

**TXT e-solutions: 1Q 2013 Revenues up +13.8%,  
EBITDA unchanged**

- *Consolidated Revenues: € 13.2 million (+13.8%), 51% from abroad.*
- *EBITDA: € 1.5 million (+0.3% compared to Q1 2012).*
- *Net profit: € 0.9 million (+1,8% compared Q1 2012 Net profit from operations, net of non-recurring capital gain).*
- *Net Financial Position: € 7.5 million (€ 3.2 million at 31 December 2012).*

Milan – 8 May 2013

The Board of Directors of TXT e-solutions, chaired by Mr Alvise Braga Illa, today approved the first quarter financial results for the period ended 31 March 2013.

**Revenues** grew by 13.8%, from € 11.6 million to € 13.2 million. Sales of licences and maintenance totalled € 3.2 million, 24% as a percentage of revenues, up +29.1% compared to Q1 2012.

International revenues rose from € 5.7 to € 6.7 million, up 18.1% and 51% as a percentage of total sales. The TXT Perform Division, which provides innovative Integrated Retail Planning software to large Retailers as well as to the Luxury and Fashion industries and acquisition of Maple Lake, contributed the most to this result.

**Gross Margin**, net of direct costs, rose by 16.7% and grew to 52.5% as a percentage of revenues, compared to 51.3% in Q1 2012.

In the quarter several new initiatives pushed up both Research and Development costs (+27.0%) and Commercial costs (+23.1%) to support the planned growth. **EBITDA** was substantially in line with Q1 2012: € 1.5 million, 11.0% as a percentage of revenues. All research and development costs were expensed in 2013 and 2012.

**Net Income** amounted to € 0.9 million, 7.0% as a percentage of revenues, in line with last year, excluding the extraordinary 2012 capital gain. Lower tax charges balanced higher amortization costs on Maple Lake acquisition. In Q1 2012 non-recurring profit included an extraordinary gain of € 0.7 on the sale of KIT Digital shares, following the divestiture of Polymedia.

**Net Financial Position**, € 3.2 million positive at 31 December 2012, has risen to € 7.5 million at 31 March 2013, due to good quarterly cash generation and working capital reduction. Consistently with 2012 and according to accounting principle IFRS 3, Net

Financial Position includes a provision of € 2.8 million of the maximum earn-outs payable, subject to the achievement of set growth and profitability goals in 2013 and 2014. Net of this provision, Net Available Financial Resources was € 10.3 million.

**Shareholders' Equity** as at 31 March 2013 amounted to € 27.0 million, compared to € 26.2 million at 31 December 2012, mainly due to Net Income.

Both business areas made a positive contribution to the growth in group's revenues, with TXT Perform and TXT Next posting an increase of +22.7% (59% of group's revenues) and +3.1% (41% of group's revenues), respectively. Net of Maple Lake acquisition, revenues grew by 2.2%.

Alvise Braga Illa, Chairman of TXT Group, stated: *"As Shareholder and Chairman, I confirm once more our objectives of international growth and value generation for the company, our customers, our employees and our investors, also at the light of Q1 2013 financial results"*

### **Significant events after the reporting period and Outlook**

On April 23, 2013, Shareholders' Meeting of TXT e-solutions examined and approved the 2012 financial statements and approved the distribution of a € 0.40 dividend per share outstanding at the ex-dividend date, i.e. 27 May 2013, (to be paid on 30 May 2013), less treasury shares held at that date.

Shareholders' Meeting also authorized the purchase of treasury shares for a period of 18 months up to 20% of share capital. Today, the Company holds 636,247 treasury shares, accounting for 10.78% of share capital.

Economic environment remains difficult in several markets, with signals of further weakening in some countries, most notably in Italy. The Company believes it will be able to outperform the market, thanks to strategy, innovative products and an international team of specialized consultants.

Ongoing negotiations for the sale of TXT Perform solutions are good, however revenues from licenses are always highly unpredictable and subject to the outcome of negotiations with new customers. The order book for maintenance and services have a good visibility and allow envisaging a positive development of the business in the current quarter.

## Declaration of the designated officer in charge of drafting the company's accounting documents

The Designated Officer in charge of drafting the company's accounting documents, Paolo Matarazzo, herein declares, pursuant to Article 154-bis, Paragraph 2 of Legislative Decree no. 58 of 24 February 1998, that the accounting information contained in this press release corresponds to the documentary records, books and accounting entries.

As from today this press release is available also on the company's website [www.txtgroup.com](http://www.txtgroup.com)

**TXT e-solutions** is an international specialist in high-value, strategic software and solutions for large enterprises. The main business areas are: **Integrated & Collaborative Planning Solutions**, with the TXT Perform Division, especially for Luxury, Fashion, Retail and Consumer Goods; **Software for Complex Operations & Manufacturing**, with the TXT Next Division, for Aerospace, Defence, High-Tech and Finance. Listed in the Star Segment of Borsa Italiana (TXT.MI), TXT is based in Milan and has offices in Italy, France, UK, Germany, Spain, Canada and Australia.

