CONSOLIDATED QUARTERLY REPORT

at 31 March 2009

EUROTECH

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

TABLE OF CONTENTS

Company 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 Report for the 2010 financial year.

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 Report for the 2010 financial year.

Independent Auditor	
	Reconta Ernst & Young

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 Officer 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.

Performance highlights

Income statement

OPERATING RESULTS €'000	31.03.2008	%	31.03.2009	%
SALES REVENUES	21,443	100.0%	19,305	100.0%
GROSS PROFIT	12,309	57.4%	10,483	54.3%
EBITDA	1,749	8.2%	(1,165)	-6.0%
EBIT	(674)	-3.1%	(3,132)	-16.2%
PROFIT (LOSS) BEFORE TAXES	(2,646)	-12.3%	(2,967)	-15.4%
GROUP NET PROFIT (LOSS) FOR THE PERIOD	(3,350)	-15.6%	(3,195)	-16.6%

Income statement net of the accounting effects arising from price allocation

OPERATING RESULTS €'000	31.03.2008 adjusted	%	31.03.2009 adjusted	%
SALES REVENUES	21,443	100.0%	19,305	100.0%
GROSS PROFIT	12,428	58.0%	10,483	54.3%
EBITDA	1,868	8.7%	(1,165)	-6.0%
EBIT	1,107	5.2%	(2,317)	-12.0%
PROFIT (LOSS) BEFORE TAXES	42	0.2%	(2,339)	-12.1%
GROUP NET PROFIT (LOSS) FOR THE PERIOD	(1,448)	-6.8%	(2,931)	-15.2%

For the details of the price allocation's effects, please refer to explanatory notes on page 11.

Balance sheet figures

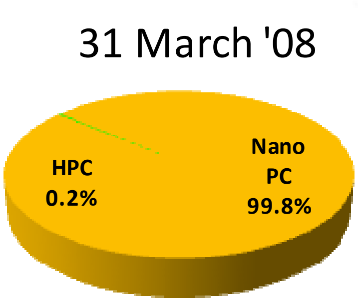
€'000	31.03.2008	31.12.2008	31.03.2009
NET NON-CURRENT ASSETS	120,218	125,690	123,484
NET WORKING CAPITAL	25,771	27,430	27,822
SHAREHOLDERS' EQUITY	119,545	137,473	133,238
NET FINANCIAL POSITION	9,102	(572)	2,753

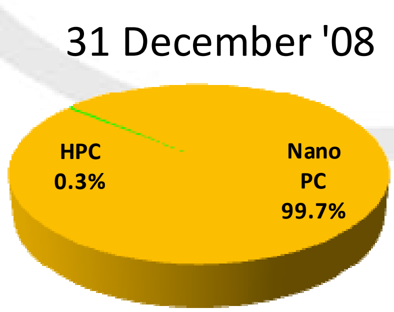
Employee headcount

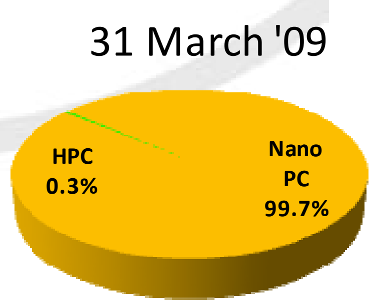
	31.03.2008	31.12.2008	31.03.2009
NUMBER OF EMPLOYEES	606	586	560

Revenues by business segment

(€'000)	NanoPC			High Performance Computer			Total		
	First 3 months 2008	31.03.2009	% YoY Change	First 3 months 2008	31.03.2009	% YoY Change	First 3 months 2008	31.03.2009	% YoY Change
Sales revenues	21,400	19,252	-10.0%	43	53	23.3%	21,443	19,305	-10.0%

