EUROTECH
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Consolidated Interim Management report
at 30 September 2015

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

Date of issue: 13 November 2015
This report is available online
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www.eurotech.com

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

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Corporate Bodies

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

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

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

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

Independent auditor	
	PricewaterhouseCoopers S.p.A.

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

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

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

Performance highlights

Income statement highlights

3rd Q 2015	%	3rd Q 2014	%	% change	(€'000)		9M 2015	%	9M 2014	%	% change
					OPERATING RESULTS						
17,085	100.0%	14,918	100.0%	14.5%	SALES REVENUES		47,260	100.0%	45,946	100.0%	2.9%
7,414	43.4%	6,999	46.9%	5.9%	GROSS PROFIT MARGIN	(*)	22,553	47.7%	22,148	48.2%	1.8%
(786)	-4.6%	(1,221)	-8.2%	35.6%	EBITDA	(**)	(3,338)	-7.1%	(2,570)	-5.6%	-29.9%
(2,258)	-13.2%	(2,525)	-16.9%	10.6%	EBIT	(***)	(7,501)	-15.9%	(6,448)	-14.0%	-16.3%
(2,244)	-13.1%	(1,200)	-8.0%	-87.0%	PROFIT (LOSS) BEFORE TAXES		(7,106)	-15.0%	(5,370)	-11.7%	-32.3%
(2,300)	-13.5%	(1,227)	-8.2%	-87.4%	GROUP NET PROFIT (LOSS) FOR THE PERIOD		(6,802)	-14.4%	(5,894)	-12.8%	-15.4%

Income statement net of the accounting effects of purchase price allocation

3rd Q 2015 adjusted	%	3rd Q 2014 & adjusted	%	% change	(€'000)		9M 2015 adjusted	%	9M 2014 adjusted	%	% change
					OPERATING RESULTS						
17,085	100.0%	14,918	100.0%	14.5%	SALES REVENUES		47,260	100.0%	45,946	100.0%	2.9%
7,414	43.4%	6,999	46.9%	5.9%	GROSS PROFIT MARGIN	(*)	22,553	47.7%	22,148	48.2%	18%
(786)	-4.6%	(1,221)	-8.2%	35.6%	EBITDA	(**)	(3,338)	-7.1%	(2,570)	-5.6%	-29.9%
(1,630)	-9.5%	(1,917)	-12.9%	15.0%	EBIT	(***)	(5,604)	-11.9%	(4,650)	-10.1%	-20.5%
(1,616)	-9.5%	(592)	-4.0%	-173.0%	PROFIT (LOSS) BEFORE TAXES		(5,209)	-11.0%	(3,572)	-7.8%	-45.8%
(1,921)	-11.2%	(860)	-5.8%	-123.4%	GROUP NET PROFIT (LOSS) FOR THE PERIOD		(5,655)	-12.0%	(4,807)	-10.5%	-17.6%

For a breakdown of effects arising from purchase price allocation, see the notes on page 13.

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

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

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

Balance sheet and financial highlights

€'000	at September 30, 2015	at December 31, 2014	at September 30, 2014
NET NON-CURRENT ASSETS	94,808	89,920	92,892
NET WORKING CAPITAL	17,033	14,073	14,820
NET INVESTED CAPITAL*	104,002	96,051	99,510
SHAREHOLDERS' EQUITY	102,315	101,987	106,505
NET FINANCIAL POSITION	1,687	(5,936)	(6,995)

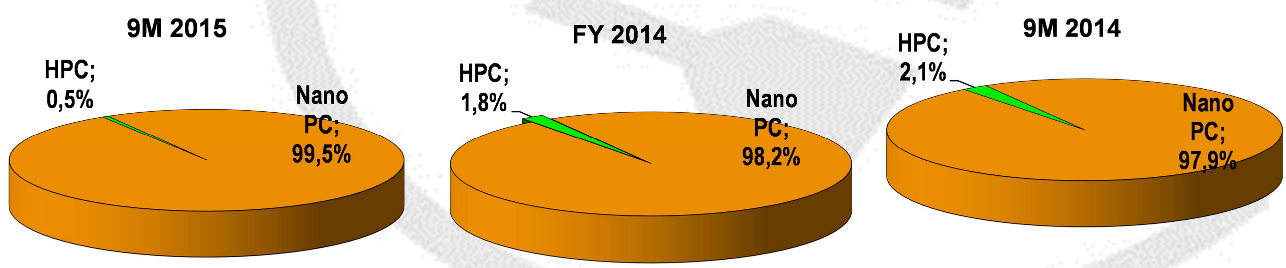
(*) Non-current non-financial assets, plus working capital, less non-current non-financial liabilities.

Employee headcount

	at September 30, 2015	at December 31, 2014	at September 30, 2014
NUMBER OF EMPLOYEES	365	365	373

