

**TXT e-solutions: 2015 nine-months revenues  
€ 45.4 million (+12.9%) and Net Income € 3.4 million (+25.2%)  
Strong growth of Revenues and Net Income continues in Q3**

- *Consolidated Revenues: € 45.4 million (+12.9%), 55% from outside Italy.*
- *EBITDA: € 5.0 million (+10.6%).*
- *Net income: € 3.4 million (+25.2%).*
- *Net Financial Position: positive € 9.4 million at September 30 2015 (€ 8.5 million at 31 December 2014).*

Milan – November 4, 2015

The Board of Directors of TXT e-solutions Spa, chaired by Alvisè Braga Illa, today approved the financial results for the period ended as of September 30, 2015.

In the first nine month of 2015, TXT recorded good growth of Revenues and Orders in both Divisions. Orders were € 46.9 million, up +18.8% compared to 2014 (€ 39.5 million). TXT Perform division orders grew by +20.2% and TXT Next by +16.6%.

In first nine months of 2015 TXT Retail gained important new customers and extension of licences to existing customers, including DFS (HK), Hanna Anderson (USA), Delta Galil (ISR), Swatch (CH), Sonae (P), Safilo (I), Furla (I), Moncler (I), Marni (I), Carpisa (I), Takko (D), Otto (D), Charles Voegele (D), Adidas (D), White Stuff (UK), Louis Vuitton (F), Longchamp (F), Sephora (F), Monoprix (F), Alinea (F) and Kenzo (F).

In order to compare performance with current year, financial results as of 30 September 2014 have been normalized, excluding non-recurring Revenues and Costs. 2014 results include a non-recurring income of € 1.5 million, earned from acquisition of Maple Lake and non-recurring charges of € 0.4 million.

**Revenues** were € 45.4 million, compared to € 40.2 million in the first nine month 2014 normalized (+12.9%). Sales of licences and maintenance totalled € 12.1 million (27% as a percentage of revenues), up +29.4% compared to 2014.

TXT Perform, the Planning specialist in End-to-End Retail for the Luxury and Fashion sector (60% of group revenues) grew revenues to € 27.2 million (+11.9% compared to 2014 normalized); TXT Next revenues (40% of group) were € 18.2 million and grew by +14.4% compared to 2014.

**EBITDA** was € 5.0 million and grew +10.6% compared to 2014 normalized (€ 4.5 million), after strong R&D (+13.3%) and Commercial investments (+13.7%). Profitability on revenues is 11%.

**Pre-tax Income** grew +20.8% from € 3.4 million (2014 normalized) to € 4.1 million. Profitability on revenues rose from 8.3% to 8.9%.

**Net Income** was € 3.4 million (7.6% of revenues), up +25.2% compared to 2014 normalized (€ 2.7 million). Income tax charges were € 0.6 million, or 15% of pre-tax income.

**Net Financial Position** has risen from € 8.5 million positive as of December 31, 2014 to € 9.4 million as of September 30, 2015. Main cash movements in the first nine months 2015 included a block sale of treasury shares to USA funds Kabouter (€ 3.2 million), the payment of dividends (€ 2.7 million), the payment of bonuses to employees (€ 2.5 million) and share buybacks (€ 0.8 million).

**Shareholders' Equity** as of September 30, 2015 amounted to € 32.5 million, up € 3.5 million compared to € 29.0 million as of December 31, 2014, mainly due to net income of the period (€ 3.4 million).

As of September 30, 2015 TXT holds 1,325,117 treasury shares or 10.19% of issued shares, purchased at an average price of € 2.33.

### Third Quarter 2015

In Q3 2015 **Revenues** were € 14.3 million, up +12.3% compared to Q3 2014, with software revenues (licences and maintenance) growing by 15.4% and services by 11.3%. TXT Perform grew revenues to € 8.4 million (+9.5% compared to Q3 2014) and TXT Next revenues were € 5.9 million and grew by +16.6% compared to Q3 2014.

