserves	3,184	3,191
Minority profit (loss) for period	230	30
Equity attributable to minority interest	**3,414**	**3,221**
Total shareholders' equity	**137,473**	**125,968**

Share capital as at 30 June 2009 consisted of 35,515,784 ordinary shares, wholly subscribed and paid up, with no par value.

The balance of the issuer's legal reserve at 30 June 2009 amounted to € 39 thousand and was formed by earnings allocated until the financial year (FY) that ended on 31 December 2005.

The share premium reserve, which relates entirely to the parent company, is shown at a total amount of €136,400 thousand

The positive cumulative translation reserve, which amounted to € 7,885 thousand, was generated by inclusion in the condensed half-yearly consolidated financial statements of the balance sheets and income statements of the US subsidiaries Parvus Corp., Eurotech Inc. and E-Tech USA Inc., as well as of the British subsidiaries Eurotech Ltd. and E-Tech UK Ltd., of the Chinese subsidiary Chengdu Vantron Technology Ltd., and of the Japanese subsidiaries forming part of the Advanet Group.

The item "Other reserves" was negative by € 20,560 thousand and, as well as other reserves, consisted of the parent company's surplus reserve, formed by losses carried forward, allocations of retained earnings from prior years and other reserves of different origin.
The "Cash flow hedge reserve", which includes cash flow hedges based on IAS 39, was negative by € 511 thousand and increased by € 164 thousand gross of the tax effect, which was not recognised due to absence of the necessary prerequisites.
The "Foreign exchange reserve" in which – based on IAS 21 – foreign exchange differences relating to infragroup foreign-currency loans that constitute part of a net investment in foreign operations are recognised, was negative by € 1,868 thousand and increased by € 294 thousand gross of the related tax effect, which once again was not recorded due to absence of the necessary prerequisites.

As at the end of the reporting period the parent company, Eurotech SpA, held 420,140 treasury shares. Their number remained unchanged vs. 31 December 2008 and they had no effect either on the income statement or on the balance sheet.

The portion of equity attributable to minority interest consists of the share of equity and results for the period belonging to minority shareholders in the subsidiaries Chengdu Vantron Technology Inc. and Advanet Group. At 30 June 2009, this totalled € 3,221 thousand.

12 – Basic and diluted earnings (loss) per share

Basic earnings (loss) per share (EPS) are calculated by dividing the income of the reporting period appertaining to ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding during the reporting period, net of treasury shares.

During the periods compared no capital operations took place leading to EPS dilution.

Below we show earnings and information on the shares used to calculate basic and diluted EPS.

	at June 30, 2008	at June 30, 2009
Net income (loss) attributable to parent company shareholders	(5,069,000)	(6,178,000)
Weighted average number of ordinary shares including own shares	35,515,784	35,515,784
Own shares	(6,300)	(420,140)
Weighted average number of ordinary shares except own shares	35,509,484	35,095,644
Net income (loss):		
- per share	(0.143)	(0.176)
- per share diluted	(0.143)	(0.176)

13 - Borrowings

The following schedule shows the breakdown of short and medium-/long-term borrowings as at 30 June 2009:

