

TXT e-solutions: Q1 2015
Revenues € 14.7 million (+4.9%), EBIT +2.2%
Investments in R&D +11%

- *Consolidated Revenues: € 14.7 million (+4.9% compared to Q1 2014), 53% from outside Italy.*
- *EBITDA: € 1.5 million (-2.0%) and EBIT € 1.2 million (+2.2%).*
- *Net income: € 1.0 million (-1.7%).*
- *Net Financial Position: € 12.1 million (€ 8.5 million as of December 31, 2014).*

Milan – May 12, 2015

The Board of Directors of TXT e-solutions, chaired by Alvisè Braga IIIa, today approved the first quarter financial results for the period ended as of March 31, 2015.

First quarter 2015 recorded important Research & Development investments and costs both in North America and in Europe focused on proprietary software TXT Perform for the end-to-end planning for large Luxury, Fashion and Retail companies.

Revenues grew by 4.9%, from € 14.0 million in Q1 2014 to € 14.7 million. Sales of licences and maintenance totalled € 3.7 million (25% as a percentage of revenues), up +6.3% compared to Q1 2014.

TXT Perform, the Planning Specialist in End-to-End Retail for the Luxury and Fashion sector (59% of group revenues) were € 8.6 million, almost unchanged compared to Q1 2014 (-0.4%); TXT Next (41% of group revenues) were € 6.0 million and grew by 13.6% compared to Q1 2014.

International Revenues were € 7.8, compared to € 8.0 million in Q1 2014 (53% of total sales, almost entirely in TXT Perform).

EBITDA was € 1.5 million substantially in line with Q1 2014 (-2.0%), mainly due to investments in R&D (+10.6%). Profitability on revenues is 10.2%.

EBIT was € 1.2 million, slightly increasing compared to Q1 2014 (+2.2%), due to lower amortization. Profitability on revenues is 8.4%.

Net Income amounted to € 1.0 million (6.6% of revenues), slightly down compared to Q1 2014 (-1.7%). Income tax charges were € 0.2 million, or 16% of pre-tax income.

Net Financial Position has risen from € 8.5 million positive as of December 31, 2014 to € 12.1 million as of March 31, 2015, due to a block sale of treasury shares (€ 3.2 million) and cash flow from operations. In Q1 2015, Cash flows generated by operations before working capital was € 1.6 million, up +9.3% compared to € 1.4 million in Q1 2014.

Shareholders' Equity as of March 31, 2015 amounted to € 33.6 million, compared to € 29.0 million as of December 31, 2014 mainly due to a block sale of treasury shares (€ 3.2 million) and net income of the first quarter (€ 1.0 million).

As of March 31, 2015 TXT holds 1,109,950 treasury shares (1,427,850 as of December 31, 2014) or 9.39% of issued shares, purchased at an average price of € 2.08.

A dividend of € 0.25 for each share will be paid on May 20, 2015 (ex-dividend date on May 18, 2015, record date on May 19, coupon nr. 7).

A new free share for every 10 owned held will be distributed after the payment of cash dividend (ex-dividend date on May 18, 2015, coupon nr. 8).

The Board of Directors has appointed Ms Fabienne Anne Dejean Schwalbe (independent director appointed last May 5, 2015) as member of the Internal Control Committee and of the Remuneration Committee. The Board appointed Ms Stefania Saviolo as Chairman of the Remuneration Committee.