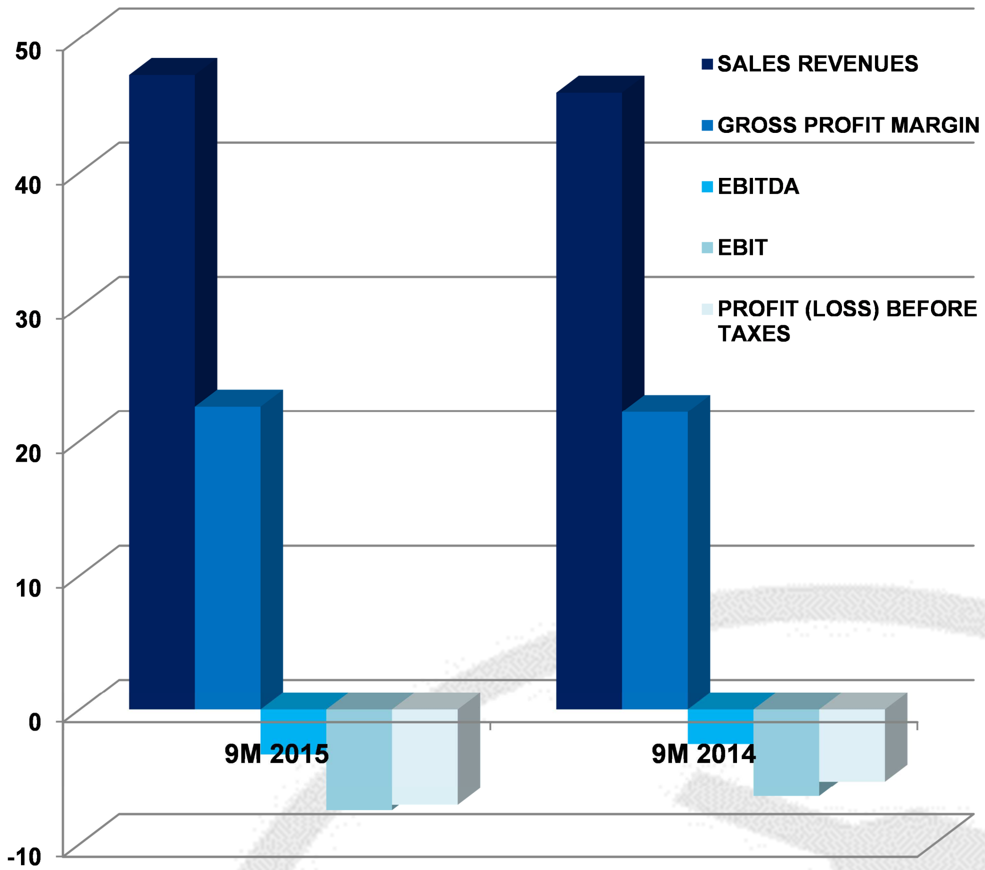
Revenues by business line

(€'000)	NanoPC				High Performance Computer				Total			
	9M 2015	9M 2014	% YoY Change	FY 2014	9M 2015	9M 2014	% YoY Change	FY 2014	9M 2015	9M 2014	% YoY Change	FY 2014
Sales revenues	47,020	44,965	4.6%	62,722	240	981	-75.5%	1,176	47,260	45,946	2.9%	63,898



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

Performance



Information for shareholders

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

Share capital of Eurotech S.p.A. at 30 September 2015

Share capital	Euro 8,878,946.00
Number of ordinary shares (without nominal unit value)	35,515,784
Number of savings shares	-
Number of Eurotech S.p.A. treasury shares	1,319,020
Stock market capitalisation (based on the share's average price in September 2015)	Euro 58 million
Stock market capitalisation (based on the share's reference price at 30 September 2015)	Euro 59 million

Performance of Eurotech S.p.A. shares

Relative performance of EUROTECH S.p.A. shares
01.01.2015 – 30.09.2015

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

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

The Eurotech Group

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

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

In the NanoPC segment, the Group's traditional offering historically varies according to the positions of the various products in the value stack. The NanoPC is typically a miniature computer that can take the form of:

- an embedded board (inserted within a device or a system), typically used as a component of OEM products;
- an embedded subsystem used as an element of integrated systems;
- a ready-to-use device employed in a great variety of application settings, often as support for the provision of value-added services.

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

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

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

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

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

Introduction

The consolidated interim management statement of the Eurotech Group at 30 September 2015, which has not been independently audited, and the statements for comparative periods were drawn up according to the IASs/IFRSs issued by the International Accounting Board and endorsed by the European Union.

The Group's results at 30 September 2015 and comparable periods were prepared according to the IASs/IFRSs in force on the date of preparation and the statements drawn up according to Annex 3D of the Italian Issuers' Regulation no. 11971 of 14 May 1999, as amended and supplemented.

Reporting policies

The consolidated financial statements were drafted on the basis of financial statements to 30 September 2015 prepared by the consolidated companies and adjusted, where necessary, to align them with the Group's IFRS-compliant accounting and classification policies.
The accounting policies and consolidation methods used to prepare the Consolidated Interim Management Statement are consistent with those used in the Consolidated Annual Financial Report at 31 December 2014, to which we expressly invite readers to refer, except for the adoption of new standards, amendments and interpretations in force at 1 January 2015.

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

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

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

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

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

This document presents some alternative performance indicators to allow for better evaluation of the Group’s economic and financial performance. These are as follows:
- Gross profit, or the difference between revenues from sales and services and use of materials
- EBITDA, or earnings before amortisation, depreciation and write-downs, financial income and expenses, the valuations of affiliates at equity and income taxes for the period.
- EBIT, or earnings before financial income and expenses, the valuations of affiliates at equity and income taxes for the period.

Operating performance in the period

Beyond the economic trend, the Group continues to implement the strategy by continuing the course undertaken last year, in particular as with regard to the Internet of things (IoT), the Machine-to-Machine (M2M) and the recurring revenues model, however without forgetting the current core business that is still concentrated on hardware and on a traditional sales model. Over the past year the challenge was also, in fact, that of finding the right balance between pushing the new M2M/IoT offering and continuing to cultivate the historical offering of embedded computers, which still makes up the largest portion of turnover.
Investments in the structure and employees in the previous quarters impacted operating costs, and therefore the earnings for the period. However, they are the natural passage in order to create the conditions to increase future turnover.
The recognition that Eurotech is attaining on the market with regard to the new offer of M2M/IoT platforms is the effect resulting from the effort everyone within the Group has put forth and that lies at the foundation of the rising opportunities that await us and on which we have been working for the past quarters.
As always, if on the one hand we look to the new opportunities and growth, on the other controlling costs and a shrewd management of the working capital remain two of managements basic objectives.

Group revenues increased by 2.9%, from €45.95 million in the first nine months of 2014 to €47.26 million in the first nine months of 2015.
In analysing the various geographical areas, it is noted that while we see a continuous improvement of the American area during the nine months, turnover of the Japanese area is stable, and the uncertain European economic situation is generating discontinuous turnovers for the Group's core business that is bringing about only a short-term visibility. The increase of the period in this general scenario is due only to the appreciation of the currencies in which the Group operates, and particularly to the trend of the US dollar.
New orders in the first nine-month period are slightly lower than forecasts, but management continues to be positive beyond the contingent situation depending upon the changes made to the organisational structure, especially abroad.
In order to support the Group's competitiveness, management does not forego investing in the key activities for tomorrow, and in looking at the pipeline of opportunities, is confident that the market will soon reward the efforts put forth.

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

The following is a summary of interim results with and without the effects of PPA:
- EBIT would have come out at -€5.60 million, rather than -€7.50 million;
- rather than -€7.11 million, the pre-tax result would have been -€5.21 million;
- the consolidated net loss would have been €5.65 million rather than €6.80 million.

The gross profit margin came in at 47.7%, slightly lower than expectations and what was reported in the half-year, but in any case in line with what was reported at year-end 2014. It was 48.2% in the first nine months of 2014. This change in the gross profit margin is strictly tied to the mix of products sold, and above all to some sales of hardware products that have lower margins in the Asian area. The fluctuation of the margin is however a physiological event that varies from one quarter to the next and that is believed able to return to historical levels management has forecast at year-end on the basis of orders in the order book. Margins vary according to the type of product, the sectors in which they are used and the geographic markets.
With specific reference to the Asian area in which pressure on prices was noticed during the year, specific actions on the costs of goods purchased (COGS) started in the previous quarters continue in order to reduce its global effect.

