TXT e-solutions Group

Interim report

as at 31 March 2015

TXT e-solutions S.p.A.

Registered office, management, and administration:

Via Frigia, 27 – 20126 Milan - Italy

Share capital:

€ 5,911,932 fully paid-in

Tax code and Milan Business Register number: 09768170152

Corporate bodies

BOARD OF DIRECTORS

Members' term of office expires upon approval of the financial statements for the year ending 31 December 2016:

Alvise Braga Illa	Chairman	(1)
Marco Edoardo Guida	Chief Executive Officer	(2)
Andrea Cencini	Director	(2)
Paolo Enrico Colombo	Director	(2)
Fabienne Anne Dejean Schwalbe	Independent Director	(4)
Teresa Cristiana Naddeo	Independent Director	(3)
Stefania Saviolo	Independent Director	(3)

(1) Powers assigned: ordinary and extraordinary administration, except purchase and sale of buildings.

(2) Powers assigned: ordinary administration.

(3) Member of the Remuneration Committee and the Risks and Internal Controls Committee.

(4) Co-opted by the Board of Directors on 5 May 2015 and in office until the next Shareholders' Meeting.

BOARD OF STATUTORY AUDITORS

Members' term of office expires upon approval of the financial statements for the year ending 31 December 2016:

Raffaele Valletta	Chairman
Luisa Cameretti	Standing Auditor
Fabio Maria Palmieri	Standing Auditor
Angelo Faccioli	Alternate Auditor
Pietro Antonio Grignani	Alternate Auditor
Laura Grimi	Alternate Auditor

EXTERNAL AUDITORS	Reconta Ernst & Young S.p.A.
INVESTOR RELATIONS	E-mail: infofinance@txtgroup.com
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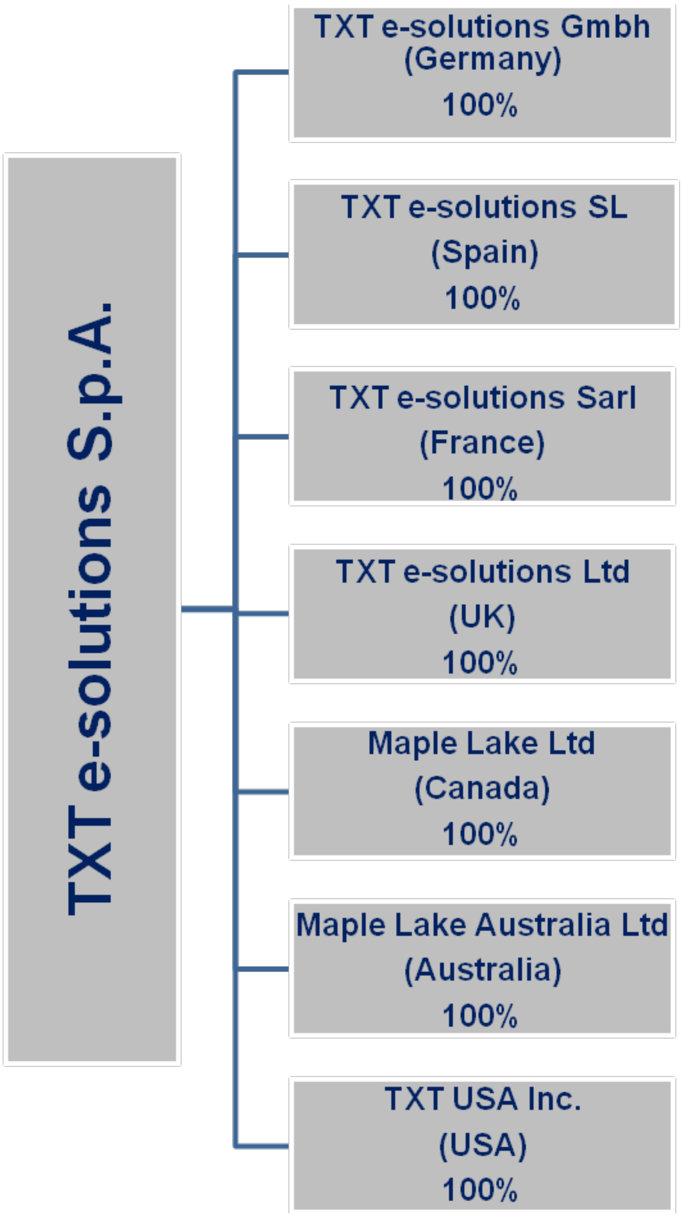
Organisational structure and scope of consolidation