Alvise Braga Illa, Chairman of TXT Group, stated: *"In Q1 2015 we grew compared to Q1 2014 both in revenues and new software orders, with global projects with international customers including Moncler (I), Takko (D), Otto (D), Charles Voegelé (D), White Stuff (UK), Carpisa (I) and Swatch (CH), notwithstanding difficult and uncertain economic scenario in several countries. We continue our commercial investment in North America: in New York we just organized the 6° TXT Summit on new challenges for multichannel Retail, with attendance of over 40 brands and retailers".*

Significant events and Outlook after the reporting period

Year 2015 opened with increasing risks due to the international economic environment and the uncertainty in markets where TXT has a strong presence, including Fashion and Luxury. Nevertheless, the company believes it will be able to outperform the market, thanks to a strengthened presence in North America, and the development of the existing customer list, which is very wide and geographically located in different areas. The company is now also increasing its presence in selected areas of international manufacturing, which are gradually emerging from recession. The opening of the new subsidiary TXT Retail AsiaPacific Ltd in Hong Kong is undergoing.

The company foresees a development of business in the current quarter in line with last year.

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

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, USA, Australia and Hong Kong.

For information:

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Management Income Statement as of 31.03.2015

| <i>Amounts in thousands of Euro</i> | Q1 2015 | % | Q1 2014 | % | Var % |
|--|---------------|--------------|---------------|--------------|--------------|
| REVENUES | 14.684 | 100,0 | 13.995 | 100,0 | 4,9 |
| Direct costs | 7.108 | 48,4 | 6.607 | 47,2 | 7,6 |
| GROSS MARGIN | 7.576 | 51,6 | 7.388 | 52,8 | 2,5 |
| R&D Costs | 1.362 | 9,3 | 1.232 | 8,8 | 10,6 |
| Commercial Costs | 2.922 | 19,9 | 2.891 | 20,7 | 1,1 |
| G&A Costs | 1.801 | 12,3 | 1.744 | 12,5 | 3,3 |
| GROSS OPERATING MARGIN (EBITDA) | 1.491 | 10,2 | 1.521 | 10,9 | (2,0) |
| Amortization, Depreciation | 253 | 1,7 | 310 | 2,2 | (18,4) |
| OPERATING PROFIT (EBIT) | 1.238 | 8,4 | 1.211 | 8,7 | 2,2 |
| Financial Income (Expenditure) | (70) | (0,5) | (68) | (0,5) | 2,9 |
| PRE-TAX INCOME (EBT) | 1.168 | 8,0 | 1.143 | 8,2 | 2,2 |
| Income Taxes | (192) | (1,3) | (150) | (1,1) | 28,0 |
| NET INCOME | 976 | 6,6 | 993 | 7,1 | (1,7) |

Income Statement as of 31.03.2015

| Amounts in Euro | 31.03.2015 | 31.03.2014 |
|---|-------------------|-------------------|
| TOTAL REVENUES AND INCOME | 14.683.528 | 13.995.082 |
| Purchases of materials and services | (3.131.528) | (3.185.976) |
| Personnel costs | (9.586.020) | (8.827.233) |
| Other operating costs | (475.057) | (460.946) |
| Amortizations, depreciation and write downs | (253.114) | (309.430) |
| OPERATING RESULT | 1.237.809 | 1.211.497 |
| Financial income/charges | (69.738) | (68.192) |
| PRE-TAX RESULT | 1.168.071 | 1.143.305 |
| Income Taxes | (191.934) | (150.305) |
| NET RESULT CURRENT ACTIVITIES | 976.137 | 993.000 |
| PROFIT PER SHARE (Euro) | 0,09 | 0,10 |
| PROFIT PER SHARE DILUTED (Euro) | 0,09 | 0,09 |

Net Financial Position as of 31.03.2015

| Amounts in thousands of Euro | 31.03.2015 | 31.12.2014 | Var |
|---------------------------------------|---------------|---------------|--------------|
| Cash | 13.404 | 12.304 | 1.100 |
| Short Term Debt | (1.221) | (2.154) | 933 |
| Short Term Financial Resources | 12.183 | 10.150 | 2.033 |
| Long Term Debt | (115) | (1.685) | 1.570 |
| Total Net Financial Position | 12.068 | 8.465 | 3.603 |