In the nine months in question, gross of adjustments, operating costs were increased by €1.93 million (7.4%) due to investments, from €26.09 million in the first nine months of 2014 to €28.02 million in the first nine months of 2015.
Owing to the revenues performance commented on above, gross operating costs as a percentage of revenues is 59.3% in the first nine months of 2015, as compared to 56.8% in the first nine months of 2014.
In addition to being caused by the different translation exchange rate, this increase is the result of the increase in payroll costs, in terms of both number of people and the wage mix, due to the investments being made in the structure to achieve the set goals.

EBITDA totalled -€3.34 million (-7.1% of revenues) for the first nine months of the year, compared with -€2.57 million for 2014 (-5.6% of revenues). This trend is to be mainly attributed to the increased operating costs plus the different gross profit margin between the periods compared.

EBIT amounted to -€7.50 million (-15.9% of revenues) in the first nine months of 2015, compared with -€6.45 million in the first nine months of 2014 (-14.0% of revenues). The EBIT figure reflects also the effects of depreciation and amortisation charged to the income statement in 9M15, as well as the trend in EBITDA mentioned previously. Depreciation and amortisation derive from both operating assets becoming subject to depreciation in the period of reference and the non-monetary effects arising from price allocation relating to the acquisitions of Dynatem Inc. and Advanet Inc. The effect on EBIT of the PPA amounts in 9M15 was €1.90 million, versus €1.80 million in 9M14.

Financial management during the first nine months of 2015 was positive for €0.23 million, compared to €1.03 million in the same period of 2014. This management in particular was affected by the different performance of the currencies in terms of average value during the periods considered.
Overall, foreign exchange differences had a positive effect on the period of €0.63 million, compared with a positive effect of €1.44 million in the first nine months of 2014. Financial management relating to interest had

[A] In detail, the effects of the recognition in the accounts of purchase price allocation relating to the business combinations of Dynatem Inc. and Advanet Inc. can be summarised as follows:
- depreciation, amortization and impairment: €1,897 thousand (€1,789 thousand at 30 September 2014), equal to the higher amortisation charged to the higher value attributed to customer relationships (intangible assets);
- Lower income taxes: €750 thousand (€711 thousand at 30 September 2014) resulting from the tax effect on adjustments made.

an effect of €397 thousand during these first nine months, while it amounted to €407 thousand in 9M14. For greater detail, readers should refer to the comments made in Note “J”.

A pre-tax loss of €7.11 million was registered for the first nine months of 2015 (compared with a loss of €5.37 million in the same period a year previously). This performance was influenced by the factors outlined above. The effects of price allocation on the pre-tax result amounted to €1.90 million in 9M15 and €1.80 million in 9M14.

The Group's net result totalled -€6.80 million (-€5.89 million in the first nine months of 2014). Not only does it reflect the changes in the pre-tax result, but the performance also was caused by the effect of the tax burden on the Group's various units.
Total PPA effects on the Group net result in the first nine months of 2015 amounted to €1.15 million (first nine months of 2014: Euro 1.09 million).

The third quarter saw an essential growth in Group revenues, driven by the American area as commented on the nine-month level. Indeed, the quarter under review closed with a total turnover of €17.08 million (€14.92 million in the third quarter of 2014), showing a 14.5% rise in turnover compared to the same period of the previous year. Turnover of the three months corresponds to 36.1% of the nine-month turnover, while the same period of 2014 was 32.5% of the nine-month period.
In 3Q14, the particular performance of the gross profit margin in Japan led to a clear worsening of the consolidated gross profit margin, which took the margin for the nine-month period to under 50%. The gross profit margin was 43.4% in 3Q15, compared with 46.9% in 3Q14. This trend is due to the spot sale of a particular type of product, hardware only. Group strategy continues to be that of supplying services supporting the customer and solutions consisting of a combination of hardware and software platforms, mostly sold as-a-service, where recurring revenues that will give turnover and margins greater visibility and stability can be expected.
The interim results are influenced by the trend in the gross profit margin, in addition to operating costs and in depreciation and amortisation charged in the quarter. EBITDA was -€0.79 million in the third quarter of 2015, with a margin of -4.6% on the quarter's revenues, while in the same quarter of 2014, EBITDA was -€1.22 million, with a -8.2% margin on revenues.
EBIT was also influenced by the margins described in the third quarter of 2015, totalling -€2.26 million (-13.2% as a percentage of revenues), from the negative €2.52 million result (-16.9% of revenues) in the same period of 2014. The negative effects on the EBIT of the PPA total €628 thousand in the third quarter or 2015 and €608 thousand in the same period a year previously.
These trends contributed to generate the interim 9M results mentioned above.

Financial statements and explanatory notes

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

Consolidated income statement

CONSOLIDATED INCOME STATEMENT (€ '000)	3rd Qtr 2015	%	3rd Qtr 2014	%	9M 2015 (b)	%	9M 2014 (a)	%	change (b-a) amount	change (b-a) %
Sales revenue	17,085	100.0%	14,918	100.0%	47,260	100.0%	45,946	100.0%	1,314	2.9%
Cost of material	(9,671)	-56.6%	(7,919)	-53.1%	(24,707)	-52.3%	(23,798)	-518%	(909)	3.8%
Gross profit	**7,414**	**43.4%**	**6,999**	**46.9%**	**22,553**	**47.7%**	**22,148**	**48.2%**	**405**	**1.8%**
Services costs	(3,277)	-19.2%	(3,516)	-23.6%	(10,094)	-214%	(10,154)	-22.1%	60	-0.6%
Lease & hire costs	(438)	-2.6%	(430)	-2.9%	(1,342)	-2.8%	(1,256)	-2.7%	(86)	6.8%
Payroll costs	(5,010)	-29.3%	(4,610)	-30.9%	(15,805)	-33.4%	(14,052)	-30.6%	(1,753)	12.5%
Other provisions and costs	(290)	-17%	(38)	-0.3%	(782)	-17%	(626)	-14%	(156)	24.9%
Other revenues	815	4.8%	374	2.5%	2,132	4.5%	1,370	3.0%	762	55.6%
EBITDA	**(786)**	**-4.6%**	**(1,221)**	**-8.2%**	**(3,338)**	**-7.1%**	**(2,570)**	**-5.6%**	**(768)**	**29.9%**
Depreciation & Amortization	(1,472)	-8.6%	(1,304)	-8.7%	(4,163)	-8.8%	(3,878)	-8.4%	(285)	7.3%
EBIT	**(2,258)**	**-13.2%**	**(2,525)**	**-16.9%**	**(7,501)**	**-15.9%**	**(6,448)**	**-14.0%**	**(1,053)**	**16.3%**
Share of associates' profit at equity	0	0.0%	(7)	0.0%	165	0.3%	43	0.1%	122	283.7%
Finance expense	(263)	-15%	(361)	-2.4%	(1,312)	-2.8%	(1,265)	-2.8%	(47)	3.7%
Finance income	277	16%	1,693	113%	1,542	3.3%	2,300	5.0%	(758)	-33.0%
Profit before tax	**(2,244)**	**-13.1%**	**(1,200)**	**-8.0%**	**(7,106)**	**-15.0%**	**(5,370)**	**-11.7%**	**(1,736)**	**32.3%**
Income tax	(56)	-0.3%	(27)	-0.2%	304	0.6%	(524)	-1.1%	828	-158.0%
Net profit before minority interest	**(2,300)**	**-13.5%**	**(1,227)**	**-8.2%**	**(6,802)**	**-14.4%**	**(5,894)**	**-12.8%**	**(908)**	**15.4%**
Minority interest	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**n/a**
Group net profit (loss)	**(2,300)**	**-13.5%**	**(1,227)**	**-8.2%**	**(6,802)**	**-14.4%**	**(5,894)**	**-12.8%**	**(908)**	**15.4%**
Base earnings per share					**(0.199)**		**(0.172)**			
Diluted earnings per share					**(0.199)**		**(0.172)**			