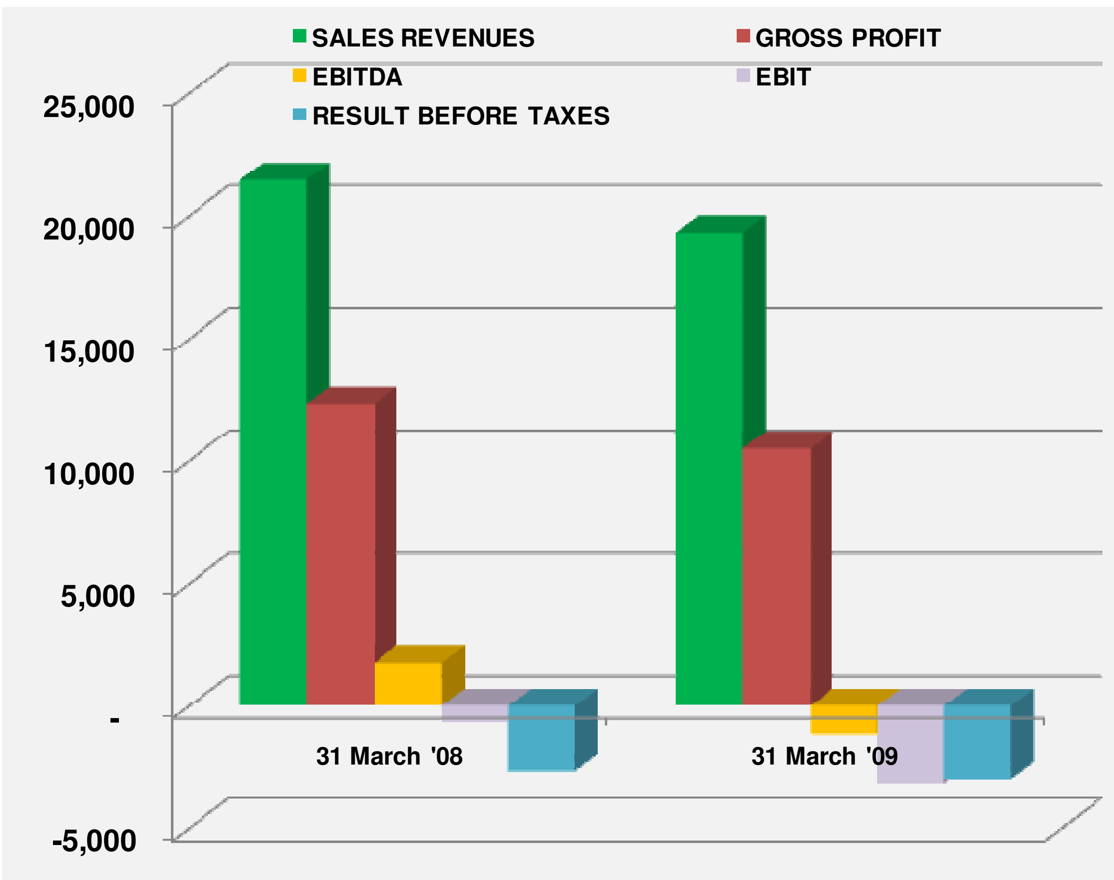






The Group business segments identified are “NanoPCs” and “HPC” (high performance computers). The NanoPCs segment comprises miniaturised electronic modules and systems for the industrial, transport, aerospace, defence, security and medical sectors, while the HPC segment consists of computers featuring high performance computing capability targeting universities, research institutes and computing centres. Volumes in the High Performance Computer business were influenced by the cyclicality characterizing this sector.

Operating profit performance



Information for shareholders

The shares of Eurotech S.p.A., the parent company of the Eurotech Group, have been listed in the STAR segment of the Milan Bourse since 30 November 2005.

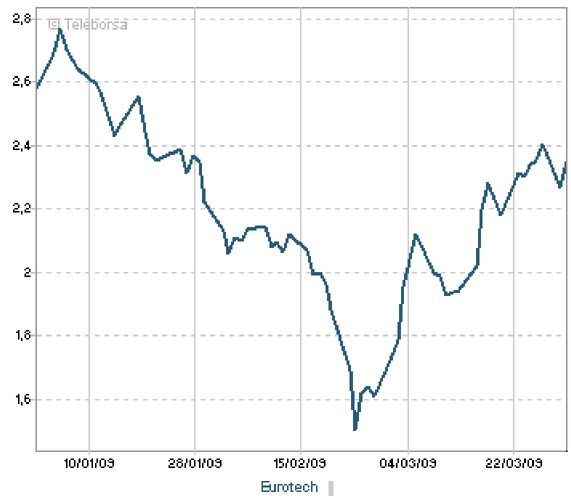
Share capital of Eurotech S.p.A. at 31 March 2009

Share capital	€ 8,878,946.00
Number of ordinary shares (without per-share par value)	35,515,784
Number of savings shares	-
Number of Eurotech S.p.A. treasury shares	420,140
Stock market capitalisation (based on the share's average price in March 2009)	€ 83 million
Stock market capitalisation (closing price at 31 March 2009)	€ 84 million

Performance of Eurotech S.p.A. share.

Absolute performance of Eurotech S.p.A. share
01.01.2009 – 31.03.2009

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



The candle chart shows the share's daily highs and lows

The Eurotech Group

Eurotech is a “global company” based in Italy with offices in Europe, North America and Asia. The Group has a strong international focus: its primary operating 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: the miniaturisation of “intelligent” devices, which are capable of processing information; their spread in the real world – in buildings and machinery, on board vehicles, on persons and in the environment; and their ability to network and communicate.
In this perspective, Eurotech engages in research, development, marketing and selling of miniaturised computers for special uses (NanoPC) and of supercomputers with high computing capacity (HPC). 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 computing grid”.

The Group’s various products in the NanoPC segment are distinguished according to their value stack. Typically, a NanoPC is a computer in miniature consisting of:

- an embedded electronic board that is installed in industrial machines
- an application-ready system or platform to be installed on vehicles such as trains, airplanes and buses
- ready-2-use devices to be used in all sorts of applications, frequently in support of value added services.

NanoPCs can also assume the form of system-on-chips (SoC), and thus have the dimensions of a small coin; for example, this is the case of intelligent sensors, also called “smart dust.”
All of these NanoPCs have wireline or wireless communication channels to assure their interconnection. This combination of processing and communication capabilities enables Eurotech's NanoPCs to become key elements in the pervasive scenario that the firm plans to create.