LENDER	COMPANY	BALANCE ON 31.12.2008	BALANCE ON 30.06.2009	SHORT TERM within 12 months	Total Medium and long-term	Mid term Over 12 months	Long term Over 5 years
CURRENT OUTSTANDINGS - (a)		335	222	222	-	-	-
SIMEST	Eurotech S.p.A.	69	46	46	-	-	-
Finance Lease	Eurotech S.p.A.	531	484	97	387	387	-
Anvar	Eurotech France	365	365	-	365	365	-
TOTAL OTHER FINANCINGS		965	895	143	752	752	-
Banco di Brescia	Saee S.r.l.	9	3	3			
Total Gruppo Banca Lombardia		***9***	***3***	***3***	***-***	***-***	***-***
Banca Pop. Friuladria	Eurotech S.p.A.	11,000	10,000	2,000	8,000	8,000	-
Total Credit Agricole		***11,000***	***10,000***	***2,000***	***8,000***	***8,000***	***-***
Veneto Banca	Eurotech S.p.A.	796	646	319	327	327	-
Total Veneto Banca		***796***	***646***	***319***	***327***	***327***	***-***
Banca Intesa	I.P.S. Sist.Progr. S.r.l.	10	-	-	-	-	-
Banca Intesa	I.P.S. Sist.Progr. S.r.l.	38	20	20	-	-	
Total Gruppo INTESA - SAN PAOLO		***48***	***20***	***20***	***-***	***-***	***-***
The Chugoku Bank Ltd	Advanet Inc.	3,273	2,543	738	1,805	1,805	-
Total The Chugoku Bank Ltd		***3,273***	***2,543***	***738***	***1,805***	***1,805***	***-***
Cassa Rurale della Valle dei Laghi	EthLab S.r.l.	-	450	37	413	413	-
Total Credito Coperativo Banks		***-***	***450***	***37***	***413***	***413***	***-***
Unicredit	EthLab S.r.l.	165	146	39	107	107	-
Unicredit	Eurotech S.p.A.	83	-	-	-	-	-
Unicredit	Eurotech S.p.A.	105	70	70	-	-	-
Unicredit	Eurotech S.p.A.	13,492	12,704	1,649	11,055	7,672	3,383
Total Gruppo Unicredit		***13,845***	***12,920***	***1,758***	***11,162***	***7,779***	***3,383***
Crédite Lyonnais	Eurotech France	7	6	5	1	1	-
Chengdu Commercial Bank	Chengdu Vantron Tech.Inc.	158	26	26	-	-	-
TOTAL BANK DEBT - (c)		29,136	26,614	4,906	21,708	18,325	3,383
TOTAL OTHER FINANCING AND BANK DEBT - [(b) + (c)]		30,101	27,509	5,049	22,460	19,077	3,383
TOTAL DEBT - [(a) + (b) + (c)]		30,436	27,731	5,271	22,460	19,077	3,383

During 1H09 EthLab Srl took out a new medium-/long-term loan of € 450 thousand and Vantron took out a short-term loan of € 26 thousand.
In addition, medium-/long-term loan instalments falling due were repaid for a total of € 3,068 thousand.

14 – Trade payables

The next schedule shows the breakdown of trade payables as at 31 December 2008 and 30 June 2009.

(€'000)	at December 31, 2008	at June 30, 2009
Third parties	15,207	9,507
Affiliate companies	0	0
TOTAL TRADE PAYABLES	**15,207**	**9,507**

As at 30 June 2009 trade payables amounted to € 9,507 thousand, with a decrease of € 5,700 thousand vs. 31 December 2008 primarily because of payment of existing payables.

Trade payables are non-interest bearing and, on average, are settled 90-120 days after invoice date.

15 – Other current liabilities

The following schedule shows the breakdown of other current liabilities as at 31 December 2008 and 30 June 2009.

(€'000)	at December 31, 2008	at June 30, 2009
Social contributions	780	411
Other	3,478	4,220
Other tax liabilities	597	182
Accrued expanses	192	454
TOTAL OTHER CURRENT LIABILITIES	**5,047**	**5,267**

Other payables

The Other payables item includes amounts payable to employees for salaries as well as for holidays and paid leaves of absence accruing and not taken by employees as at reporting date.

16 – Business combination liabilities

Liabilities for business combinations – all recorded in current liabilities – amounted to € 7,711 thousand (€ 8,049 thousand in total, non-current, in 2008) and consisted of:

- A financial liability at fair value of € 6,703 thousand against the put option on 25% of Advanet Inc.'s shares, exercisable in the early months of 2010;
- A residual warranty debt of € 1,008 thousand vis-à-vis shareholders of ex-Applied Data Systems Inc. (now Eurotech Inc.) for the part of the price bound to an escrow account.

G – Breakdown of key income statement items

17 – Costs for raw & auxiliary materials and consumables used

(€'000)	1H 2008	1H 2009
Purchases of raw materials, semi-finished and finished products	17,758	17,447
Changes in inventories of raw materials	1,390	3,841
Change in inventories of semi-finished and finished products	(335)	(3,359)
TOTAL COST OF MATERIALS	**18,813**	**17,929**

Costs for usage of raw & auxiliary materials and consumables decreased by -4.6% YoY, going down from € 18,813 thousand in 1H08 to € 17,929 thousand in 1H09. The decrease was related to the top-line trend.