Consolidated statement of comprehensive income

(€/000)	Note	9M 2015	9M 2014
Net profit (loss) before minority inerest (A)		**(6,802)**	**(5,894)**
Other elements of the statement of comprehensive income			
Other comprehensive income to be reclassified to profit or loss insubsequent periods:			
Net profit/(loss) from Cash Flow Hedge		27	58
Tax effect		-	-
		27	*58*
Foreign balance sheets conversion difference		*4,504*	*3,348*
Exchange differences on equity method		-	-
Exchange differences on equity investments in foreign companies		2,599	1,859
Tax effect		-	-
		2,599	*1,859*
After taxes net other comprehensive income to be reclassified to profit or loss in subsequent periods (B)		*7,130*	*5,265*
Items not to be reclassified to profit or loss in subsequent periods:			
Actuarial gains/(losses) on defined benefit plans for employees		0	0
Tax effect		-	-
		0	*0*
After taxes net other comprehensive income not being reclassified to profit orloss in subsequent periods (C)		*0*	*0*
Comprehensive net result (A+B)		**328**	**(629)**
Comprehensive minority interest		**0**	**0**
Comprehensive Group net profit (loss) for period		**328**	**(629)**

See explanatory note on page 22.

Consolidated statement of financial position

(€'000)	Notes	at September 30, 2015	at December 31, 2014
ASSETS			
Intangible assets		88,333	83,735
Property, Plant and equipment		3,235	3,391
Investments in affiliate companies		939	730
Investments in other companies		304	286
Deferred tax assets		1,406	1,231
Other non-current assets		591	547
Total non-current assets	L	**94,808**	**89,920**
Inventories		19,993	15,295
Contracts in progress		0	79
Trade receivables		18,397	19,846
Income tax receivables		123	215
Other current assets		1,985	1,659
Other current financial assets		76	2,570
Cash & cash equivalents		12,893	14,104
Total current assets		**53,467**	**53,768**
Total assets		**148,275**	**143,688**
LIABILITIES AND EQUITY			
Share capital		8,879	8,879
Share premium reserve		136,400	136,400
Other reserves		(42,964)	(43,292)
Group shareholders' equity	O	**102,315**	**101,987**
Equity attributable to minority interest	O	**0**	**0**
Total shareholders' equity	O	**102,315**	**101,987**
Medium-/long-term borrowing		5,365	2,756
Employee benefit obligations		2,129	1,924
Deferred tax liabilities		4,756	5,109
Other non-current liabilities		954	909
Total non-current liabilities		**13,204**	**10,698**
Trade payables		15,586	15,272
Short-term borrowing		9,266	7,930
Derivative instruments		25	52
Income tax liabilities		400	507
Other current liabilities		7,479	7,242
Total current liabilities		**32,756**	**31,003**
Total liabilities		**45,960**	**41,701**
Total liabilities and equity		**148,275**	**143,688**

Statement of changes in consolidated shareholders' equity

(€'000)	Share capital	Legal reserve	Share premium reserve	Conversion reserve	Other reserves	Cash flow hedge reserve	Actuarial gains/(losses) on defined benefit plans reserve	Exchange rate differences reserve	Treasury shares	Profit (loss) for period	Group shareholders' equity	Equity attributable to Minority interest	Total shareholders' equity
Balance as at December 31, 2013	8,879	39	136,400	4,196	(45,711)	(159)	(254)	(1,399)	(2,132)	8,240	108,099	-	108,099
2013 Result allocation	-	998	-	-	7,242	-	-	-	-	(8,240)	-	-	-
Profit (loss) as at September 30, 2014	-	-	-	-	-	-	-	-	-	(5,894)	(5,894)	-	(5,894)
Comprehensive other profit (loss)													
- Hedge transactions	-	-	-	-		58	-	-	-	-	58	-	58
- Foreign balance sheets conversion difference	-	-	-	3,348	-			-	-	-	3,348	-	3,348
- Exchange differences on equity investments in foreign companies	-	-	-	-	-	-	-	1,859	-	-	1,859	-	1,859
Comprehensive result	-	-	-	*3,348*	-	*58*	-	*1,859*	-	*(5,894)*	*(629)*	-	*(629)*
- Other changes and transfers					-	-			(965)		(965)		(965)
Balance as at September 30, 2014	8,879	1,037	136,400	7,544	(38,469)	(101)	(254)	460	(3,097)	(5,894)	106,505	-	106,505