The Group’s NanoPC offering is used in many types of applications, both conventional and emerging. Eurotech is most active in the transport, defence, aerospace, industrial and medical sectors. What many of our customers in all these sectors are seeking is not just a supplier but also an expert technology centre, and they frequently find that Eurotech is the right partner for innovating their products and way of doing business. They want to reduce their time-to-market and focus on their core activities. They often need solutions for heavy-duty usage conditions and mission critical applications, or long-term supply guarantees.
In the HPC segment, Eurotech designs and builds supercomputers that are created through the massive interlinking 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 as measured by market standards
- a fabless production model
- evolution of its business model towards ready-to-use products (in the end-customer’s applications)
- strong interaction with the academic and basic-research worlds.

Summary of performance in the first quarter of 2009 and business outlook

Introduction

The Consolidated Quarterly Report of the Eurotech Group at 31 March 2009, which are unaudited, and the financial statements of comparative periods were drawn up according to the IASs/IFRSs issued by the International Accounting Board and approved by the European Union.

The applicable IASs/IFRSs are those in force on the date of preparation and the statements have been prepared according to Annex 3D of the Italian Issuers' Regulation no. 11971 of 14 May 1999, as amended.

Reporting policies

The consolidated financial statements have been drafted on the basis of the financial statements at 31 March 2009, prepared by the consolidated companies and adjusted, where necessary, to align them with the Group's IFRS-compliant accounting and classification policies.
The accounting policies and consolidation methods used for preparation of the interim report are consistent with those used in the Consolidated Annual Report at 31 December 2008, which should be viewed for reference. Taxes have been calculated based on the best possible estimates. The policy adopted for euro conversion of accounting balances expressed in other currencies sets forth that balance sheet entries have been converted to EUR at period-end exchange rates, while income statement entries have been converted at the average rates of the period. The differences arising from conversion of balance sheet and income statement items are recorded in a special shareholders' equity reserve.

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

In accordance with CONSOB (Italian securities & exchange commission) regulations, income statement figures are shown for the quarter of reference and are compared with data for the same period in the previous financial year. Restated balance sheet figures, which refer to the end date of the quarter, are compared with the end date of the previous financial year.The format of the financial statements is the same as that of the statements presented in the midyear Interim Report and in the Annual Report & Accounts.

This document presents some alternative performance indicators to enable a better evaluation of the economic and financial performance of the Group. Alternative performance indicators are as follows:

- Gross profit is the difference between revenues from sales and services and use of materials;
- EBITDA (earnings before amortization, depreciation and write-downs, financial income & expense and income taxes for the year)
- Operating result (EBIT) is gross of financial income and expense and income taxes.

Operating performance in the period

In the first three months of 2009 (1Q09) Group revenues totalled € 19.31 million (mn) vs. € 21.44 mn in the first three months of 2008 (1Q08). This -10% YoY decrease was the consequence of the downturn in order intake experienced at the end of 2008 due to the global economic situation, which led to customers revising their previous sales forecasts. The impact of the global macroeconomic crisis is evident above all in the Asian area and in Europe, where the most significant sales decreases occurred.

Before commenting in detail on income statement figures, we must 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, Applied Data Systems Inc., and the Advanet Group.

Below we summarise interim results with and without the effects of PPA:

- EBIT instead of € -3.13 mn would amount to € -2.32 mn
- The consolidated pre-tax loss instead of € -2.97 mn would have been € -2.34 mn
- The consolidated net loss instead of € -3.20 mn would amount to € -2.93 mn.

Gross profit margin remained in line with that achieved at 2008 year-end and was 54.3%, slightly down vs. the 57.4% margin achieved in 1Q08. This slippage was mainly attributable to the different contribution to the period's sales, compared with last year, of companies featuring higher margins. Percent margin remained 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 limitation of COGS implemented via integration and harmonisation among Group affiliates of processes for managing purchased materials.

In the quarter in question, operating costs as a percentage of sales, inclusive of the adjustments made, rose from 52.4% in 1Q08 (= € 11.2 mn) to 62.6% in 1Q09 (= € 12.1 mn). This trend, affected by the different impact of exchange rates, in turn affected Group EBITDA.
1Q09 featured Group attention to continued implementation of synergies between the various affiliates, focusing on the incidence of existing fixed costs and implementing 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 on a quarter that was in line with expectations but below the Group's real capacity.

First-quarter EBITDA decreased from € 1.75 mn in 2008 to € -1.17 mn in 1Q09. This performance was mainly due to the lower contribution of gross profit following lower sales and to lower margin. These were the main factors causing the change in EBITDA margin on sales, which descended from 8.2% in 1Q08 to -6.0% in