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Key data and Directors’ report on operations for the first 3 months of 2015

TXT e-solutions Group – Key data

INCOME DATA (€ thousand)		Q1 2015	%	Q1 2014	%	% change
REVENUES		**14,684**	**100.0**	**13,995**	**100.0**	**4.9**
	of which:					
	TXT Perform	8,635	58.8	8,668	61.9	(0.4)
	TXT Next	6,049	41.2	5,327	38.1	13.6
GROSS OPERATING PROFIT (LOSS) [EBITDA]		**1,491**	**10.2**	**1,521**	**10.9**	**(2.0)**
OPERATING PROFIT (LOSS) [EBIT]		**1,238**	**8.4**	**1,211**	**8.7**	**2.2**
NET PROFIT (LOSS) FOR THE PERIOD		**976**	**6.6**	**993**	**7.1**	**(1.7)**

FINANCIAL DATA (€ thousand)	31 Mar. 2015	31 Dec. 2014	Change
Fixed assets	18,865	17,850	1,015
Net working capital	6,455	4,813	1,642
Post-employment benefits and other non-current liabilities	(3,822)	(3,299)	(523)
Capital employed	**21,498**	**19,364**	**2,134**
Net financial position	12,068	8,573	3,495
Group shareholders' equity	33,566	27,937	5,629

DATA PER SHARE	31 Mar. 2015	31 Mar. 2014	Change
Average number of shares outstanding *	10,501,247	10,451,631	49,616
Net earnings per share *	0.09	0.10	(0.00)
Equity per share *	3.20	2.77	0.43

ADDITIONAL INFORMATION	31 Mar. 2015	31 Dec. 2014	Change
Number of employees	608	569	39
TXT share price	10.25	7.81	2.44

* Outstanding shares are equal to the shares issued less treasury shares.

Notes on Alternative Performance Measures

Pursuant to the CESR Recommendation on alternative performance measures (CESR/05-178b), it should be noted that the reclassified statements included in this Directors' Report on Operations show a number of differences from the official statements shown in the accounting tables set out in the following pages and in the Notes with regard to the terminology and the level of detail.

Specifically, the reclassified consolidated Income Statement introduces the following terms:
• **EBITDA**, which in the official consolidated Income Statement means "Total revenues" net of total operating costs;
• **EBIT**, which in the official consolidated Income Statement means "Total revenues" net of total operating costs, depreciation and amortisation, and impairment of fixed assets.

The reclassified consolidated Balance Sheet was prepared based on the items recognised as assets or liabilities in the official consolidated Balance Sheet, and it introduces the following terms:
• **FIXED ASSETS**, the sum of property, plant and equipment, intangible assets, goodwill, deferred tax assets and liabilities, and other non-current assets;
• **NET WORKING CAPITAL**, the sum of inventories, trade receivables/payables, current provisions, tax receivables/payables, and other current assets/liabilities and sundry receivables/payables;
• **CAPITAL EMPLOYED**, the algebraic sum of Fixed Assets, Net Working Capital, post-employment benefits, and other non-current liabilities.

Directors' report on operations for the first 3 months of 2015

Dear Shareholders,

In the first 3 months of 2015, the Group made significant investments in Research and Development and in North America and Europe to develop the Luxury and Fashion market for the TXT Perform software dealing with end-to-end solutions - from the collection to the shelf and to e-commerce as well - for leading international customers.

- First quarter revenues increased from € 14.0 million to € 14.7 million (+4.9%). Revenues from licenses and maintenance amounted to € 3.7 million, equal to 25% of total revenues and up 6.3% compared to first quarter 2014.

