

PRESS RELEASE

**TXT e-solutions first quarter 2006:
consolidated revenues +14.2% and EBITDA +9%, pre-tax profit €0.22m,
with strong growth of international operations (+88%)
and TXT Perform proprietary software (+24%).**

Milan, 15 May 2006

The Board of Directors of **TXT e-solutions**, a global maker of software for Demand & Supply Chain Management and Content Management, listed in the TechStar segment (TXTS), approved today figures for the first quarter of 2006, which included consolidated revenues of €14.3m vs. €12.5m in 2005 (+14.2%), a positive EBITDA up 9% to some €1.1m from €1m and pre-tax profit of €0.216m (vs. €0.279m in the first quarter of 2005).

Specifically:

- Consolidated revenues for the first quarter of 2006 grew by 14.2% over 1Q05, mainly thanks to the strong growth of international operations (+88.5%), proprietary Demand & Supply Chain Management software (+24%) in the Industry & Retail and Aerospace & Defense divisions (+20.3%).
- Sales increase was accompanied by a slight improvement of gross margin on revenues to 51.6% vs. 51.2% in 1Q05. Gross margin for the Industry & Retail division rose to a significant 65.1% vs. 59.1%.
- R&D activities were further strengthened for a total investment of €2.1m, of which 50% capitalized, mainly to develop TXT Perform's Demand & Supply Chain Management software and the Polymedia Mobile platform.
- Orders for the first quarter of 2006 came to €18.6m, up 3% over 1Q05. Growth of orders for Demand & Supply Chain Management software remained significant and was 20% over 1Q05. New customers for the Industry & Retail division include Calzedonia, Safilo (I), Schweppes (E), Orangina (F), Weetabix (UK), Tommy Hilfiger (USA). Tecnoteam, a company that was acquired recently, signed a new major contract with Bemberg Cell.
- The net financial position at 31 March 2006 was positive and came to some €7.0m, down vs. the €8.5m at the beginning of the year mainly due to the acquisition of Tecnoteam and financing of capital employed.



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“The good results for the first quarter” – stated the company’s Chairman Alvisè Braga Illa – “strengthen management’s belief that we are going to meet the revenue and profit-margin targets set for fiscal 2006, while at the same time continuing to invest in commercial and product development. A further boost might come from expansion of our operations in mobile data services and new media, and strengthening of TXT’s presence in Europe and the United States, following significant commercial successes achieved recently”.

TXT e-solutions (www.txt.it) is a European leader in strategic enterprise solutions and related proprietary software, particularly for content management and demand & supply chain management. Listed in the TechStar and Allstars segments of the Italian stock exchange (TXTS and TXTMI), TXT employs approximately 500 professionals. TXT is headquartered in Milan, Italy, and has offices in Genoa, Turin, Vicenza, Bari, Naples, Rome, Paris, Lyon, Barcelona, Chemnitz (Dresden), Halle (Leipzig), and London.

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CONSOLIDATED BALANCE SHEET: ASSETS

in €	31/03/2006	31/12/2005	Change	31/03/2005
NON-CURRENT ASSETS:				
Intangible assets	10.386.009	9.237.103	1.148.906	7.268.253
- Goodwill	4.794.828	4.403.214	391.614	3.977.803
- R&D	4.732.102	3.932.259	799.843	3.001.010
- Intangible assets with definite useful life	859.079	901.630	(42.551)	316.062
Property, plant and equipment	2.755.252	2.928.743	(173.491)	3.556.766
- Property, plant and equipment (owned)	1.907.817	1.906.513	1.304	2.123.210
- Finance leases	847.435	1.022.230	(174.795)	867.437
Other non-current assets	357.408	366.674	(9.267)	365.088
- Equity investments	215.494	215.494	0	235.495
- Receivables and other non-current assets	141.914	151.181	(9.267)	129.593
Deferred tax assets	2.040.989	1.804.565	236.424	2.921.375
TOTAL NON-CURRENT ASSETS	(A) 15.539.657	14.337.085	1.202.572	14.111.482
CURRENT ASSETS:				
Inventory	1.916.415	2.203.024	(286.609)	9.221.951
trade and other receivables and other current assets	30.515.152	27.971.950	2.543.202	25.505.651
Available-for-sale securities	5.388.111	5.821.988	(433.877)	5.233.585
Cash and cash equivalents	4.789.170	4.387.405	401.765	3.510.116
TOTAL CURRENT ASSETS	(B) 42.608.848	40.384.367	2.224.481	43.471.303
TOTAL ASSETS	(A+B) 58.148.505	54.721.451	3.427.054	57.582.785