18 – Other operating costs net of cost adjustments

(€'000)	1H 2008	1H 2009
Service costs	8,082	8,251
Rent and leases	1,046	1,063
Payroll	13,399	13,513
Accruals and other costs	423	1,037
Cost adjustments for in-house generation of non-current assets	(995)	(1,292)
Other operating costs net of cost adjustments	**21,955**	**22,572**

The item highlighted in the schedule above, i.e. Other operating costs, net of cost adjustments for internally generated non-current assets, rose from € 21,955 thousand in 1H08 to € 22,572 thousand in 1H09.
The increase in terms of absolute value was mainly due to the effect of translation into euro of foreign countries' figures, despite the fact that, in some cases, costs expressed in local currencies featured a decrease.

19 – Service costs

(€'000)	1H 2008	1H 2009
Industrial services	2,050	2,696
Commercial services	1,851	1,804
General and administrative costs	4,181	3,751
Total costs of services	**8,082**	**8,251**

In the periods considered, service costs increased by 2.0%, rising from € 8,082 thousand to € 8,251 thousand.

20 – Payroll costs

(€'000)	1H 2008	1H 2009
Wages, salaries, and Social Security	13,161	13,319
Severance indemnities	176	189
Retirement benefit and similar obligations	4	0
Other costs	58	5
Total cost of personnel	**13,399**	**13,513**

In the period in question payroll costs increased slightly. This increase reflects the different exchange rates applied in the periods considered. During the 12-month period there was in fact a decrease in employee headcount that is reflected in costs when expressed in local currencies.

As highlighted in the table below, the number of Group employees decreased at the end of the periods considered, going down from 608 in 1H08 to 564 in 1H09, and also decreasing by 22 heads vs. 31 December 2008. The change in employee headcount was due to reduction of personnel also stemming from synergies between the various Group companies.

Employees	1H 2008	FY2008	1H 2009
Management	2	2	2
Managers	23	19	15
Clerical workers	519	469	459
Line workers	64	96	88
TOTAL	**608**	**586**	**564**

21 – Cost adjustments for internally generated non-current assets

At 30 June 2009 the item Cost adjustments for internally generated non-current assets amounted to € 1,292 thousand (vs. € 995 thousand at 30 June 2008). It referred entirely to capitalisation of costs for internal staff, materials and services incurred for some new-product development projects in the fields of computers, systems, nanoPC modules, and wearable PCs. More specifically, if these costs had been deducted from the corresponding 1H09 income statement item, there would have been a reduction of € 44 thousand in materials costs, of € 887 thousand in payroll costs, and of € 361 thousand in service costs.

22 – Depreciation & amortisation and write-downs

(€'000)	1H 2008	1H 2009
Amortisation of intangile assets	3,330	2,714
Amortisation of property, plant and equipment	779	938
Write-down of fixed assets	230	357
Total amortisation and depreciation	**4,339**	**4,009**

Depreciation & amortisation and write-downs decreased from a total of € 4,339 thousand in 1H08 to € 4,009 thousand in 1H09. This reduction was mainly due to the decrease of amortisation of the higher amounts stemming from PPA (purchase price allocation), in turn due to write-down of trademarks at the end of FY2008, and to the increase in amortisation for development costs capitalised and on investments made in the reporting period.
Amortisation relating to PPA wholly referred to customer relationships (€ 1,570 thousand).
Write-down of assets was entirely due to reduction of capitalised development costs, i.e. for projects relating to special products that did not achieve the market acceptance originally forecast.

23 – Finance income and expense

The outcome of the Group's finance operations is summarised as shown in the next schedule:

(€'000)	1H 2008	1H 2009
Exchange-rate losses	697	993
Interest expenses	1,727	704
Interest expenses due to the discounting	0	174
Expenses on derivatives	0	60
Other finance expenses	57	26
Financial charges	**2,481**	**1,957**

(€'000)	1H 2008	1H 2009
Exchange-rate gains	135	755
Exchange-rate gains from PUT option	139	496
Interest income	779	357
Other finance income	5	4
Financial incomes	**1,058**	**1,612**
Net financial income	**(1,423)**	**(345)**

The decrease in interest expense was due to the Group's lower debt in 1H09 compared with 1H08, as well as to the reduction of interest rates payable. The increase in finance income was the consequence of the increase in foreign exchange gains, partly offset by the decrease in interest income.