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[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: € 119 thousand only in 1Q08 arising from charging to the income statement of part of the higher inventory value identified at the time of acquisition of the Advanet Group;
- Depreciation, amortisation and impairment: € 815 thousand (€ 1,662 thousand in 1Q08), equal to the higher amortisation charged to the higher value attributed to intangible assets (in 2009 only for customer relationships, whereas in 2008, besides this, also for the trademark and order book). In both periods higher amortisation charges were due to the higher value attributed to the cash generating units Applied Data Systems Inc.and Arcom Control Systems Inc. (now Eurotech Inc.) and to the Advanet Group;
- Finance expense and income: net finance income of € 186 thousand (of which € -89 thousand relating to interest expense for discounting to present value and € 276 thousand of foreign exchange valuation gains) for 2009 and, for 2008, net finance expense of € -907 thousand (of which € -194 thousand relating to interest expense for discounting to present value and € -714 thousand of foreign exchange valuation losses)) stemming from recognition of the liability for purchase of a further 25% stake in Advanet Inc. after quantification of a put option;
- Lower income taxes: € 328 thousand for 1Q08 (€ 713 thousand in 1Q09) arising from the tax effect on the adjustments made;
- Higher net result attributable to minority interests: € 36 thousand for 1Q08 (€ 73 thousand in 1Q09) stemming from the effect of PPA attributed to minority interests.

1Q09. The negative effects of PPA on EBITDA related solely to the 2008 period and amounted to € 119 thousand.

EBIT decreased to € -3,132 thousand in 1Q09 vs. € -674 thousand in 1Q08. EBIT margin on sales was affected by the level of sales and was -16.2% vs. -3.1% in 1Q08.
This performance was also influenced by the EBITDA trend already discussed above. It in any case felt the effects of depreciation & amortisation charged to the income statement in 1Q09, arising both from operating assets that became subject to depreciation in 1Q09 and from the effects of PPA relating to the acquisitions of Eurotech Inc. (ex-Applied Data Systems Inc. and ex-Arcom Control Systems Inc.) and of the Advanet Group. The effect on EBIT of the higher value attributed as a result of PPA was € 815 thousand in 1Q09 vs. € 1,662 thousand in 1Q08.

1Q09 featured net finance income of € 165 thousand vs. net finance expense of € -1,972 thousand in 1Q08. Besides careful deployment of cash, this result also reflected (a) a better foreign exchange difference due to currency trends and (b) reduction of interest rates on bank borrowings. We also point out that 1Q09 was affected by € 89 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 € 276 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 March. For greater detail, readers should refer to the comments made in Note L.

There was a pre-tax loss in 1Q09 of € -2,967 thousand (vs. a loss of € -2,646 thousand in 1Q08). This performance was driven by the factors described above. PPA effects on the pre-tax result amounted to € 2,688 thousand in 1Q08 and to € 628 thousand in 1Q09.

In terms of the consolidated result after taxes, the loss decreased from € -3,350 thousand in 1Q08 to € -3,195 thousand in 1Q09. Besides reflecting the trend of the pre-tax result, this mainly arose from the reduced 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 1Q09 amounted to € 264 thousand (1Q08 = € 1,902 thousand).

Financial statements and explanatory notes

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

Consolidated income statement

OPERATING RESULTS (€/000)	Note	31/03/2008	%	31/03/2009	%
Revenues from sales of products and services	C	21,443	100.0%	19,305	100.0%
Operating costs:					
Cost of materials	D	(9,134)	-42.6%	(8,822)	-45.7%
Gross profit		**12,309**	**57.4%**	**10,483**	**54.3%**
Service costs	E	(3,740)	-17.4%	(4,128)	-21.4%
Lease & hire costs		(502)	-2.3%	(554)	-2.9%
Payroll costs	F	(6,858)	-32.0%	(7,153)	-37.1%
Other provisions and other costs	G	(142)	-0.7%	(257)	-1.3%
Other revenues	H	682	3.2%	444	2.3%
Profit before depreciation and amortization		**1,749**	**8.2%**	**(1,165)**	**-6.0%**
Depreciation & amortisation	I	(2,423)	-11.3%	(1,967)	-10.2%
Asset impairment	I	0	0.0%	0	0.0%
Operating profit		**(674)**	**-3.1%**	**(3,132)**	**-16.2%**
Share of associates' profit of equity	L	0	0.0%	0	0.0%
Finance expense	L	(2,438)	-11.4%	(773)	-4.0%
Finance income	L	466	2.2%	938	4.9%
Profit before taxes		**(2,646)**	**-12.3%**	**(2,967)**	**-15.4%**
Income tax	M	(636)	-3.0%	(224)	-1.2%
Net profit (loss) before minority inerest		**(3,282)**	**-15.3%**	**(3,191)**	**-16.5%**
Minority interest	Q	**68**	**0.3%**	**4**	**0.0%**
Group net profit (loss) for period		**(3,350)**	**-15.6%**	**(3,195)**	**-16.6%**
Base earnings (losses) per share		**(0.094)**		**(0.091)**	
Diluted earnings (losses) per share		**(0.094)**		**(0.091)**	

See explanatory notes starting on page 19.