(€'000)	Share capital	Legal reserve	Share premium reserve	Conversion reserve	Other reserves	Cash flow hedge reserve	Actuarial gains/(losses) on defined benefit plans reserve	Exchange rate differences reserve	Treasury shares	Profit (loss) for period	Group shareholders' equity	Equity attributable to Minority interest	Total shareholders' equity
Balance as at December 31, 2014	8,879	1,037	136,400	4,413	(38,469)	(52)	(346)	2,144	(3,097)	(8,922)	101,987	-	101,987
2014 Result allocation	-	163	-	-	(9,085)	-	-	-	-	8,922	-	-	-
Profit (loss) as at September 30, 2015	-	-	-	-	-	-	-	-	-	(6,802)	(6,802)	-	(6,802)
Comprehensive other profit (loss):													
- Hedge transactions	-	-	-	-		27	-	-	-	-	27	-	27
Actuarial gains/(losses) on defined benefit plans for employees	-	-	-	-	-	-	-	-	-	-	-	-	-
- Foreign balance sheets conversion difference	-	-	-	4,504	-			-	-	-	4,504	-	4,504
- Exchange differences on equity investments in foreign companies	-	-	-	-	-	-	-	2,599	-	-	2,599	-	2,599
Comprehensive result	-	-	-	*4,504*	-	*27*	-	*2,599*	-	*(6,802)*	*328*	-	*328*
- Other changes and transfers				207	(207)	-			-		-		-
Balance as at September 30, 2015	8,879	1,200	136,400	9,124	(47,761)	(25)	(346)	4,743	(3,097)	(6,802)	102,315	-	102,315

Net financial debt

Pursuant to the CESR recommendation of 10 February 2005, the following table shows the Group's net financial debt at 30 September 2015, breaking it down by due date and comparing it with the situation at 30 September 2014 and 31 December 2014:

(€'000)	Note		at September 30, 2015	at December 31, 2014	at September 30, 2014
Cash & cash equivalents		A	(12,893)	(14,104)	(13,503)
Cash equivalent		**B=A**	**(12,893)**	**(14,104)**	**(13,503)**
Other current financial assets		C	(76)	(2,570)	(2,485)
Derivative instruments		D	25	52	101
Short-term borrowing		E	9,266	7,930	7,359
Other current financial liabilities		F	0	0	0
Short-term financial position		**G=C+D+E+F**	**9,215**	**5,412**	**4,975**
Short-term net financial position		**H=B+G**	**(3,678)**	**(8,692)**	**(8,528)**
Other non current financial liabilities		I	0	0	0
Medium/long term borrowing		J	5,365	2,756	1,533
Medium-/long-term net financial position		**K=I+J**	**5,365**	**2,756**	**1,533**
(NET FINANCIAL POSITION) NET DEBT pursuant to CONSOB instructions		**L=H+K**	**1,687**	**(5,936)**	**(6,995)**
Other non current financial assets		M	0	0	0
(NET FINANCIAL POSITION) NET DEBT	P	**N=L+M**	**1,687**	**(5,936)**	**(6,995)**

Working capital

The Group's working capital as at 30 September 2015, compared with the situation at 30 September 2014 and 31 December 2014, is as follows:

(€'000)	Notes	at September 30, 2015 (b)	at December 31, 2014 (a)	at September 30, 2014	Changes (b-a)
Inventories		19,993	15,295	15,258	4,698
Contracts in progress		0	79	425	(79)
Trade receivables		18,397	19,846	17,575	(1,449)
Income tax receivables		123	215	123	(92)
Other current assets		1,985	1,659	2,193	326
Current assets		*40,498*	*37,094*	*35,574*	*3,404*
Trade payables		(15,586)	(15,272)	(12,792)	(314)
Income tax liabilities		(400)	(507)	(582)	107
Other current liabilities		(7,479)	(7,242)	(7,380)	(237)
Current liabilities		*(23,465)*	*(23,021)*	*(20,754)*	*(444)*
Net working capital	M	**17,033**	**14,073**	**14,820**	**2,960**

Cash flow

(€'000)		at September 30, 2015	at December 31, 2014	at September 30, 2014
Cash flow generated (used) in operations	A	(5,610)	(6,267)	(5,374)
Cash flow generated (used) in investment activities	B	385	(4,053)	(3,138)
Cash flow generated (absorbed) by financial assets	C	3,507	(4,362)	(6,156)
Net foreign exchange difference	D	508	791	176
Increases (decreases) in cash & cash equivalents	E=A+B+C+D	(1,210)	(13,891)	(14,492)
Opening amount in cash & cash equivalents		14,104	27,995	27,995
Cash & cash equivalents at end of period		12,894	14,104	13,503

A – Eurotech Group business

The Eurotech Group operates in the segments of miniaturised computers for special uses and software platforms for M2M integration (NanoPCs) and supercomputers with energy-efficient high-performance computing capability (HPCs).

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

The HPC line consists of green supercomputers currently targeting universities, research institutes and computing centres.

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

B – Basis of consolidation

The companies included in the basis of consolidation on a line-by-line basis at 30 September 2015 are as follows:

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

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

Subsidiaries valued at equity		
Chengdu Vantron Technology Inc.	Chengdu (Cina)	45.00%
eVS embedded Vision Systems S.r.l.	Ca' Vignal2, Strada Le Grazie 15 – Verona	24.00%
Emilab S.r.l.	Via F.lli Solari, 5/A – Amaro (UD)	24.82%
Rotowi Technologies S.p.A. in liquidazione (formerly U.T.R.I. S.p.A.)	Via del Follatolo, 12 – Trieste	21.31%

Other smaller companies valued at cost		
Kairos Autonomi	Salt Lake City (USA)	19.00%

The main changes with regard to subsidiaries and affiliates compared with 31 December 2014 are as follows:
- 09/01/2015 establishment of the company Aurora S.r.l. to carry on HPC segment activities;
- 16/06/2015 purchase from Giampietro Tecchiolli of 0.01% of the company EthLab S.r.l. to thus become 100% held by Eurotech S.p.A.;
- 30/06/2015 the value recorded in the financial statements regarding the final phase of liquidation of the company Delos S.r.l. is reclassified to other receivables, since it corresponds to the receivable to be collected regarding the allocation of the company's assets.

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 9 Months 2015	As of September 30, 2015	Average 2014	As of December 31, 2014	Average 9 Months 2014	As of September 30, 2014
British pound sterling	0.72715	0.73850	0.80612	0.77890	0.81182	0.77730
Japanese Yen	134.77759	134.69000	140.30612	145.23000	139.48592	138.11000
USA Dollar	1.11436	1.12030	1.32850	1.21410	1.35487	1.25830

C - Revenues

Revenues earned by the Group amount to €47.26 million (€45.95 million in the first nine months of 2014), an increase of €1.31 million (2.9%) on the same period of last year. This performance is totally due to the foreign exchange difference at the time of conversion. An increase in the American area to the detriment of the European area, the one more strongly subject to fluctuations of the local economic market, is however highlighted.