### For information:

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## Management Income Statement as at 31.3.2013

	Q1 2013	%	Q1 2012	%	Var 13/12%
<i>€ thousand</i>					
<b>REVENUES</b>	<b>13.213</b>	<b>100,0</b>	<b>11.608</b>	<b>100,0</b>	<b>13,8</b>
Direct costs	6.271	47,5	5.658	48,7	10,8
<b>GROSS MARGIN</b>	<b>6.942</b>	<b>52,5</b>	<b>5.950</b>	<b>51,3</b>	<b>16,7</b>
Research and Development costs	1.292	9,8	1.017	8,8	27,0
Commercial costs	2.512	19,0	2.041	17,6	23,1
General and Administrative costs	1.678	12,7	1.436	12,4	16,9
<b>EBITDA</b>	<b>1.460</b>	<b>11,0</b>	<b>1.456</b>	<b>12,5</b>	<b>0,3</b>
Amortization, depreciation	342	2,6	217	1,9	57,6
<b>OPERATING PROFIT (EBIT)</b>	<b>1.118</b>	<b>8,5</b>	<b>1.239</b>	<b>10,7</b>	<b>(9,8)</b>
Financial income (charges)	(50)	(0,4)	81	0,7	n.m.
<b>EARNINGS BEFORE TAXES (EBT)</b>	<b>1.068</b>	<b>8,1</b>	<b>1.320</b>	<b>11,4</b>	<b>(19,1)</b>
Taxes	(141)	(1,1)	(409)	(3,5)	(65,5)
<b>NET PROFIT FROM OPERATIONS</b>	<b>927</b>	<b>7,0</b>	<b>911</b>	<b>7,8</b>	<b>1,8</b>
Non recurring profit	-	-	670	5,8	n.m.
<b>NET PROFIT</b>	<b>927</b>	<b>7,0</b>	<b>1.581</b>	<b>13,6</b>	<b>(41,4)</b>

### Income statement as at 31.3.2013

<i>Euro</i>	31/03/2013	31/03/2012	Var.	%
Revenues	12.465.150	10.449.382	2.015.768	19,3
Other income	748.319	1.158.248	(409.929)	(35,4)
<b>Total Revenues and income</b>	<b>13.213.469</b>	<b>11.607.630</b>	<b>1.605.839</b>	<b>13,8</b>
Purchases of materials and services	(3.247.028)	(2.623.565)	(623.463)	23,8
Personnel costs	(8.017.784)	(7.000.275)	(1.017.509)	14,5
Other operating costs	(488.894)	(528.018)	39.124	(7,4)
Amortization and Depreciation	(341.332)	(217.802)	(123.530)	56,7
<b>OPERATING RESULT</b>	<b>1.118.431</b>	<b>1.237.970</b>	<b>(119.539)</b>	<b>(9,7)</b>
Financial income	229.539	916.326	(686.787)	(75,0)
Financial Charges	(279.534)	(164.878)	(114.656)	69,5
Pre-tax result	1.068.436	1.989.418	(920.982)	(46,3)
Income taxes	(141.552)	(408.522)	266.970	(65,4)
<b>Net Income</b>	<b>926.884</b>	<b>1.580.897</b>	<b>(654.013)</b>	<b>(41,4)</b>

### Net Financial Position as at 31.3.2013

<i>€ thousand</i>	31.03.2013 (a)	31.12.2012 (b)	Var (a-b)	31.03.2012
Cash	16.566	15.819	747	14.980
Negotiable securities	-	-	-	3.378
Short term debt	(1.968)	(5.496)	3.528	(1.596)
<b>Short term Financial Resources</b>	<b>14.598</b>	<b>10.323</b>	<b>4.275</b>	<b>16.762</b>
Long term debt	(4.310)	(4.302)	(8)	(1.977)
<b>Net Available Financial Resources</b>	<b>10.288</b>	<b>6.021</b>	<b>4.267</b>	<b>14.785</b>
Financial Debt for Earn-out (IFRS 3)	(2.835)	(2.784)	(51)	-
<b>Net Financial Position</b>	<b>7.453</b>	<b>3.237</b>	<b>4.216</b>	<b>14.785</b>