- TXT Perform Division's revenues (59% of the Group's revenues) amounted to € 8.6 million, essentially in line with the prior year (-0.4%), while those of the TXT Next Division (41% of the Group's revenues) amounted to € 6.0 million, up 13.6% over first quarter 2014.

- International revenues were € 7.8 million, compared to € 8.0 million in first quarter 2014, equal to 53% of the total, essentially attributable to the TXT Perform Division.

- Net of direct costs, the gross margin rose from € 7.4 million to € 7.6 million (+2.5%). The margin on revenues was 51.6%.

- EBITDA amounted to € 1.5 million, essentially in line with first quarter 2014 (-2.0%), mainly due to significant growth in Research and Development expenditure (+10.6%). As a percentage of revenues, it amounted to 10.2%.

- Pre-tax profit amounted to € 1.2 million, up slightly compared to first quarter 2014 (+2.2%) due to the reduction in amortisation and depreciation. As a percentage of revenues, it amounted to 8.0%.

- Net profit amounted to € 1.0 million (6.6% of revenues), with a slight decline (-1.7%) compared to first quarter 2014. Tax charges of € 0.2 million were equal to 16% of the pre-tax profit.

- The Net Financial Position, equal to € 8.5 million as at 31 December 2014, increased to € 12.1 million as at 31 March 2015, due to the sale of a block of treasury shares and to the positive cash flow generated in the quarter. Cash flow from operating activities in the first 3 months of 2015, before changes in net working capital, amounted to € 1.6 million, up +9.3% compared to € 1.4 million in first quarter 2014.

- Shareholders' Equity as at 31 March 2015 amounted to € 33.6 million, up € 4.6 million compared to the € 29.0 million as at 31 December 2014, due to the sale of a block of treasury shares (€ 3.2 million) and net profit in the quarter (€ 1.0 million).

TXT's results for first quarter 2015, compared with the previous year's figures, are presented below:

(€ thousand)	Q1 2015	%	Q1 2014	%	% change
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**
Research and development costs	1,362	9.3	1,232	8.8	10.6
Commercial costs	2,922	19.9	2,891	20.7	1.1
General and administrative costs	1,801	12.3	1,744	12.5	3.3
GROSS OPERATING PROFIT (LOSS) [EBITDA]	**1,491**	**10.2**	**1,521**	**10.9**	**(2.0)**
Depreciation, amortisation and impairment	253	1.7	310	2.2	(18.4)
OPERATING PROFIT (LOSS) [EBIT]	**1,238**	**8.4**	**1,211**	**8.7**	**2.2**
Financial income (charges)	(70)	(0.5)	(68)	(0.5)	2.9
EARNINGS BEFORE TAXES (EBT)	**1,168**	**8.0**	**1,143**	**8.2**	**2.2**
Taxes	(192)	(1.3)	(150)	(1.1)	28.0
NET PROFIT (LOSS) FOR THE PERIOD	**976**	**6.6**	**993**	**7.1**	**(1.7)**

REVENUES AND GROSS MARGINS

The table below highlights the TXT Group's results reclassified by business unit down to gross margin:

(€ thousand)	Q1 2015	%	TXT PERFORM Q1 2014	%	15/14 Change
REVENUES	**8,635**	**100.0**	**8,668**	**100.0**	**(0.4)**
Licenses & maintenance	3,649	42.3	3,437	39.7	6.2
Projects and other income	4,986	57.7	5,231	60.3	(4.7)
DIRECT COSTS	3,101	35.9	3,227	37.2	(3.9)
GROSS MARGIN	**5,534**	**64.1**	**5,441**	**62.8**	**1.7**

(€ thousand)	Q1 2015	%	TXT NEXT Q1 2014	%	15/14 Change
REVENUES	**6,049**	**100.0**	**5,327**	**100.0**	**13.6**
Licenses & maintenance	31	0.5	26	0.5	19.2
Projects and other income	6,018	99.5	5,301	99.5	13.5
DIRECT COSTS	4,007	66.2	3,380	63.5	18.6
GROSS MARGIN	**2,042**	**33.8**	**1,947**	**36.5**	**4.9**