Consolidated balance sheet

(€'000)	Notes	at March 31, 2008	at December 31, 2008	at March 31, 2009
ASSETS				
Intangible assets		110,041	114,399	112,176
Property, Plant and equipment		6,569	7,885	7,526
Investments in affiliates companies		926	875	875
Investments in other companies		258	249	258
Deferred tax assets		1,774	1,533	1,920
Other non-current assets		650	749	729
Total non-current assets	N	**120,218**	**125,690**	**123,484**
Inventories		22,217	19,783	21,489
Contracts in progress		1,730	383	383
Trade receivables		15,657	22,063	19,613
Income tax receivables		1,468	4,124	2,707
Other current assets		3,891	2,792	2,471
Other current financial assets		0	719	50
Derivative instruments		36	0	0
Cash & cash equivalents		48,818	38,684	36,222
Total current assets		**93,817**	**88,548**	**82,935**
Total assets		**214,035**	**214,238**	**206,419**
LIABILITIES AND EQUITY				
Share capital		8,879	8,879	8,879
Reserves		111,367	137,888	124,136
Net profit (loss) for period		(3,350)	(12,708)	(3,195)
Group shareholders' equity	Q	**116,896**	**134,059**	**129,820**
Minority capital and reserves		2,581	3,184	3,414
Minority profit (loss) for period		68	230	4
Equity attributable to minority interest	Q	**2,649**	**3,414**	**3,418**
Total shareholders' equity	Q	**119,545**	**137,473**	**133,238**
Medium-/long-term borrowing		31,297	24,654	24,834
Employee benefit obligations		1,582	1,742	1,639
Deferred tax liabilities		14,407	12,556	11,844
Other non-current liabilities		1,353	1,921	1,832
Business combination liabilities		16,642	8,049	6,839
Total non-current liabilities		**65,281**	**48,922**	**46,988**
Trade payables		12,087	15,207	12,769
Short-term borrowing		8,179	5,782	5,703
Derivative instruments		0	346	578
Income tax liabilities		1,047	1,461	959
Other current liabilities		6,058	5,047	5,113
Business combination liabilities		1,838	0	1,071
Total current liabilities		**29,209**	**27,843**	**26,193**
Total liabilities		**94,490**	**76,765**	**73,181**
Total liabilities and equity		**214,035**	**214,238**	**206,419**

Net financial debt

As per the CESR recommendation of 10 February 2005, the following table shows the Group's net financial debt as at 31 March 2009, detailing it by due date and comparing it with status as at 31 March 2008 and 31 December 2008:

(€'000)		at March 31, 2008	at December 31, 2008	at March 31, 2009
Cash & cash equivalents	A	(48,818)	(38,684)	(36,222)
Cash equivalent	**B=A**	**(48,818)**	**(38,684)**	**(36,222)**
Other current financial assets	C		(719)	(50)
Derivative instruments	D	(36)	346	578
Short-term borrowing	E	8,179	5,782	5,703
Business aggregation liabilities	F	1,838	0	1,071
Short-term financial position	**G=C+D+E+F**	**9,981**	**5,409**	**7,302**
Short-term net financial position	**H=B+G**	**(38,837)**	**(33,275)**	**(28,920)**
Business aggregation liabilities	I	16,642	8,049	6,839
Medium-/long-term borrowing	J	31,297	24,654	24,834
Medium-/long-term net financial position	**K=I+J**	**47,939**	**32,703**	**31,673**
NET FINANCIAL POSITION	**L=H+K**	**9,102**	**(572)**	**2,753**

Net working capital

The Group's net working capital at 31 March 2009, compared with status as at 31 March 2008 and as at 31 December 2008, is shown below:

(€'000)	at March 31, 2008	at December 31, 2008 (a)	at March 31, 2009 (b)	Changes (b-a)
Inventories	22,217	19,783	21,489	1,706
Contracts in progress	1,730	383	383	0
Trade receivables	15,657	22,063	19,613	(2,450)
Income tax receivables	1,468	4,124	2,707	(1,417)
Other current assets	3,891	2,792	2,471	(321)
Current assets	*44,963*	*49,145*	*46,663*	*(2,482)*
Trade payables	(12,087)	(15,207)	(12,769)	2,438
Income tax liabilities	(1,047)	(1,461)	(959)	502
Other current liabilities	(6,058)	(5,047)	(5,113)	(66)
Current liabilities	*(19,192)*	*(21,715)*	*(18,841)*	*2,874*
Net working capital	**25,771**	**27,430**	**27,822**	**392**

A – Eurotech Group business

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

The NanoPC segment comprises miniaturised electronic modules and systems currently targeting the industrial, transport, defence and medical sectors. Our NanoPC operations are conducted by Eurotech SpA, I.P.S. Sistemi Programmabili Srl, and SAEE Srl (operating mainly in Italy), Parvus Corp. and Eurotech Inc. (operating mainly in the USA), Eurotech Ltd. (operating mainly in the United Kingdom), Eurotech France S.A.S. (operating mainly in France), the Advanet Group (operating mainly in Japan), and Eurotech Finland Oy (based in Finland and operating mainly in Northern Europe and the Far East). Our NanoPC products are marketed under the trademarks Eurotech, Parvus, IPS, Vantron and Advanet.

The HPC segment consists of computers featuring high performance computing capability targeting universities, research institutes and data-processing centres.