**Net Income** was € 1.1 million, up +15.1% compared to Q3 2014. Profitability on revenues rose from 7.5% to 7.7%.

On 18 August 2015 TXT Singapore Pte Ltd has been incorporated in addition to the subsidiary in Hong Kong for the development of Asia Pacific market and for the management of an important customer with over 40 Duty Free and Galleria stores in airport hubs and tourist locations worldwide.

The Chairman Alvise Braga IIIa commented as follows: *"Final Q3 results exceed our initial expectations. The complex international economic environment did not prevent our customers to achieve very good results both in Fashion & Luxury and in TXT Next's markets. The ongoing market trends lead the most dynamic companies to invest in the solution space covered by TXT products."*

## Outlook and Subsequent Events

The acceleration in new orders in the first 9 months 2015 allows to forecast a positive business development 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 Australia, Canada, France, Germany, Hong Kong, Italy, Singapore, Spain, United Kingdom and United States.

### For information:

**TXT e-solutions SpA**  
Paolo Matarazzo  
CFO  
Tel. +39 02 25771.355  
[paolo.matarazzo@txtgroup.com](mailto:paolo.matarazzo@txtgroup.com)

## Management Income Statement as of 30.09.2015

€ thousand	9m 2015	%	9m 2014 (1)	2014 non recurring	9m 2014 Normalized (2)	%	Var % vs 2014	Var % vs 2014 Normalized
<b>REVENUES</b>	<b>45.403</b>	<b>100,0</b>	<b>41.682</b>	<b>(1.468)</b>	<b>40.214</b>	<b>100,0</b>	<b>8,9</b>	<b>12,9</b>
Direct costs	21.659	47,7	19.451	(407)	19.044	47,4	11,4	13,7
<b>GROSS MARGIN</b>	<b>23.744</b>	<b>52,3</b>	<b>22.231</b>	<b>(1.061)</b>	<b>21.170</b>	<b>52,6</b>	<b>6,8</b>	<b>12,2</b>
Research and Development costs	3.838	8,5	3.388		3.388	8,4	13,3	13,3
Commercial costs	9.319	20,5	8.193		8.193	20,4	13,7	13,7
General and Administrative costs	5.583	12,3	5.063		5.063	12,6	10,3	10,3
<b>EBITDA</b>	<b>5.004</b>	<b>11,0</b>	<b>5.587</b>	<b>(1.061)</b>	<b>4.526</b>	<b>11,3</b>	<b>(10,4)</b>	<b>10,6</b>
Amortization, depreciation	826	1,8	980		980	2,4	(15,7)	(15,7)
<b>OPERATING PROFIT (EBIT)</b>	<b>4.178</b>	<b>9,2</b>	<b>4.607</b>	<b>(1.061)</b>	<b>3.546</b>	<b>8,8</b>	<b>(9,3)</b>	<b>17,8</b>
Financial income (charges)	(128)	(0,3)	(192)		(192)	(0,5)	(33,3)	(33,3)
<b>EARNINGS BEFORE TAXES (EBT)</b>	<b>4.050</b>	<b>8,9</b>	<b>4.415</b>	<b>(1.061)</b>	<b>3.354</b>	<b>8,3</b>	<b>(8,3)</b>	<b>20,8</b>
Taxes	(615)	(1,4)	(807)	197	(610)	(1,5)	(23,8)	0,8
<b>NET PROFIT</b>	<b>3.435</b>	<b>7,6</b>	<b>3.608</b>	<b>(864)</b>	<b>2.744</b>	<b>6,8</b>	<b>(4,8)</b>	<b>25,2</b>

(1) Official Financial Reporting.

(2) Income Statement 9m 2014 includes non-recurring income of 1.468k€ and non-recurring costs of 407k€. In order to compare performance with current year, financial results as of 30.9.2014 have been "Normalized" excluding non-recurring Revenues and Costs. Taxes have been calculated pro-rata.