(€ thousand)	Q1 2015	%	TOTAL TXT Q1 2014	%	15/14 Change
REVENUES	**14,684**	**100.0**	**13,995**	**100.0**	**4.9**
Licenses & maintenance	3,680	25.1	3,463	24.7	6.3
Projects and other income	11,004	74.9	10,532	75.3	4.5
DIRECT COSTS	7,108	48.4	6,607	47.2	7.6
GROSS MARGIN	**7,576**	**51.6**	**7,388**	**52.8**	**2.5**

TXT Perform Division

The TXT Perform Division mainly operates in the Luxury, Apparel and Large International Retail sectors, providing end-to-end solutions - from the collection to the shelf and e-commerce - for business planning, sales budgeting, and effectively implementing business plans.

Revenues of the TXT Perform Division in the first 3 months of 2015 amounted to € 8.6 million, essentially in line with first quarter 2014 (-0.4%).

The Division's international revenues amounted to € 7.3 million, compared to € 7.5 million in the first 3 months of 2014, due to the downturn in a number of orders, but with good performance of revenues in Germany. International revenues account for 84% of TXT Perform's total revenues.

Revenues from licences and maintenance amounted to € 3.6 million, up 6.2% compared to € 3.4 million in first quarter 2014. Revenues from licenses and maintenance rose from 39.7% to 42.3% as a percentage of the Division's total revenues.

The Division's gross margin, net of direct costs, increased from € 5.4 million to € 5.5 million, essentially due to the contribution of revenues from software. As a percentage of revenues, it increased from 62.8% to 64.1%.

During first quarter 2015, TXT signed licence contracts with new customers or extended those with existing customers, including Moncler (I), Takko (D), Otto (D), White Stuff (UK), Carpisa (I) and Swatch (CH).

During 2014-2015, the Division implemented the AgileFit solution for End-to-End Retail - an exclusive, innovative and proprietary TXT solution applied for the first time to Miroglio, Bata and Pandora's systems. AgileFit speeds up installation and return on investments for TXT customers. About 40 customers, including Thirty-One Gifts (USA), Damartex (F), Lacoste (F), Fat Face (UK), Hamm Reno (D), Apollo Optik (D), Yamamay (I), Lavazza (I), Peek & Cloppenburg (D), La Halle (F) and Urban Outfitters (USA) implemented new TXT solutions. Furthermore, six projects were launched for Louis Vuitton (F) and a roll out plan for Europe, America and Asia was implemented for Burberry's (UK).

Customers of the Luxury, Fashion, and Retail sectors contributing to revenues in 2014-2015 numbered 350, with more than 100,000 points of sales and sales channels throughout the world. TXT Perform's potential market, in the geographical areas it currently serves – Europe and North America – includes approximately 1,500 large Retailers.

On 26 February 2015, the upcoming launch of TXT Retail AsiaPacific Ltd in Hong Kong was announced, aimed at providing direct support to international projects and customers of the Asia Pacific area. The new Hong Kong company, wholly-owned by TXT e-solutions, will lead TXT's growth in the large, dynamic Asia Pacific market, with local business managers, directly connected to the TXT Solution Center in Milan and TXT's international organisation in Europe, North America and Australia.

The 2015 edition of Thinking Retail was held in Paris on 19 March 2015. As part of this event, retailers such as Adidas, Pandora, Sephora, Levi's, Tod's and Desigual met to discuss and share ideas and requirements with regard to end-to-end planning with 150 leaders of international retail and planning professionals. The following key points emerged on this occasion:

- End-to-end planning of assortment, as defined by TXT, is destined to become the reference model: from the collection to the shop, from the physical channels to online, supported by simulation tools and just a click away.

- Rapid adoption, with “AgileFit” methods, enables quicker results than with traditional methods: less than 8 weeks to make a complex project of collections planning operational. Speed is essential in multi-channel retail.