Consolidated Balance Sheet as of 31.03.2015

| ASSETS (Amounts in Euro) | 31.03.2015 | 31.12.2014 |
|---|-------------------|-------------------|
| NON-CURRENT ASSETS | | |
| Goodwill | 13.486.449 | 12.993.445 |
| Definite life intangible assets | 1.945.850 | 2.085.369 |
| Intangible Assets | 15.432.299 | 15.078.814 |
| Buildings, plants and machinery owned | 1.381.620 | 1.248.845 |
| Tangible Assets | 1.381.620 | 1.248.845 |
| Other non-current assets | 142.798 | 136.068 |
| Deferred tax assets | 1.907.873 | 1.556.303 |
| Other non-current assets | 2.050.671 | 1.692.371 |
| TOTAL NON-CURRENT ASSETS | 18.864.590 | 18.020.030 |
| CURRENT ASSETS | | |
| Inventories | 1.915.136 | 1.820.672 |
| Trade receivables | 21.493.579 | 18.570.928 |
| Other current assets | 2.335.188 | 2.196.824 |
| Cash and other liquid equivalents | 13.404.364 | 12.304.130 |
| TOTAL CURRENT ASSETS | 39.148.267 | 34.892.554 |
| TOTAL ASSETS | 58.012.857 | 52.912.584 |
| EQUITY AND LIABILITIES (Amounts in Euro) | | |
| SHAREHOLDERS' EQUITY | | |
| Share capital | 5.911.932 | 5.911.932 |
| Reserves | 16.487.369 | 12.867.534 |
| Retained earnings | 10.190.810 | 6.018.431 |
| Profit (Loss) for the year | 976.137 | 4.172.380 |
| TOTAL SHAREHOLDERS' EQUITY | 33.566.248 | 28.970.277 |
| NON-CURRENT LIABILITIES | | |
| Non-current financial liabilities | 115586 | 1684734 |
| Severance and other personnel liabilities | 3.821.529 | 3.841.200 |
| Deferred tax liabilities | 1.231.102 | 965.428 |
| TOTAL NON-CURRENT LIABILITIES | 5.168.217 | 6.491.362 |
| CURRENT LIABILITIES | | |
| Current financial liabilities | 1.220.945 | 2.153.926 |
| Trade payables | 1.799.924 | 1.540.108 |
| Tax payables | 540.733 | 150.971 |
| Other current liabilities | 15.716.790 | 13.605.940 |
| TOTAL CURRENT LIABILITIES | 19.278.392 | 17.450.945 |
| TOTAL LIABILITIES | 24.446.609 | 23.942.307 |
| TOTAL EQUITY AND LIABILITIES | 58.012.857 | 52.912.584 |

Consolidated Statement of Cash Flows as of 31.03.2015

| Amounts in Euro | 31.03.2015 | 31.03.2014 |
|--|------------------|------------------|
| Net Income | 976.137 | 993.000 |
| Non cash costs | 2.652 | 24.287 |
| Paid taxes | 410.173 | 145.162 |
| Variance in deferred taxes | (85.896) | (41.040) |
| Amortization, depreciation and write-downs | 253.114 | 302.704 |
| Cash flows generated by operations before working capital | 1.556.180 | 1.424.113 |
| (Increase) / Decrease in trade receivables | (2.922.651) | (1.114.075) |
| (Increase) / Decrease in inventories | (94.464) | (528.682) |
| (Increase) / Decrease in trade payables | 259.817 | (114.988) |
| (Increase) / Decrease in severance and other personnel liabilities | (19.671) | 9.297 |
| (Increase) / Decrease in other current assets/liabilities | 2.029.484 | 3.057.216 |
| Changes in working capital | (747.485) | 1.308.768 |
| CASH FLOW GENERATED BY OPERATIONS | 808.695 | 2.732.881 |
| Increase in tangible assets | (244.356) | (75.410) |
| Increase in intangible assets | (4.666) | |
| CASH FLOW GENERATED BY INVESTING ACTIVITIES | (249.022) | (75.410) |