## Income Statement as of 30.09.2015

Amounts in Euro	30.09.2015	30.09.2014
<b>TOTAL REVENUES AND INCOME</b>	<b>45.403.225</b>	<b>41.682.069</b>
Purchases of materials and services	(8.669.911)	(9.425.021)
Personnel costs	(30.277.215)	(25.086.476)
Other operating costs	(1.452.102)	(1.583.144)
Amortizations, depreciation and write downs	(826.000)	(980.241)
<b>OPERATING RESULT</b>	<b>4.177.997</b>	<b>4.607.187</b>
Financial income/charges	(128.117)	(192.494)
<b>PRE-TAX RESULT</b>	<b>4.049.880</b>	<b>4.414.693</b>
Income Taxes	(615.275)	(806.353)
<b>NET RESULT CURRENT ACTIVITIES</b>	<b>3.434.605</b>	<b>3.608.340</b>
<b>PROFIT PER SHARE (Euro)</b>	0,29	0,35
<b>PROFIT PER SHARE DILUTED (Euro)</b>	0,29	0,33

## Net Financial Position as of 30.09.2015

€ thousand	30.9.2015	31.12.2014	Var	30.9.2014
Cash	11.862	12.304	(442)	11.862
Short term debt	(2.467)	(2.154)	(313)	(2.757)
<b>Short term Financial Resources</b>	<b>9.395</b>	<b>10.150</b>	<b>(755)</b>	<b>9.105</b>
Long term debt	-	(1.685)	1.685	(2.034)
<b>Net Available Financial Resources</b>	<b>9.395</b>	<b>8.465</b>	<b>930</b>	<b>7.071</b>

## Consolidated Balance Sheet as of 30.09.2015

ASSETS (Amounts in Euro)	30.09.2015	31.12.2014
<b>NON-CURRENT ASSETS</b>		
Goodwill	13.133.536	12.993.445
Definite life intangible assets	1.677.298	2.085.369
<b>Intangible Assets</b>	<b>14.810.834</b>	<b>15.078.814</b>
Buildings, plants and machinery owned	1.408.442	1.248.845
<b>Tangible Assets</b>	<b>1.408.442</b>	<b>1.248.845</b>
Other non-current assets	141.572	136.068
Deferred tax assets	1.779.106	1.556.303
<b>Other non-current assets</b>	<b>1.920.678</b>	<b>1.692.371</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>18.139.954</b>	<b>18.020.030</b>
<b>CURRENT ASSETS</b>		
Inventories	2.767.053	1.820.672
Trade receivables	20.043.309	18.570.928
Other current assets	2.441.893	2.196.824
Cash and other liquid equivalents	11.862.391	12.304.130
<b>TOTAL CURRENT ASSETS</b>	<b>37.114.646</b>	<b>34.892.554</b>
<b>TOTAL ASSETS</b>	<b>55.254.600</b>	<b>52.912.584</b>
<b>EQUITY AND LIABILITIES (Amounts in Euro)</b>		
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	6.503.125	5.911.932
Reserves	15.151.014	12.867.534
Retained earnings	7.412.155	6.018.431
Profit (Loss) for the year	3.434.605	4.172.380
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>32.500.899</b>	<b>28.970.277</b>
<b>NON-CURRENT LIABILITIES</b>		
Non-current financial liabilities	-	168.473
Severance and other personnel liabilities	3.784.078	3.841.200
Deferred tax liabilities	1.163.013	965.428
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>4.947.091</b>	<b>6.491.362</b>
<b>CURRENT LIABILITIES</b>		
Current financial liabilities	2.467.446	2.153.926
Trade payables	1.254.205	1.540.108
Tax payables	225.620	150.971
Other current liabilities	13.859.339	13.605.940
<b>TOTAL CURRENT LIABILITIES</b>	<b>17.806.610</b>	<b>17.450.945</b>
<b>TOTAL LIABILITIES</b>	<b>22.753.701</b>	<b>23.942.307</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>55.254.600</b>	<b>52.912.584</b>