- Tangible benefits thanks to the right technology and the appropriate processes, as reported by a well-known global retailer with a vast assortment of low and high-rotation products. Thanks to TXT's restocking solution, operational since September 2014, the Group recorded the “best Christmas sales season of the last 15 years”.

The Thinking Retail Summit of TXT establishes new standards for retailers, increasingly seeking to discuss their views on key processes and technologies: a drive that arises from the development of e-commerce and the multi-channel system, which is now the new norm, and from the constantly evolving demand for value by consumers. These are the challenges faced by retailers of all kinds, throughout the world.

Planning must be end-to-end, integrative, collaborative and fast. The capacity to stock and quickly restock products and manage stock during the season in a reactive manner is a must in order to stay competitive and maintain the right margins through geography, sales channels and supply models.

TXT Next Division

Revenues for the TXT Next Division in the first 3 months of 2015 amounted to € 6.0 million, up 13.6% compared to € 5.3 million in 2014, due to good sales results across all sectors in which the Division operates. The Division's revenues accounted for 41% of the Group's revenues.

The gross margin increased from € 1.9 million to € 2.0 million, up 4.9%, lower than the growth in revenues, due to the increase in direct costs and pressures on the margins of a number of orders. The gross margin amounted to 33.8% of revenues.

TXT Next offers a specialised and innovative portfolio of engineering and software services to leading European companies, particularly in the following sectors:

• Aerospace, Automotive & Rail;

• High Tech Manufacturing;

• Banking & Finance.

TXT Next stands out for its ability to design highly reliable advanced solutions with technology as a key business factor. It specialises in mission critical software and systems and embedded software as well as in software for training purposes based on simulations and virtual & augmented reality.

TXT is a qualified partner for aerospace companies in designing and developing aviation products, systems and components, as well as in implementing innovative aeronautical production management systems.

In the financial and banking sector, TXT specialises in Business Process Modelling and Independent Verification & Validation of supporting IT systems.

The product range builds on the great operating experience accrued by working side by side with leading companies for over twenty years, as well as on our in-depth expertise in software planning and development. Furthermore, we have strategic partnerships with Microsoft, HP and IBM.

TXT GROUP'S REVENUES

Research and development costs in first quarter 2015 amounted to € 1.4 million, up 10.6% compared to € 1.2 million in first quarter 2014, due to work on the new AgileFit, Cloud and Omnichannel solutions. Their impact on revenues was 9.3%, compared to 8.8% in first quarter 2014.

Commercial costs amounted to € 2.9 million, increasing by +1.1% compared to first quarter 2014 and aimed at bolstering of the commercial network in North America and in Europe, as well as to the new initiatives to promote TXT Perform products at the NRF event in New York and the Thinking Retail conference in Paris. Commercial costs amounted to 19.9% as a percentage of revenues.

General and administrative costs amounted to € 1.8 million, up 3.3% compared to € 1.7 million in first quarter 2014. As a percentage of revenues, they declined from 12.5% to 12.3%.

The Gross operating profit (EBITDA) for first quarter 2015 was € 1.5 million, essentially in line with 2014 (-2.0%). As a percentage of revenues, it decreased from 10.9% to 10.2%, essentially due to growth in investments in Research and Development.

Operating profit (EBIT) amounted to € 1.2 million, up slightly (+2.2%) compared to first quarter 2014, due to the reduction in amortisation on research and development expenses capitalised over the years. As a percentage of revenues, operating profit amounted to 8.4%.

Pre-tax profit amounted to € 1.2 million, up +2.2% compared to € 1.1 million in first quarter 2014, following financial charges essentially in line with the previous year. As a percentage of revenues, it amounted to 8.0%.

Net profit amounted to € 1.0 million, after tax charges of € 0.2 million, equal to 16% of the pre-tax profit. As a percentage of revenues, it stood at 6.6%.

CAPITAL EMPLOYED

At 31 March 2015, Capital Employed totalled € 21.5 million, compared to € 20.5 million at 31 December 2014, mainly due to the increase in fixed assets.