24 – Income tax for the period

Income taxes for the period ended on 30 June 2009 totalled € 692 thousand (of which € 1,639 thousand for current taxes and € 947 thousand for net deferred tax assets) as opposed to a total tax charge of € 819 thousand at 30 June 2008 (of which € 2,464 thousand for current taxes and € 1,645 thousand for net deferred tax assets), with a decrease of € 127 thousand.

(€'000)	1H 2008	1H 2009
IRES (Italian corporate income tax)	0	0
IRAP (Italian Regional business tax)	7	0
Foreign current income taxes	2,457	1,639
Total current income tax	**2,464**	**1,639**
Net (prepaid) deferred taxes: Italy	66	3
Net (prepaid) deferred taxes: Non-italian	(1,711)	(950)
Net (prepaid) deferred taxes	**(1,645)**	**(947)**
TOTAL INCOME TAXES	**819**	**692**

Deferred tax assets (i.e. prepaid taxes) as at 30 June 2009 amounted to € 2,061 thousand (€ 1,533 thousand at 31 December 2008). The increase vs. 31 December 2008 was due to the foreign exchange effect and to the net effect of temporary differences created and reversed in 1H09.
Deferred tax liabilities as at 30 June 2009 amounted to € 11,253 thousand (€ 12,556 thousand at 31 December 2008). The decrease was mainly due to the tax effects on value attributed during PPA that reversed during 1H09 (€ 639 thousand) as well as to other temporary differences and the forex effect.

H – Other information

25 – Related-party transactions

The condensed half-yearly consolidated financial statements include the half-yearly financial statements of Eurotech SpA and the half-yearly accounts of the subsidiaries indicated in the following schedule:

Name	Location	% of ownership 31.12.2008	% of ownership 30.06.2009
Subsidiaries			
Parvus Corp.	United States	100.00%	100.00%
I.P.S. Sistemi Programmabili S.r.l.	Italy	100.00%	100.00%
ETH Lab S.r.l.	Italy	99.99%	99.99%
Eurotech Finland Oy	Finland	100.00%	100.00%
Eurotech France S.A.S.	France	100.00%	100.00%
Eurotech Ltd.	UK	100.00%	100.00%
E-Tech Inc.	United States	100.00%	100.00%
Eurotech Inc.	United States	100.00%	100.00%
E-Tech UK Ltd.	UK	100.00%	100.00%
Saee S.r.l.	Italy	100.00%	100.00%
Chengdu Vantron Technologies Inc.	China	65.00%	65.00%
Advanet Inc.	Japan	65% (1)	65% (1)
Spirit21 Inc.	Japan	65% (1)	65% (1)
Affiliated companies			
Emilab S.r.l.	Italy	24.82%	24.82%
Delos S.r.l.	Italy	40.00%	40.00%
eVS embedded Vision Systems S.r.l.	Italy	32.00%	32.00%
Utri S.p.A.	Italy	21.32%	21.32%

(1) As a result of valuation of a put option on the remaining 25% of share capital, the consolidation percentage is 90%

Below we present related-party transactions, not eliminated during consolidation, and compensation accrued in the period for directors and statutory auditors for offices held in Eurotech SpA and in other consolidated companies in compliance with the requirements of Article 78 of CONSOB (Italian securities & exchange commission) Regulation no. 11971/1999 as subsequently amended.

RELATED PARTIES	Revenues to related parties	Interest to related parties	Purchases from related parties	Financial receivables to related parties	Receivables from related parties	Payables from related parties
Associated companies						
Emilab S.r.l.	-	-	23	-	-	-
Delos S.r.l.	-	-	-	-	-	-
eVS embedded Vision Systems S.r.l.	-	-	-	-	-	-
Utri S.r.l.	-	2	-	302	-	-
Total	**-**	**2**	**23**	**302**	**-**	**-**
Other related parties						
The Next S.r.l.	1	-	-	-	1	-
Finmeccanica Group	520	-	3		756	-
Total	**521**	**-**	**3**	**-**	**757**	**-**