CONSOLIDATED BALANCE SHEET: LIABILITIES & EQUITY

in €	31/03/2006	31/12/2005	Change	31/03/2005
EQUITY:				
Share capital	1.310.256	1.300.652	9.604	1.283.919
Reserves	39.173.529	39.291.495	(117.966)	38.610.324
Retained earnings (losses carried forward)	(10.058.339)	(10.663.109)	604.770	(10.372.010)
Profit/(loss) for the period	215.599	604.770	(389.171)	278.618
TOTAL EQUITY	(A) 30.641.044	30.533.808	107.236	29.800.851
NON-CURRENT LIABILITIES				
Non-current financial liabilities	2.000.000	2.000.000	0	0
Post-employment and other employee benefit provisions	6.555.815	5.562.144	993.671	3.717.023
Provisions for deferred taxes	0	0	0	473.867
Provisions for risks and charges	0	0	0	200.192
Other non-current liabilities	120.000	120.000	0	0
TOTAL NON-CURRENT LIABILITIES	(B) 8.675.815	7.682.143	993.671	4.391.082
CURRENT LIABILITIES:				
Current financial liabilities	2.604.368	1.227.373	1.376.995	1.053.829
Trade payables	7.187.518	7.801.736	(614.218)	5.148.857
Taxes payable	1.823.050	1.176.671	646.379	1.703.730
Other current liabilities	7.216.710	6.299.720	916.990	2.346.547
TOTAL CURRENT LIABILITIES	(C) 18.831.646	16.505.500	2.326.146	23.390.851
TOTAL LIABILITIES	(E=B+C) 27.507.460	24.187.643	3.319.817	27.781.933
TOTAL EQUITY AND LIABILITIES	(A+E) 58.148.505	54.721.451	3.427.054	57.582.784

TXT e-solutions Group**CONSOLIDATED INCOME STATEMENT at 31/03/2006**

<i>(€ '000)</i>	31/03/2005		31/03/2006		CHNG 06/05	
		%		%	%	%
REVENUES	12.504	100,0	14.276	100,0	14,2	
Licenses and maintenance contracts	1.892	15,1	1.665	11,7	(12,0)	
Services	4.194	33,5	5.484	38,4	30,7	
Projects	5.835	46,7	6.747	47,3	15,6	
Other revenues and income	583	4,7	380	2,7	(35,0)	
DIRECT AREA COSTS	6.097	48,8	6.913	48,4	13,4	
GROSS MARGIN	6.407	51,2	7.363	51,6	14,9	
INDIRECT COSTS:						
Research and development	1.048	8,4	970	6,8	(7,5)	
Marketing, Sales & Management	2.609	20,9	3.341	26,7	28,1	
General and administrative costs	1.736	13,9	1.946	13,6	12,1	
TOTAL INDIRECT AREA COSTS	5.393	43,1	6.257	50,0	16,0	
EBITDA	1.013	8,1	1.103	7,7	8,9	
Depreciation, amortization and write-downs	752	6,0	829	5,8	10,2	
EBIT	261	2,1	274	1,9	4,9	
Financial income (charges) and provisions	18	0,1	(58)	(0,4)	(418,7)	
Extraordinary income (charges)	0	0,0	0	0,0		
EBT	279	2,2	216	1,5	(22,7)	