The table below shows the details:

(€ thousand)	31 Mar. 2015	31 Dec. 2014	Change	31 Mar. 2014
Intangible assets	15,432	15,079	353	15,103
Net property, plant and equipment	1,382	1,249	133	1,072
Other fixed assets	2,051	1,692	359	1,381
Fixed assets	**18,865**	**18,020**	**845**	**17,556**
Inventories	1,915	1,821	94	1,980
Trade receivables	21,494	18,571	2,923	17,954
Sundry receivables and other short-term assets	2,335	2,197	138	1,830
Trade payables	(1,800)	(1,540)	(260)	(1,390)
Tax payables	(1,772)	(1,117)	(655)	(965)
Sundry payables and other short-term liabilities	(15,717)	(13,606)	(2,111)	(16,020)
Net working capital	**6,455**	**6,326**	**129**	**3,389**
Post-employment benefits and other non-current liabilities	**(3,822)**	**(3,841)**	**19**	**(3,308)**
Capital employed	**21,498**	**20,505**	**993**	**17,637**
Group shareholders' equity	33,566	28,970	4,596	28,922
Net financial position (Cash)	(12,068)	(8,465)	(3,603)	(11,285)
Capital employed	**21,498**	**20,505**	**993**	**17,637**

Intangible assets increased by € 0.4 million over 31 December 2014, due to appreciation of the exchange rate of the Pound Sterling against the Euro, which more than offset the amortisation of research and development costs, software intellectual property rights and the customer portfolio.

Property, plant and equipment amounted to € 1.4 million, up € 0.1 million compared to year-end 2014, due to investments made in servers and computers.

Other fixed assets amounted to € 2.1 million, essentially comprising deferred tax assets which increased by € 0.4 million compared to the end of 2014, upon recognition of prepaid taxes.

Net working capital increased by € 0.1 million to € 6.5 million, due to the increase in trade receivables (+€ 2.9 million), particularly from customers in the Aerospace & Defence segment. Sundry payables and other short-term liabilities increased by € 2.1 million due to allocations for variable remuneration for employees.

Liabilities arising from post-employment benefits of Italian employees and other non-current liabilities remained substantially unchanged at € 3.8 million.

Consolidated Shareholders' Equity amounted to € 33.6 million, up € 4.6 million compared to the € 29.0 million as at 31 December 2014, mainly due to the sale of a block of treasury shares (€ 3.2 million) and net profit in the quarter (€ 1.0 million).

The consolidated Net Financial Position as at 31 March 2015 was positive at € 12.1 million, a significant improvement over the € 8.5 million as at 31 December 2014, due to the sale of a block of treasury shares to the US fund Kabouter (€ 3.2 million) and to the positive cash flow generated during the quarter.

Pursuant to Consob communication dated 28 July 2006 and in conformity with the CESR's recommendation dated 10 February 2005, "Recommendations for the consistent implementation of the European Commission's Regulation on prospectuses", it is noted that the TXT e-solutions Group's Net Financial Position at 31 March 2015 is as follows:

(€ thousand)	31 Mar. 2015	31 Dec.2014	Change	31 Mar. 2014
Cash and bank assets	13,404	12,304	1,100	16,784
Short-term financial payables	(1,221)	(2,154)	933	(2,797)
Short-term financial resources	**12,183**	**10,150**	**2,033**	**13,987**
Payables due to banks with maturity beyond 12 months	(115)	(1,685)	1,570	(2,702)
Net Available Financial Resources	**12,068**	**8,465**	**3,603**	**11,285**

The Net Financial Position as at 31 March 2015 is detailed as follows:

- Cash and bank assets of € 13.4 million: the group's cash and bank assets were largely invested in euro-denominated short-term bank deposits, with the rest being held as cash for operating activities. This item also includes grants for research projects (€ 0.7 million) received by TXT as coordinator and lead manager; these amounts will be subsequently distributed to the other participating companies and the amounts were therefore recognised under short-term financial payables. The overall effect of these advances on net financial position is therefore zero.