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

Revenues by business segment

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

3rd Q 2015	%	3rd Q 2014	%	SALES BY BUSINESS SEGMENT	9M 2015	%	9M 2014	%
17,043	99.8%	14,573	97.7%	NanoPC	47,020	99.5%	44,965	97.9%
42	0.2%	345	2.3%	High Perf. Computer	240	0.5%	981	2.1%
17,085	**100.0%**	**14,918**	**100.0%**	**TOTALE SALES AND SERVICE REVENUE**	**47,260**	**100.0%**	**45,946**	**100.0%**

NanoPC revenues increased by 4.6%, from €44.96 million in the first nine months of 2014 to €47.02 million in the first nine months of 2015.
As regards HPC revenues, they dropped from €981 thousand in the first nine months of 2014 to €240 thousand in the first nine months of 2015. HPC revenues are still marked by few large orders for a limited number of customers, historically attributable to the science and research sectors, and today to the services sector as well, and this makes distribution of revenues over time extremely varied.

Revenues of NanoPC segment by business geographical area

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

(€' 000)	North America			Europe			Asia			Correction, reversal and elimination		Total		
	9M 2015	9M 2014	%YoY Change	9M 2015	9M 2014	%YoY Change	9M 2015	9M 2014	%YoY Change	9M 2015	9M 2014	9M 2015	9M 2014	%YoY Change
Third party Sales	18,408	14,029		11,783	14,167		16,829	16,769		0	0	47,020	44,965	
Infra-sector Sales	370	225		2,599	1,846		309	299		(3,278)	(2,370)	0	0	
Total Sales revenues	18,778	14,254	317%	14,382	16,013	-10.2%	17,138	17,068	0.4%	(3,278)	(2,370)	47,020	44,965	4.6%

The North American business area's revenues totalled €18.78 million in 9M15 compared with €14.25 million in 9M14, up 31.7%. This change is due not only to a forex effect when converting USD figures, but also to the activities carried out over the last 12 months to increase sales over the year. The policy of developing turnover towards key customers with substantial orders is fundamental for medium-long-term turnover growth, but the time for these orders to become active is longer than initial forecasts. In the meantime, ongoing relations with the historical customers that have always laid their stakes on the Group's reliability and on Eurotech's possibility to resolve their technological difficulties, even from a partnership for innovation perspective, is proving strategic.
The European business area registered the expected decline in revenues from €16.01 million in 9M14 to €14.38 million in 9M15, which represents an overall decrease of 10.2% including interregional sales. This decrease is particularly due to the lower sales of the UK subsidiary and in any case reflects a seesaw performance because the three major European countries where the Group operates (Italy, France and the UK) are still undergoing economic stagnation and are experiencing ups and downs, depending on the period.
The Asian business area recovered the deficit recorded during the first 6 months of the year and came into line with what it had achieved last year, going over €17 million.

Revenues by customer geographical area

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

3rd Q 2015	%	3rd Q 2014	%	BREAKDOWN BY GEOGRAPHIC AREA	9M 2015	%	9M 2014	%	var. %
1,769	10.4%	3,160	21.2%	European Union	7,478	15.8%	8,410	18.3%	-11.1%
7,378	43.2%	5,043	33.8%	United States	19,730	41.7%	18,144	39.5%	8.7%
7,447	43.6%	5,728	38.4%	Japan	17,001	36.0%	16,616	36.2%	2.3%
491	2.9%	987	6.6%	Other	3,051	6.5%	2,776	6.0%	9.9%
17,085	**100.0%**	**14,918**	**100.0%**	TOTAL SALES AND SERVICE REVENUES	**47,260**	**100.0%**	**45,946**	**100.0%**	**2.9%**

As regards the figures by geographical area shown in the table, nine-month revenues in the US rose 8.75% and contributed 41.7% of total turnover in the first nine months of 2015.
The Japanese area registered a slight 2.3% increase and continued to contribute 36% of total Group turnover.
In Europe, again with reference to customer location, turnover decreased by 11.1%, and accounted for about 15.8% of total revenues. The area is still influenced by a stagnation in demand for the traditional products and a demand still evolving for the new M2M/IoT offering.

D – Costs of raw & auxiliary materials and consumables used

Costs of raw & auxiliary materials and consumables used, which relate in absolute terms to sales, rose in the periods under review from €23.80 million in 9M14 to €24.71 million in 9M15. Consumption of raw & auxiliary materials and consumables increased more than proportionally to the growth in sales due to the different product mix and a certain pressure on prices, losing a few points compared to what was reported in the six-month period.

As a percentage of revenues, consumption of raw & auxiliary materials and consumables rose to 52.3% in 9M15 (compared with 51.8% in 2014).

E – Service costs

Service costs decreased from €10.15 million in 9M14 to €10.09 million in 9M15, a decrease in absolute terms of €60 thousand, or 0.6%. This cost item decreased as a percentage of revenues from 22.1% in 9M14 to 21.4% in 9M15.

F – Payroll costs

In the period under review, payroll costs increased by 12.5%, from €14.05 million to €15.80 million. More than 70% of this increase, therefore over €1.1 million, is due to the exchange rate effect, meaning to the different exchange rate for conversion of costs in yen or USD once converted into Euro. The exchange rate effect undoubtedly accentuates the increase in costs, which is nevertheless connected with both the average increase in number of employees and, above all, with the average value of remuneration of the new recruits which is linked to their greater and different technical and managerial skills than those of the people who left the Group.

As shown in the table below, the number of Group employees dropped at the end of the period under review, from 373 of the first nine months of 2014 to 365 of 9M15, precisely in line with the figure at 31 December 2014 and down 10 units compared to the figure of the last quarter. This indicates the wealth of attention management pays to the proper sizing of the operational structure in compliance with the strategic development guidelines.

The table below shows the number of Group employees by category, in each of the periods compared:

Employees	at September 30, 2015	at December 31, 2014	at September 30, 2014
Manager	12	12	12
Clerical w orkers	324	325	331
Line w orkers	29	28	30
TOTAL	365	365	373

G – Other provisions and costs

At 30 September 2015, this item included a provision for doubtful accounts of €92 thousand (€58 thousand in the first nine months of 2014), and refers to provisions made for the possibility of uncollectable trade receivables.
Other provisions and costs as a percentage of revenues were 1.7% versus 1.4% in the same period in 2014.

H – Other revenues

Other revenues rose by €762 thousand, from €1.37 million in the first nine months of 2014 to €2.13 million in the same period this year. Other revenues comprise the capitalisation of development costs for new solutions featuring highly integrated standard modules and systems for €1.45 million (€1.24 million in the first nine months of 2014), as well as miscellaneous income of €0.37 million (€0.49 million in the first nine months of 2014), while operating grants totalled €0.31 million (€0.77 thousand in 9M14).