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

B – Consolidation area

The companies included in the scope of consolidation as at 31 March 2009 and consolidated on a 100% line-by-line basis are as follows:

Company name	Registered offices	% Ownership
Parent company		
Eurotech SpA	Via Fratelli Solari 3/A – Amaro (UD)	
Subsidiaries consolidated line by line		
Parvus Corp.	Salt Lake City (USA)	100.00%
Eurotech France Sas	Venissieux Cedex (France)	100.00%
Eurotech Finland Oy	Helsinki (Finland)	100.00%
I.P.S. Sistemi Programmabili Srl	Via Piave 54 – Caronno Varesino (VA)	100.00%
Eurotech Inc.	Colombia (USA)	100.00%
Eurotech Ltd.	Cambridge (UK)	100.00%
E-Tech UK Ltd.	Cambridge (UK)	100.00%
E-Tech USA Inc.	Colombia (USA)	100.00%
SAEE Srl	Via Fratelli Solari, 5 – Amaro (UD)	100.00%
EthLab Srl	Via Dante 78 – Pergine (TN)	99.99%
Chengdu Vantron Technology Limited	Chengdu (China)	65.00%
Advanet Inc.	Okayama (Japan)	65.00% (1)
Spirit 21 Inc.	Okayama (Japan)	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 (UD)	32.00%
Emilab Srl	Via Jacopo Linussio, 1 – Amaro (UD)	24.82%
U.T.R.I. Srl	Via del Follatoio, 12 – Trieste	21.31%
Other minor companies measured at cost		
Kairos Autonomi	Salt Lake City (USA)	19.00%

Compared with 31 December 2008, there was no change in the equity interests owned in subsidiary and associate companies as at 31 March 2009.

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

Currency	Average 3Months 2008	As of March 31, 2008	Average at 2008	As of December 31, 2008	Average 3Months 2009	As of March 31, 2009
British pound sterling (GBP)	0.75698	0.79580	0.79628	0.95250	0.90878	0.93080
Japanese Yen	157.79871	157.37000	152.45406	126.14000	122.04397	131.17000
Renmimbi	10.72685	11.08740	10.22361	9.49560	8.90659	9.09420
USA Dollar	1.49760	1.58120	1.47076	1.39170	1.30286	1.33080

C - Revenues

The revenues earned by the Group amounted to € 19,305 thousand (vs. € 21,443 thousand in 1Q08), with a decrease of € 2,128 thousand, i.e. -10% YoY. This reduction was due to the economic situation already experienced at the end of the previous year, when there was a decrease in orders for the early months of the current year.

The revenue trend, breakdown by business segment, and related changes were as follows:

SALES BY BUSINESS SEGMENT	First 3 months 2008	%	First 3 months 2009	%
NanoPC	21,400	99.8%	19,252	99.7%
High Perf. Computer	43	0.2%	53	0.3%
TOTALE SALES AND SERVICE REVENUE	***21,443***	***100.0%***	***19,305***	***100.0%***

Revenues of the NanoPC business segment, which amounted to € 21,400 thousand in 1Q08 and € 19,252 thousand in 1Q09, decreased by -10.0% YoY.
Conversely, the HPC segment's revenues remained in line with the previous year, progressing from € 43 thousand in 1Q08 to € 53 thousand in 1Q09.

The low weight of the HPC business line's revenues was a consequence of this sector's cyclicality, also typically featuring a limited number of large orders for customers generally relating to the scientific and research worlds.

The following table shows the geographical breakdown of revenue:

BREAKDOWN BY GEOGRAPHIC AREA	First 3 months 2008	%	First 3 months 2009	%	var. %
Italy	1,374	6.4%	1,225	6.3%	-10.8%
European Union without Italy	3,022	14.1%	2,345	12.1%	-22.4%
United States	8,377	39.1%	9,533	49.4%	13.8%
Japan	7,723	36.0%	5,744	29.8%	-25.6%
Rest of the World	947	4.4%	458	2.4%	-51.6%
TOTALE SALES AND SERVICE REVENUE	***21,443***	***100.0%***	***19,305***	***100.0%***	***-10.0%***

As regards the figures by geographical area shown in the table above, we note the sales trend in Japan – caused by the economic crisis in that area, particularly as regards the semiconductor sector.
Sales in Japan in fact decreased by € 1,979 thousand, with a decrease of -25.6% YoY.
US sales instead improved, growing by € 1,156 thousand, i.e. +13.8% YoY. This demonstrates the firmness of the American geographical area, particularly in anti-cyclical sectors, also thanks to the increase in the customer base.

D – Costs for raw & auxiliary materials and consumables used

Costs for raw & auxiliary materials and consumables used, strictly related to sales, decreased in the period considered, going down from € 9,134 thousand in 1Q08 to € 8,822 thousand in 1Q09. There was in fact a decrease of € 312 thousand, i.e. 3.4%.
The less than proportional decrease compared with that of sales was due to the different contribution to the period's sales, compared with last year, of companies featuring higher margins, and to the purchase of components that will be used to fill orders in the next few months. The latter is also reflected in period-end inventories.

As a percentage of revenues, these costs increased from 42.6% in 1Q08 to 45.7% in 1Q09.

E – Service costs

Service costs increased from € 3,740 thousand in 1Q08 to € 4,128 thousand in 1Q09, with an outright increase of € 388 thousand, i.e. +10.4% YoY. As a percentage of sales, these costs increased from 17.4% in 1Q08 to 21.4% in 1Q09.