Name		Expiration	at June 30, 2009			
			Fees for the appointment	Other fees	Benefits	Bonus
Siagri Roberto	President	In charge up to 31.12.2010 financials approval	173	-	2	-
Tecchiolli Giampietro	Vice President - Director	In charge up to 31.12.2010 financials approval	118	-	-	-
De Toni Alberto Felice	Director	In charge up to 31.12.2010 financials approval	10	-	-	-
Pizzul Cesare	Director	In charge up to 31.12.2010 financials approval	10	-	-	-
Chiara Mio	Director	In charge up to 31.12.2010 financials approval	10	-	-	-
Barazza Sandro	Director	In charge up to 31.12.2010 financials approval	3	40	1	-
Bagnato Filippo	Director	In charge up to 31.12.2010 financials approval	3	-	-	-
Soccodato Giovanni	Director	In charge up to 31.12.2010 financials approval	3	-	-	-
Tucci Maurizio	Director	In charge up to 31.12.2010 financials approval	3	-	-	-
Siciliotti Claudio	President of Bord of Auditors	In charge up to 31.12.2010 financials approval	15	-	-	-
Cignolini Michela	Statutory Auditor	In charge up to 31.12.2010 financials approval	10	-	-	-
Giuseppe Pingaro	Statutory Auditor from April 29, 2009	In charge up to 31.12.2010 financials approval	3			
Rubatto Marco	Statutory Auditor up to April 29, 2009		7	-	-	-
TOTAL			368	40	3	-

Lastly, below we provide information on equity interests held in the company and its subsidiaries by members of the management and supervisory bodies, general managers and strategically accountable managers [Italian contractual grade for managers = “dirigenti”] as well as by their spouses not legally separated and their underage children, directly or via companies controlled, trustee companies or via an interposed third party, as shown by the shareholder register, notifications received and other information acquired from the members of the management and supervisory bodies, general managers, and strategically accountable managers in compliance with the requirements of Article 79 of CONSOB Regulation for Issuers no. 11971/19 99 as subsequently amended and Annex 3C of the same regulation.

Name		June 30, 2009							
		Company	Possessory title	Share at January 1,	Share acquired in the period	Share acquired in the period	Share disposed in the period	Share at the end of the period	Share at the end of the period indirectly
Siagri Roberto	President	Eurotech	Ownership	2,500,531	-	-	-	2,500,531	1,040,371
Tecchiolli Giampietro	Director	Eurotech	Ownership	191,015	-	-	-	191,015	-
De Toni Alberto Felice	Director	Eurotech	Ownership	6,003	-	-	-	6,003	-
Mio Chiara	Director	Eurotech	Proprietà	-	-	-	-	-	-
Pizzul Cesare	Director	Eurotech	Ownership	-				-	-
Barazza Sandro	Director	Eurotech	Ownership	-				-	-
Bagnato Filippo	Director	Eurotech	Ownership	-	-	-	-	-	-
Soccodato Giovanni	Director	Eurotech	Ownership	-	-	-	-	-	-
Tucci Maurizio	Director	Eurotech	Ownership	-	-	-	-	-	-
Siciliotti Claudio	President of Board of Auditors	Eurotech	Ownership	20,000			-	20,000	10,000
Cignolini Michela	Statutory Auditor	Eurotech	Ownership	-	-	-	-	-	-
Giuseppe Pingaro	Statutory Auditor from April 29, 2009	Eurotech	Ownership	-	-	-	-	-	-
Rubatto Marco	Statutory Auditor up to April 29, 2009	Eurotech	Ownership	-	-	-	-	-	-
Bulfoni Raffaele	General Director	Eurotech	Ownership	-	-	-	-	-	-

(*) Shares owned indirectly by Pronet S.r.l.

26 – Financial risk management: objectives and policies

The Group's financial instruments, other than derivative contracts, include bank loans in their various technical forms, finance leases, short-term and on-demand bank deposits, and trade payables. These instruments are intended to finance Group operations. The Group has several other receivable and payable financial instruments at its disposal, such as trade receivables and payables arising from operations and liquidity. The Group also has derivative transactions in place, mainly interest rate swaps and collars. The objective is to manage interest rate risks caused by Group transactions and by its sources of finance.

Consistently with Group policy, no derivatives are set up for speculative purposes.