I – Amortisation, depreciation and write-downs

This item increased by €285 thousand, from €3.88 million in 9M14 to €4.16 million in 9M15, mainly due to the exchange rate effect of the values, which were originally stated in foreign currency and not in euro.

Depreciation and amortisation relating to the PPA at 30 September 2015, totalling €1.90 million, relate exclusively to the remaining share of customer relationship of Dynatem Inc. and Advanet Inc.

J – Financial income and expenses

Financial expense went up from €1.26 million in 9M14 to €1.31 million in 9M15 due to the combined effect of increased exchange rate losses and an overall reduction of interest expenses.

The different incidence of exchange rates also affected financial income, which fell from €2.30 million in 9M14 to €1.54 million in 9M15. In fact, in addition to fewer gains on exchange rates, there was also less interest income and other financial income made.

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

- foreign exchange losses: €0.87 million at 30 September 2015 (1.8% as a percentage of revenues), compared with €0.75 million at 30 September 2014 (1.6% as a percentage of revenues);
- foreign exchange gains: €1.50 million at 30 September 2015 (3.2% as a percentage of revenues), compared with €2.19 million at 30 September 2014 (4.8% as a percentage of revenues);
- miscellaneous interest expenses: €438 thousand at 30 September 2015 (0.8% as a percentage of revenues), compared with €515 thousand at 30 September 2014 (1.0% as a percentage of revenues).

3rd Q 2014	3rd Q 2014	(€'000)	9M 2015	9M 2014	change %
103	292	Exchange-rate losses	874	750	16.5%
216	60	Interest expenses	321	296	8.4%
0	(7)	Interest expenses due to the discounting	0	116	-100.0%
0	0	Expenses on derivatives	34	65	-47.7%
(56)	16	Other finance expenses	83	38	118.4%
263	**361**	**Financial charges**	**1,312**	**1,265**	**3.7%**

3rd Q 2014	3rd Q 2014	(€'000)	9M 2015	9M 2014	change %
260	1,629	Exchange-rate gains	1,501	2,192	-31.5%
4	0	Interest income due to the discounting	13	0	n/a
2	13	Interest income	7	50	-86.0%
11	51	Other finance income	21	58	-63.8%
277	**1,693**	**Financial incomes**	**1,542**	**2,300**	**-33.0%**
14	**1,332**	**Net financial income**	**230**	**1,035**	**n.s.**

K – Income taxes

Taxes at 30 September 2015 are assets and amount to €0.30 million (of which €0.53 million for current taxes and €0.83 million for net deferred tax assets) compared with tax of €0.52 million at 30 September 2014 (of which €1.25 million for current taxes and €0.73 million for net deferred tax assets), representing a decrease of €0.82 million.

L – Non-current assets

The increase in non-current assets between 31 December 2014 and 30 September 2015 of €4.88 million is primarily due to foreign exchange rate changes, as well as net investments of about €2.01 million in property, plant and equipment and intangible assets (before depreciation and amortisation totalling €4.16 million).
The most significant increase is related to intangible assets and is largely linked to projects to develop new products carried out by the Group.

a – Intangible assets

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

(€ '000)	DEVELOPMENT COSTS	GOODWILL	SOFTWARE TRADEMARKS PATENTS	ASSETS UNDER CONSTRUCTION & ADVANCES	OTHER INTANGIBLE ASSETS	TOTAL INTANGIBLE ASSETS
OPENING BALANCE (A)	2,156	65,359	7,571	2,426	6,223	83,735
Changes as at September 30, 2015						
- Purchases	-	-	66	1,381	-	1,447
- Disposals	-	-	-	-	-	-
- Amortisation and impairment in period (-)	(1,337)	-	(109)	-	(1,898)	(3,344)
- Other changes	1,497	4,999	590	(1,081)	490	6,495
Total changes (B)	**160**	**4,999**	**547**	**300**	**(1,408)**	**4,598**
CLOSING BALANCE (A+B)	2,316	70,358	8,118	2,726	4,815	88,333

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

Cash generating units	at September 30, 2015		at December 31, 2014	
	Goodwill	Trademark with an indefinite useful life	Goodwill	Trademark with an indefinite useful life
Advanet Inc.	41,404	7,862	38,399	7,292
Eurotech Inc. (ex Applied Data Systems e ex Arcom Inc.)	21,899	-	20,212	-
Eurotech Ltd. (ex Arcom Ltd.)	5,914	-	5,607	-
Eurotech France S.a.s.	1,051	-	1,051	-
Other	90	-	90	-
TOTAL	70,358	7,862	65,359	7,292

b – Property, plant and equipment

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

(€ '000)	LAND AND BUILDINGS	PLANT AND MACHINERY	INDUSTRIAL & COMMERCIAL EQUIPMENT	OTHER ASSETS	ASSETS UNDER CONSTRUCTION & ADVANCES	LEASED ASSETS	TOTAL PROPERTY, PLANT & EQUIPMENT
OPENING BALANCE (A)	1,232	587	353	1,031	95	93	3,391
2015							
- Purchases	4	25	302	263	1	-	595
- Disposals	-	(7)	(13)	(12)	-	-	(32)
- Amortisation and impairment in period (-)	(27)	(267)	(175)	(319)	-	(31)	(819)
- Other changes	(1)	196	53	(62)	(93)	7	100
Total changes (B)	**(24)**	**(53)**	**167**	**(130)**	**(92)**	**(24)**	**(156)**
CLOSING BALANCE (A+B)	1,208	534	520	901	3	69	3,235

M – Net working capital

Net working capital increased by €2.96 million, from €14.07 million at 31 December 2014 to €17.03 million at 30 September 2015.
In addition to the exchange rate effect, the change is particularly due to the increased value of inventories for €2.33 million by virtue of the building of the supercomputer prototype for the European project called DEEP (FP7-ICT-287530), coordinated by the German research centre Juelich, which was still undelivered, according to accounts, at 30 September 2015.
More generally speaking, current assets increased to the rise in inventories and in other current assets, which are only in part offset by a decrease in trade receivables and income tax receivables. The €0.44 million increase in current liabilities is mainly due to the decrease in trade payables.

N – Net financial position

The Group had net financial debt of €1.69 million, an improvement compared to the 30 June 2015 figure, compared to a net financial debt of €5.94 million at 31 December 2014.
The change is primarily attributable to the use of cash to support current operations, also in consideration of the traditional seasonality of the Eurotech Group's revenues, which generate greater liquidity during the second part of the half-year period, and also to payment of the portions of loans and disbursement for investments made in the different business lines.
See also Cash flow on page 20.