As these costs remained substantially the same in the two periods, considering individual subsidiaries in local currency, the absolute increase must be primarily attributed to the effect of conversion into Euros of foreign companies' figures.

F – Payroll costs

In the period in question, payroll costs increased from € 6,858 thousand to € 7,153 thousand with an increase of 4.3% YoY, due to the effects of conversion from local currencies.
As a percentage of revenues, they increased from 32.0% in 1Q08 to 37.1% in 1Q09, primarily because of the reduction in sales and thus the lower absorption of fixed costs.

The change in employee headcount vs. 31 December 2008 was due to headcount reduction arising from synergies between the various group companies.

The table below details Group employee headcount.

Employees	31.03.2008	FY2008	31.03.2009
Management	2	2	2
Managers	20	19	16
Clerical workers	513	469	458
Line workers	71	96	84
TOTAL	***606***	***586***	***560***

G – Other provisions and costs

As at 31 March 2009 this item included provision of € 36 thousand for doubtful accounts (vs. € 5 thousand in 1Q08) and refers to provisions made to cover any non-collectability of trade receivables.
Other provisions and costs as a percentage of revenue were 1.3% vs. 0.7% in the same period in 2008.

H – Other revenues

Other revenues showed a decrease of -34.9%. The item in fact decreased from € 682 thousand in 1Q08 to € 444 thousand in 1Q09. Other revenues consisted of € 328 thousand relating to capitalisation of development costs for new solutions featuring highly integrated standard modules and systems (vs. € 618 thousand in 1Q08) and miscellaneous income of € 116 thousand (vs. € 4 thousand in 1Q08), whereas they did not include any operating grants, as none were received in the period (as opposed to € 60 thousand in 1Q08).

I – Depreciation & amortisation and asset impairment

There was a € 456-decrease in depreciation & amortisation, which went from € 2,423 thousand in 1Q08 to € 1,967 thousand in 1Q09. This change was primarily due to write-downs applied at the end of 2008 to the ADS and Arcom trademarks following completion of integration between the US companies Applied Data System Inc. and Arcom Control Systems Inc.

Amortisation relating to purchase price allocation, which as at 31 March 2009 totalled € 694 thousand, related entirely to the residual portion of customer relationships.

L – Finance expense and income

The decrease in finance expense, which went down from € 2,438 thousand in 1Q08 to € 773 thousand in 1Q09, was due to (a) foreign exchange differences relating to the trend of the USD, GBP and JPY (for the latter currency, the foreign exchange difference is related to the foreign currency financial liability stemming from quantification of the put option on 25% of Advanet share capital); (b) reduction of debt following repayment of some loans during 2008 by the Advanet Group; and (c) reduction of interest rates applied to Euro loans.

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

- Foreign exchange losses: € 357 thousand in 1Q09, 1.8% on revenues vs. € 1,407 thousand, 6.6% on revenues, in 1Q08
- Various interest expenses: € 414 thousand in 1Q09, 2.1% on revenues vs. € 975 thousand, 4.5% on revenues, in 1Q08.

Finance income increased by € 472 thousand, going from € 466 thousand in 1Q08 to € 938 thousand in 1Q09. This increase was attributable to the effect of foreign exchange gains, which more than counterbalanced the loss of interest income on cash, which had since been used.

(€'000)	First 3 Months 2008	First 3 Months 2009	%
Exchange-rate losses	1,407	357	-74.6%
Interest expenses	781	325	-58.4%
Interest expenses due to the discounting	194	89	-54.1%
Expenses on derivatives	45	0	-100.0%
Other finance expenses	11	2	-81.8%
Financial charges	***2,438***	***773***	***-68.3%***

(€'000)	First 3 Months 2008	First 3 Months 2009	%
Exchange-rate gains	88	460	422.7%
Exchange-rate gains from PUT option	0	276	n/a
Interest income	374	199	-46.8%
Other finance income	4	3	-25.0%
Financial incomes	***466***	***938***	***101.3%***
Net financial income	***-1,972***	***165***	***108.4%***

M – Income taxes

Income taxes as up to 31 March 2009 totalled € 224 thousand (of which € 897 thousand for current taxes and € 673 thousand for net deferred tax assets) as opposed to a tax impact of € 636 thousand as up to 31 March 2008 (of which € 807 thousand for current taxes and € 171 thousand for net deferred tax assets), with a decrease of € 412 thousand.

N – Non-current assets

The decrease in non-current assets between 31 December 2008 and 31 March 2009 amounted to € 2,206 thousand and was primarily due to net investments of some € 683 thousand in property, plant & equipment and in intangible assets before depreciation and amortisation totalling € 1,967 thousand.
More specifically, the most significant increase was due to intangible assets following capitalisation of € 411 thousand of development costs.

O – Net working capital

Net working capital rose slightly, increasing by € 392 thousand from € 27,430 thousand as at 31 December 2008 to € 27,822 thousand as at 31 March 2009.

The decrease of € 2,482 thousand in current assets was mainly due to the decrease in trade receivables (by € 2,450 thousand) and the decrease in tax receivables (by € 1,417 thousand), which more than offset the increase of inventories (by € 1,706 thousand).
The decrease of € 2,874 thousand in current liabilities was instead due to the decrease of trade payables (by € 2,438 thousand) and to the decrease of tax liabilities (by € 502 thousand).