## Consolidated Statement of Cash Flows as of 30.09.2015

Amounts in Euro	30.09.2015	30.09.2014
<b>Net Income</b>	<b>3.434.605</b>	<b>3.608.340</b>
Paid taxes	(78.666)	106.645
Variance in deferred taxes	(25.218)	146.336
Amortization, depreciation and write-downs	826.000	980.242
<b>Cash flows generated by operations before working capital</b>	<b>4.156.721</b>	<b>4.841.563</b>
(Increase) / Decrease in trade receivables	(1.508.365)	(2.062.967)
(Increase) / Decrease in inventories	(946.381)	(155.476)
(Increase) / Decrease in trade payables	(285.902)	(335.945)
(Increase) / Decrease in severance and other personnel liabilities	12.190	84.970
(Increase) / Decrease in other current assets/liabilities	156.140	(272.577)
<b>Changes in working capital</b>	<b>(2.572.318)</b>	<b>(2.741.995)</b>
<b>CASH FLOW GENERATED BY OPERATIONS</b>	<b>1.584.403</b>	<b>2.099.568</b>
Increase in tangible assets	(512.495)	(441.432)
Increase in intangible assets	(29.047)	(25.792)
<b>CASH FLOW GENERATED BY INVESTING ACTIVITIES</b>	<b>(541.542)</b>	<b>(467.224)</b>
Repayment of borrowings	(1.371.214)	(1.457.327)
Distribution of dividends	(2.678.079)	(2.614.596)
(Purchase) / Sale of treasury shares	2.378.634	(463.543)
<b>CASH FLOW GENERETED BY FINANCIAL ACTIVITIES</b>	<b>(1.670.659)</b>	<b>(4.535.466)</b>
<b>INCREASE / (DECREASE) IN CASH</b>	<b>(627.798)</b>	<b>(2.903.122)</b>
Difference in Currency Translation	186.059	(58.770)
<b>Cash at beginning of the period</b>	<b>12.304.130</b>	<b>14.821.027</b>
<b>Cash at the end of the period</b>	<b>11.862.391</b>	<b>11.859.135</b>

## Income Statement - Management Reporting Third Quarter as at 30.09.2015

<i>€ thousand</i>	Q3 2015	%	Q3 2014	%	Var % vs 2014
<b>REVENUES</b>	<b>14.277</b>	<b>100,0</b>	<b>12.710</b>	<b>100,0</b>	<b>12,3</b>
Direct costs	6.781	47,5	5.987	47,1	13,3
<b>GROSS MARGIN</b>	<b>7.496</b>	<b>52,5</b>	<b>6.723</b>	<b>52,9</b>	<b>11,5</b>
Research and Development costs	1.122	7,9	1.008	7,9	11,3
Commercial costs	2.927	20,5	2.527	19,9	15,8
General and Administrative costs	1.819	12,7	1.632	12,8	11,5
<b>EBITDA</b>	<b>1.628</b>	<b>11,4</b>	<b>1.556</b>	<b>12,2</b>	<b>4,6</b>
Amortization, depreciation	307	2,2	337	2,7	(8,9)
<b>OPERATING PROFIT (EBIT)</b>	<b>1.321</b>	<b>9,3</b>	<b>1.219</b>	<b>9,6</b>	<b>8,4</b>
Financial income (charges)	(16)	(0,1)	(68)	(0,5)	(76,5)
<b>EARNINGS BEFORE TAXES (EBT)</b>	<b>1.305</b>	<b>9,1</b>	<b>1.151</b>	<b>9,1</b>	<b>13,4</b>
Taxes	(210)	(1,5)	(200)	(1,6)	5,0
<b>NET PROFIT</b>	<b>1.095</b>	<b>7,7</b>	<b>951</b>	<b>7,5</b>	<b>15,1</b>