Available cash decreased from €14.10 million at 31 December 2014 to €12.89 million, posting a €3.10 million increase over 30 June 2015.

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 30 September 2015.

O –Shareholders' equity

The share capital at 30 September 2015 was made up of 35,515,784 ordinary shares, wholly subscribed and paid up, with no nominal value.

The balance of the Issuer's legal reserve at 30 September 2015 amounted to €1.20 million and increased by €163 thousand following allocation of part of the 2014 annual results of the Parent Company.

The share premium reserve, which relates entirely to the Parent Company, was booked for a total amount of €136.4 million.

The positive translation reserve of €9.12 million was generated by inclusion in the interim management statement of the statements of financial position and income statements of US subsidiaries Eurotech Inc., Dynatem Inc. and E-Tech USA Inc., UK subsidiary Eurotech Ltd. and Japanese subsidiary Advanet Inc.

The other reserves item was negative for €47.76 million and comprised the Parent Company's surplus reserve, formed by losses carried forward, allocations of retained earnings from prior years and other reserves of miscellaneous origin. The change in the year is to be attributed to allocation of the 2014 results net of the value allocated to the legal reserve.

The cash flow hedge reserve, which includes cash flow hedge transactions pursuant to IAS 39, was negative for €25 thousand and decreased by €27 thousand gross of the tax effect, which was not recognised due to absence of the relative prerequisites.
The foreign exchange reserve in which – based on IAS 21 – foreign exchange differences relating to intragroup foreign-currency loans that constitute part of a net investment in a foreign shareholding are recognised, was positive by €4.74 thousand and increased by €2.60 million gross of the related tax effect; again it was not recorded due to the absence of the prerequisites.

At the end of the reporting period the Parent Company, Eurotech SpA, held 1,319,020 treasury shares (same amount at 31 December 2014).

P – Significant events in the quarter

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

– 02/07/2015: Eurotech announces a distribution agreement with IPC2U for Germany, Austria, German Switzerland and Eastern Europe
– 13/07/2015 Frost & Sullivan awards a prize to Eurotech for having revolutionised communications between systems with the advanced M2M integration platform for Internet of Industrial Things (IoIT) applications
– 14/07/2015 Eurotech delivers to the University of Regensburg QPACE2, a top500 QCD system
– 14/07/2015 Eurotech delivers the "Booster" system to Jülich to complete the DEEP supercomputer
– 15/07/2015 Eurotech supports Ariston Thermo Group in the Internet of Things
– 27/08/2015 Eurotech and Arkessa become partners to deploy the best IoT solutions on a global scale
– 08/09/2015 Eurotech's M2M/IoT Integration Platform Everyware Cloud 4.0 offers highest levels of enterprise application integration and secure remote management
– 14/09/2015 Eurotech's Larry Wall Recognized as SmartCEO Circle of Excellence Award Finalist for Technology Leadership

– 11/09/2015 Everyware Cloud 4.0, Eurotech's M2M/IoT integration platform, offers top security in remote management of connected devices and integration with application software on the Internet
– 17/09/2015 Eurotech presents the new Release 3.1 of ESF, the Java-OSGi infrastructure for M2M gateways, smart devices and IoT applications, which extends support of hardware interfaces, including GPIO, RS485, Bluetooth/BLE
– 22/09/2015 Eurotech sets new standards in authenticating devices for IoT security

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

Q – Events after 30 September 2015

For the significant events after 30 September, please refer to the press releases listed below (the full text can be consulted on the Group website www.eurotech.com on page http://www.eurotech.com/IT/sala+stampa/news):
– 08/10/2015 Eurotech enables large-scale IoT/M2M Remote Device Management, with its newest release of Everyware Cloud 4.1
– 23/10/2015 Eurotech extends its Everyware Device Cloud Developers Kit with Bitreactive’s visual coding tool & Reactive Blocks to simplify and accelerate the development of software for M2M / IoT devices

The company also took part in the Star Conference 2015 in London on 6 October.

R – Risks and uncertainties

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

S – Other information

We also specify that:
- Group intercompany transactions take place at market prices and are eliminated during the consolidation process
- Group companies’ related-party transactions form part of the normal course of business and are settled under arm’s length conditions
- pursuant to CONSOB communication 15519/2005, there were no non-recurring economic components in the consolidated quarterly results to 30 September 2015
- pursuant to CONSOB communication DEM/6064296 of 28 July 2006, there were no atypical and/or unusual transactions carried out in the third quarter of 2015
- at 30 September 2015 the company held 1,319,020 treasury shares for a total value of €3,097 thousand. Treasury shares of the Parent Company were not purchased on the stock market during the first nine months of 2015.
- the detailed Corporate Governance report is provided with the annual financial statements

- pursuant to CONSOB communication DEM/11070007 of 5 August 2011, relating to disclosure in financial reports of the exposure of listed companies to sovereign debt, note that the Group does not hold sovereign debt securities
- as regards the requirements of Article 150, paragraph 1, of Italian Legislative Decree no. 58 of 24 February 1998, no members of the Board of Directors have executed transactions with Group companies in situations of potential conflict of interest
- pursuant to Article 3 of Consob Resolution no. 18079 of 20 January 2012, Eurotech has adopted the simplification procedure set out in Articles 70, paragraph 8, and 71, paragraph 1-bis, of the Regulation adopted by Consob with Resolution no. 11971 of 14 May 1999 as amended. It therefore opts to derogate from the requirement to publish the information documents set out in Attachment 3B of this Consob Regulation for significant transactions such as mergers, spin-offs, capital increases via contributions in kind, acquisitions and sales.

Amaro, 13 November 2015

On behalf of the Board of Directors

Signed Roberto Siagri
Chairman

Declaration of the Financial Reporting Manager

Amaro, 13 November 2015

D E C L A R A T I O N

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

I, Sandro Barazza,

Financial Reporting Manager of Eurotech S.p.A., with reference to the Consolidated Interim Management Statement at 30 September 2015 approved by the company's Board of Directors on 13 November 2015,

S T A T E

in compliance with the matters set forth under ex - art. 154 *bis*, section 2, letter - part IV, title III, chapter II, section V-*bis* of the Legislative Decree 58 of 24 February 1998, to the best of my knowledge, the Consolidated Interim Management Statement at 30 September 2015 corresponds to the accounting entries.

The Financial Reporting Manager
Signed Sandro Barazza

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