- The € 1.2 million in short-term financial payables consist of the financial payable for grants to be paid to research projects partners (€ 0.7 million) and payments due within 12 months for outstanding medium/long-term loans (€ 0.5 million).

- Payables due to banks with maturity beyond 12 months, amounting to € 0.1 million, decreased by € 1.6 million compared to 31 December 2014, due to early repayment of a medium-term loan stipulated at the end of 2012, the terms of which were no longer competitive in the new scenario of interest rate reduction.

EMPLOYEES

At 31 March 2015, the Group had 608 employees, compared to 569 at 31 December 2013, for an increase of 39 employees essentially in the TXT Next Division, given the growth in business volume.

Personnel costs in first quarter 2015 amounted to € 9.6 million, compared to € 8.8 million in 2014, up 8.6% mainly as a result of the increase in staff and the reduction in a number of services acquired externally.

TXT SHARE PERFORMANCE AND TREASURY SHARES

In the first 3 months of 2015, the share price of TXT e-solutions reached a high of € 10.30 on 27 March 2015 and a low of € 7.44 on 6 January 2015. At 31 March 2015, the share price was € 10.25.

Trade volumes remained high in the first 3 months of 2015, with a daily average of 45,300 shares traded, essentially in line with the 47,500 shares traded on average during 2014.

At 31 March 2015, treasury shares amounted to 1,109,950 (1,427,850 at 31 December 2014), accounting for 9.39% of shares outstanding, and were purchased at an average price of € 2.08 per share.

During first quarter 2015, the Company purchased 1,100 treasury shares at an average price of € 7.66 and on 25 March 2015 it sold 319,000 shares outside of the open markets (block trade) at € 9.93 per share, for a total of € 3.2 million. These were purchased by Kabouter Management LLC, an institutional investor based in Chicago (USA), specialised in small to mid-cap international companies, already shareholder of TXT with approximately 5% of share capital.

In order to provide regular updates on the Company, an email-based communication channel is operational (txtinvestor@txtgroup.com). Everyone can sign up for this service in order to receive, in addition to press releases, specific communications to Investors and Shareholders.

EVENTS AFTER THE REPORTING PERIOD AND OUTLOOK

The Shareholders' Meeting held on 22 April 2015 examined and approved the 2014 financial statements and approved the distribution of a € 0.25 dividend per share, unchanged compared to the prior year. The ex-dividend date will be 18 May 2018 (record date 19 May 2015, with payment 20 May 2015, coupon no.7), excluding treasury shares held at that date. Total dividends will be approximately € 2.7 million, paid in relation to approximately 10.7 million shares.

The Shareholders' Meeting renewed the authorisation to purchase treasury shares for a period of 18 months up to 20% of the share capital. According to the plan, the maximum payment must not be higher than the average of the official Stock Market prices in the three sessions prior to the purchase, plus 10%, and in any case it must not exceed € 25.00.

The extraordinary Shareholders' Meeting approved a free share capital increase through the issue of one new share for every 10 shares held. The new shares will be assigned after distribution of the dividend (ex-dividend date 18 May 2015, coupon no. 8), using € 0.6 million in reserves.

On 5 May 2015, the Board of Directors unanimously co-opted Fabienne Anne Dejean Schwalbe as independent director of the Company, replacing Franco Cattaneo, whose resignation was received on 29 April 2015. This resolution was approved by the Board of Statutory Auditors.

Ms. Fabienne Dejean Schwalbe graduated in 1985 with a Master's Degree from HEC Paris, with subsequent specialisations at the IMD Business School in Lausanne (2003) and Harvard Business School (2012).

She gained key experience in the Media & Digital sectors, started in the United States, with growing responsibilities in the Bertelsmann Group in Paris.

In Italy, she has held the position of CEO in the Bertelsmann Gruner+Jahr/Mondadori joint venture and provides consulting on digital transformation in France and Italy.

The Company's Chairman, Alvise Braga Illa, and the Board wish to offer a warm welcome to Ms. Schwalbe.