The main risks generated by the Group's financial instruments are interest rate risk, liquidity risk, foreign exchange risk, and credit risk. The Board of Directors has reviewed and agreed the policies for managing these risks, as summarised below.

Interest rate risk

Group exposure to the risk of interest rate fluctuations mainly involves medium-term obligations taken on by the Group, featuring variable interest rates linked to various indices. In previous FYs the Group entered into collar contracts with an interest rate cap, and into interest rate swap (IRS) (still existing) contracts featuring recognition of a floating rate against payment of a fixed rate. Both types of contracts are designated to hedge changes in the interest rates in place on some loans. Group policy is to maintain between 30% and 60% of its loans at a fixed rate. As at 30 June 2009, not considering the loans already in place at the Japanese companies, for which the interest rate is limited, approximately 50% of Group loans had a fixed interest rate (in 2008 the percentage was also 50%).

Foreign exchange risk

In view of the significant investment transactions in the USA, Japan and the UK, with substantial foreign-currency cash flows coming both from business operations and financial operations, the Group's financial statements can be significantly affected by changes in the USD/EUR, JPY/EUR and GBP/EUR exchange rates.

Some 86.7% of the Group's sales of goods and services and 72.3% of its purchasing costs and operating costs are denominated in a currency other than the functional currency used by the parent company to prepare these condensed half-yearly consolidated financial statements.

Product and component price risk
Group exposure to price risk is not significant.

Credit risk
The Group trades only with known and reliable customers. The Group's policy is to check the creditworthiness grade of customers that request extended payment arrangements. In addition, the balance of receivables is monitored during the year so that the amount of non-performing positions is not significant. Receivables of the main customers are insured.
Part of trade receivables are assigned using non-recourse factoring transactions that transfer this risk to the factoring company.
There is no significant concentration of credit risk in the Group.
Credit risk concerning other Group financial assets, which include cash & cash equivalents and financial instruments, features a maximum risk, in the event of the counterparty's insolvency, equal to the book value of these assets.

Liquidity risk
The objective of the Group is to preserve a balance between maintenance of funds and flexibility through the use of overdrafts, loans, and finance leases, as well as via equity financing in the market.
Group policy states that no more than 40% of loans must fall due within 12 months.
At 30 June 2009, based on reported balances in financial statements, 18.4% of the Group's financial payables were due within one year (19.0% in 2008).

27 – Derivative instruments

Fair value

Comparison of the carrying value and fair value by category of all Group financial instruments reported in accounts has not revealed any significant differences such as to be represented, besides those highlighted.
The fair value of derivatives and of loans obtained has been calculated by discounting expected cash flows to present value applying prevailing interest rates. The fair value of other financial assets has been calculated using market interest rates.

Interest rate risk

Interest on financial instruments classified as variable-rate instruments is recalculated periodically during the financial year. Interest on financial instruments classified as fixed-rate instruments is kept constant until the maturity date of the instruments concerned.

Hedging

Cash flow hedges

As at 30 June 2009, the Group held five IRS contracts (for a total of € 15.5 million) signed during the last four years and 2007 and designated as instruments to hedge the risk of interest rate changes.

	End date	*Fixed rate*	*Variable rate*	*Market value (€'000)*
Interest rate swap contracts				
€ 8,000,000	30 June 2011	3.95%	6-month Euribor	(186)
€ 7,500,000	30 December 2015	4.08%	6-month Euribor	(325)

Interest rate swap contract conditions were negotiated to make them coincide with the conditions of the underlying commitments.
Accounting treatment of the above financial instruments led to an overall net effect of € -511 thousand recognised directly in equity of which € 164 thousand accrued in 1H09.

28 – Events after the reporting period

In July 2009 the Japanese subsidiary Advanet Inc. took part with a 40% stake (the remaining 60% is owned by Mr. Fumio Komatsu, the minority shareholder of Advanet Inc.) in the incorporation of a company in Japan called Union Arrow Technologies Inc. (UAT Inc.). The company will dedicate itself to the design and sale of contactless testing equipment for the sector of flat panel displays, OLED display panels and solar cells. Immediately after its incorporation, UAT acquired a company division from the listed Japanese company Tokyo Cathode Laboratory Co. Ltd. and some licenses and patents from the Japanese company OHT, with the aim of focusing on a fabless business model and of becoming – already as of 2010 – an important player in the niche segment of contactless testing equipment.
No other significant events took place after the end date of the condensed half-yearly consolidated financial statements at 30 June 2009.