## Consolidated Balance Sheet as at 31.3.2013

<b>BALANCE SHEET: ASSETS</b>			
Amounts in €	31.03.2013	31.12.2012	Var.
<b>NON-CURRENT ASSETS</b>			
<b>Intangible Assets</b>	<b>19.460.608</b>	<b>19.866.254</b>	<b>(405.646)</b>
- Goodwill	14.992.554	15.139.294	(146.740)
- R&D	4.468.054	4.726.960	(258.906)
- Definite life Intangible assets	1.171.019	1.300.004	(128.985)
<b>Tangible Assets</b>	<b>3.297.035</b>	<b>3.426.956</b>	<b>(129.921)</b>
<b>Buildings, plants and machinery owned</b>	<b>1.128.617</b>	<b>1.154.282</b>	<b>(25.665)</b>
- Lease assets	1.100.883	1.121.001	(20.118)
- Other non-current assets	27.734	33.281	(5.547)
<b>Other non-current assets</b>	<b>148.464</b>	<b>301.053</b>	<b>(152.589)</b>
- Other non-current assets	148.464	301.053	(152.589)
Deferred Tax Assets	<b>514.995</b>	<b>493.907</b>	<b>21.088</b>
<b>TOTAL NON- RECURRENT ASSETS</b>	<b>21.252.684</b>	<b>21.815.496</b>	<b>(562.812)</b>
<b>CURRENT ASSETS:</b>			
Inventories	1.607.323	1.388.486	218.837
Trade receivables	15.938.099	17.274.489	(1.336.390)
Other current assets	2.595.655	2.287.953	307.702
Cash	16.565.941	15.818.812	747.129
<b>TOTAL CURRENT ASSETS</b>	<b>36.707.018</b>	<b>36.769.740</b>	<b>(62.722)</b>
<b>TOTAL ASSETS</b>	<b>57.959.702</b>	<b>58.585.236</b>	<b>(625.534)</b>
<b>BALANCE SHEET : LIABILITIES</b>			
Amounts in €	31.12.2012	31.12.2012	Var.
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	2.952.266	2.883.466	68.800
Reserves	17.268.219	17.422.630	(154.411)
Retained earnings	5.846.210	719.785	5.126.425
Profit for the period	926.884	5.137.932	(4.211.048)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>26.993.579</b>	<b>26.163.813</b>	<b>829.766</b>
<b>NON-CURRENT LIABILITIES</b>			
Non-current financial liabilities	4.310.139	4.301.301	8.838
Long term Earn-out	2.835.449	2.784.284	51.165
Severance and other personnel liabilities:	3.360.218	3.326.244	33.974
Deferred tax liabilities	1.235.651	1.269.903	(34.252)
Provision for risks	88.706	88.706	0
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>11.830.163</b>	<b>11.770.438</b>	<b>59.725</b>
<b>CURRENT LIABILITIES</b>			
Current financial liabilities	1.967.605	5.496.498	(3.528.893)
Trade payables	1.529.712	1.799.747	(270.035)
Tax payables	575.945	889.563	(313.618)
Other current liabilities	15.062.698	12.465.177	2.597.521
<b>TOTAL CURRENT LIABILITIES</b>	<b>19.135.960</b>	<b>20.650.985</b>	<b>(1.515.025)</b>
<b>TOTAL LIABILITIES</b>	<b>30.966.123</b>	<b>32.421.423</b>	<b>(1.455.300)</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>57.959.702</b>	<b>58.585.236</b>	<b>(625.534)</b>

## Consolidated Statement of Cash Flows as at 31.3.2013

Euro	31.03.2013	31.03.2012
<b>Net Income</b>	<b>926.884</b>	<b>1.580.897</b>
Non cash costs	38.793	116.379
Net interest paid	13.605	24.970
Variance in deferred taxes	(55.340)	144.006
Amortization, Depreciation & Write-downs	341.332	217.802
<b>Cash flows generated by operations before working capital</b>	<b>1.265.274</b>	<b>2.084.054</b>
Trade receivables	1.336.390	(2.191.690)
Inventories and work in progress	(218.837)	(630.577)
Trade payables	(270.035)	80.415
Tax payables	(313.618)	408.362
Severance and other personnel liabilities	33.974	40.702
Other current assets/liabilities	2.445.919	2.811.894
<b>Cash flow from operating activities</b>	<b>4.279.067</b>	<b>2.603.160</b>
<b>Investing activities</b>		
Increase in fixed assets :		
- Tangible	(64.537)	(114.233)
- Intangible	(1)	(6.903)
- Financial	0	7.631
Decrease in fixed assets and other changes	15.064	7.917
<b>Uses of cash in investing activities</b>	<b>(49.474)</b>	<b>(105.588)</b>
<b>Financial activities</b>		
Increase/decrease financial debts	(3.468.891)	(1.498.979)
Other changes in net equity	97.118	(210.103)
<b>Cash flow from financial activities</b>	<b>(3.371.773)</b>	<b>(1.709.082)</b>
<b>Increase/decrease in liquid bank assets</b>	<b>857.822</b>	<b>788.492</b>
Cash at beginning of the period	15.818.812	14.369.062
Difference in Currency Translation	(110.693)	7.919
Cash at the end of the period	16.565.941	15.165.473
	<b>857.822</b>	<b>788.492</b>