P – Net financial position

The Group's net financial position as at 31 December 2008 featured net cash of € 572 thousand, whereas at 31 March 2009 it featured net financial debt of € 2,753 thousand.
The change was primarily due to use of cash for operating needs in a quarter when sales were slightly compressed, as well as utilisation to finance the increase in working capital and the investments made.
Medium-/long-term financial liabilities include principal on bank loans and finance leases falling due beyond 12 months.
Short-term financial liabilities mainly consist of current account overdrafts, the current portion of mortgage loans, and payables to other lenders falling due by 31 March 2010.

We point out that the calculation of net financial position also includes € 6,839 thousand as at 31 March 2009 (2008 = € 7,025 thousand) of future outlays, i.e. non-cash amounts, relating to the put option on 25% of Advanet Inc. shares, exercisable in the early months of 2010. We further point out that recognition of this financial liability is not definitive but is the best estimate at the time of writing. Net of the option, the net financial position would be positive for € 4,086 thousand.

Q – Changes in consolidated equity

Balance as at December 31, 2008	**8,879**	**39**	**136,400**	**12,562**	**(9,773)**	**(1,340)**	**(12,708)**	**134,059**	**3,184**	**230**	**3,414**	**137,473**
2008 Result allocation					(12,708)		12,708	-	230	(230)	-	-
Hedge transactions					(232)			(232)			-	(232)
Exchange differences on equity investments in foreign companies					878			878			-	878
Minority purchase								-			-	-
Other changes				(1,690)				(1,690)			-	(1,690)
Profit (loss) as at March 31, 2009							(3,195)	(3,195)		4	4	(3,191)
Balance as at March 31, 2009	**8,879**	**39**	**136,400**	**10,872**	**(21,835)**	**(1,340)**	**(3,195)**	**129,820**	**3,414**	**4**	**3,418**	**133,238**

R – Major events in the quarter

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

– 01/19/2009: Eurotech Developer earns Microsoft MVP Award
– 01/26/2009: Eurotech wins 2008 Platinum Embedded Board Vendor Award from VDC research group.
– 02/19/2009: Eurotech joins prospect, leading european supercomputing association
– 02/25/2009: Parvus receives us $2.5M in orders for rugged military communications subsystems from two US Defence contractors
– 02/26/2009: Eurotech and Astronautics sign contract for avionics system valued at $5 million
– 02/27/2009: The board of directors has considered the preliminary management accounts for 2008
– 03/04/2009: Eurotech signs a collaboration agreement with RSC, PSI and Intel to address russian and european supercomputers market
– 03/16/2009: Board approves 2008 draft Annual Report and Consolidated Financial Statements
– 03/16/2009: Letter of the President Roberto Siagri to shareholders
– 03/18/2009: Eurotech Inc. enters into $2.4M contract for embedded computer for home-based medical device
– 03/20/2009: Calling of the company's ordinary shareholders' meeting.

The company took also part to the 2009 Star Conference in Milan on March 25th.

No other particularly important events took place in the quarter besides those mentioned above.

S – Subsequent events

For events occurring since 31 march, please see the press releases listed below (the full text can be consulted at www.eurotech.com at the page http://www.eurotech.com/IT/newslist.aspx?pg=news):

– 04/06/2009: Eurotech receives order for $2M for industrial controls application
– 04/22/2009: Deposited candidacies for the integration of Board of Directors and Board of Statutory Auditors of Eurotech S.p.A.
– 04/27/2009: Resolutions approved by the ordinary meeting on April 27, 2009
– 05/04/2009: General Dynamics awards Parvus follow-on development contracts for USMC Expeditionary Fighting Vehicle (EFV) subsystems.

T – Other information

Si precisa inoltre che:

- Group intercompany transactions take place at market prices and are eliminated during the consolidation process;
- Group companies' related-party transactions form part of the normal course of business and are settled under arm's length conditions;

- at 31 December 2008, it held 420,140 treasury shares for a total value of €1,340K. The number of shares in the portfolio was unchanged between 31 December 2008 and 31 March 2009;
- with reference to Article 150, section 1, of Leg. Decree no. 58 of 24 February 1998, no transactions in potential conflict of interest with Group companies were executed by members of the Board of Directors.

Amaro, 15 May 2009

On behalf of the Board of Directors

Roberto Siagri
Chairman

Declaration of the Financial Reporting Manager

Amaro, 15 May 2009

DECLARATION

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

I, Sandro Barazza,

Financial Reporting Manager of Eurotech S.p.A., with reference to the Consolidated Quarterly Report at 31 March 2009 approved by the company's Board of Directors on 15 May 2009.

STATE

in compliance with the matters set forth under ex - art. 154 *bis*, part IV, title III, chapter II, section V-*bis* of Legislative Decree 58 of 24 February 1998, that to the best of my knowledge, the Consolidated Quarterly Report at 31 March 2009 corresponds to the company's records, accounting entries and books.

The Financial Reporting Manager
Sandro Barazza

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