29 – Business seasonality

The sector in which the Group operates does not feature any significant seasonal trends. Notwithstanding this, the Group has historically featured a greater concentration of revenues in the second part of the year. These higher sales in the second half are primarily due to customers' scheduling and are confirmed by the Group's present order book.

Attestation of Condensed Half-Yearly Consolidated Financial Statements

Pursuant to Article 154-bis, paragraph 5 – Part IV, Title III, Head II, Section V/2, of Italian Legislative Decree no. 58 of 24 February 1998: "Consolidated Finance Act [Testo unico delle disposizioni in materia di intermediazione finanziaria] pursuant to Articles 8 and 21 of Law 52 of 6 February 1996".

1) The undersigned Roberto Siagri, Chief Executive Officer, and Sandro Barazza, Corporate Financial Reporting Manager, of Eurotech SpA, herewith attest, also having taken into account the requirements of Article 154-bis, paragraphs 3 and 4, of Italian Legislative Decree no. 58 of 24 February 1998 [the Italian Consolidated Finance Act] as subsequently amended and supplemented:
    1) the adequacy in relation to the entity's characteristics and
    2) the effective application of administrative and accounting procedures for formation of condensed half-yearly financial statements during the period from 1 January 2009 to 30 June 2009.

2) No significant aspects emerged in this respect.

3) It is further attested that the condensed half-yearly consolidated financial statements:
    a) Match corporate books and accounting records;
    b) Have been prepared in compliance with the international accounting standards (IFRSs) recognised in the European Union pursuant to Regulation (CE) no. 1606/2002 of the European Parliament and Council, dated 19 July 2002;
    c) Are able to provide fair and true representation of the balance sheet, business performance and financial status of the set of entities included in the scope of consolidation.

4) The interim management report contains references to the important events occurring in the first six months of the financial year and to their impact on condensed half-yearly consolidated financial statements, together with a description of the main risks and uncertainties for the remaining six months of the financial year, as well as information on significant related-party transactions.

Amaro (UD), 28 August 2009

Eurotech SpA

Roberto Siagri
Chief Executive Officer

Sandro Barazza
Corporate Financial Reporting Manager

Independent auditor's report

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Auditors' review report on the interim condensed consolidated financial statements
(Translation from the original Italian text)

To the Shareholders of
EUROTECH S.p.A.

1. We have reviewed the interim condensed consolidated financial statements, comprising the statement of financial position, the statement of basic income and of comprehensive income, the statement of changes in equity and cash flows and the related explanatory notes, of EUROTECH S.p.A. and its subsidiaries (the "EUROTECH Group") as of June 30, 2009. Management of EUROTECH S.p.A. is responsible for the preparation of the interim condensed consolidated financial statements in conformity with the International Financial Reporting Standards applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to issue this review report based on our review.

2. We conducted our review in accordance with review standards recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 of July 31, 1997. Our review consisted mainly of obtaining information on the accounts included in the interim condensed consolidated financial statements and the consistency of the accounting principles applied, through discussions with management, and of applying analytical procedures to the financial data presented in these consolidated financial statements. Our review did not include the application of audit procedures such as tests of compliance and substantive procedures on assets and liabilities and was substantially less in scope than an audit conducted in accordance with generally accepted auditing standards. Accordingly, we do not express an audit opinion on the interim condensed consolidated financial statements as we expressed on the annual consolidated financial statements.

   With respect to the consolidated financial statements of the prior year and the interim condensed consolidated financial statements of the corresponding period of the prior year, presented for comparative purposes, the latter restated in accordance with IAS 1 (2007), reference should be made to our reports issued on March 31, 2009 and on August 28, 2009, respectively.

3. Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements of EUROTECH Group as of June 30, 2009 are not prepared, in all material respects, in conformity with the International Financial Reporting Standards applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Treviso, August 28, 2009

Reconta Ernst & Young S.p.A.
Signed by: Claudio Passelli, Partner

This report has been translated into the English language solely for the convenience of international readers

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