2015 started with increasing risks attributable to the general situation and the uncertain trend of the reference markets, including the Luxury and Fashion segments. Despite this, the Company believes it can outperform the market, thanks to ongoing investments in North America, and the development of existing customers, already numerous and based throughout the world. The Company is increasingly targeting international manufacturing sectors which are gradually recovering.

The portfolio of negotiations for new licenses and contracts is adequate, but it is subject to uncertainties over the outcome of negotiations and decision times. The outlook for orders for services and projects is favourable and envisages development in the current quarter's performance essentially in line with the prior-year period.

Manager responsible for	Chairman of the Board of Directors
preparing corporate accounting documents	
Paolo Matarazzo	Alvise Braga Illa

Milan, 12 May 2015

Consolidated financial statements at 31 March 2015

Consolidated Balance Sheet

ASSETS	31 Mar. 2015	Of which due to related parties	31 Dec. 2014	Of which due to related parties
NON-CURRENT ASSETS				
Goodwill	13,486,449		12,993,445	
Intangible assets with a finite useful life	1,945,850		2,085,369	
Intangible assets	**15,432,299**	**-**	**15,078,814**	**-**
Property, plant and equipment	1,381,620		1,248,845	
Property, plant and equipment	**1,381,620**	**-**	**1,248,845**	**-**
Sundry receivables and 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				
Period-end inventories	1,915,136		1,820,672	
Trade receivables	21,493,579		18,570,928	
Sundry receivables and other current assets	2,335,188		2,196,824	
Cash and cash equivalents	13,404,364		12,304,130	
TOTAL CURRENT ASSETS	**39,148,267**	**-**	**34,892,554**	**-**
TOTAL ASSETS	**58,012,857**	**-**	**52,912,584**	**-**

LIABILITIES AND SHAREHOLDERS' EQUITY	31 Mar. 2015	Of which due to related parties	31 Dec. 2014	Of which due to related parties
SHAREHOLDERS' EQUITY				
Share capital	5,911,932		5,911,932	
Reserves	16,487,369		12,867,534	
Retained earnings (accumulated losses)	10,190,810		6,018,431	
Profit (loss) for the period	976,137		4,172,380	
TOTAL SHAREHOLDERS' EQUITY	**33,566,248**	**-**	**28,970,277**	**-**
NON-CURRENT LIABILITIES				
Non-current financial liabilities	115,586		1,684,734	
Employee benefits expense	3,821,529		3,841,200	
Deferred tax provision	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	
Sundry payables and other current liabilities	15,716,790	1,406,395	13,605,940	1,350,908
TOTAL CURRENT LIABILITIES	**19,278,392**	**1,406,395**	**17,450,945**	**1,350,908**
TOTAL LIABILITIES	**24,446,609**	**1,406,395**	**23,942,307**	**1,350,908**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**58,012,857**	**1,406,395**	**52,912,584**	**1,350,908**

Consolidated Income Statement

	31 Mar. 2015	Of which due to related parties	31 Mar. 2014	Of which due to related parties
TOTAL REVENUES AND OTHER INCOME	**14,683,528**	**-**	**13,995,082**	**-**
Purchase of materials and external services	(3,131,528)	(145,125)	(3,185,976)	(143,365)
Personnel costs	(9,586,020)	(213,113)	(8,827,233)	(188,094)
Other operating costs	(475,057)		(460,946)	
Depreciation and amortisation/Impairment	(253,114)		(309,430)	
OPERATING PROFIT (LOSS)	**1,237,809**	**(358,238)**	**1,211,497**	**(331,459)**
Financial income (charges)	(69,738)		(68,192)	
EARNINGS BEFORE TAXES	**1,168,071**	**(358,238)**	**1,143,305**	**(331,459)**
Income taxes	(191,934)		(150,305)	
NET PROFIT (LOSS) FOR THE PERIOD	**976,137**	**(358,238)**	**993,000**	**(331,459)**
EARNINGS PER SHARE	0.09		0.10	
DILUTED EARNINGS PER SHARE	0.09		0.09	

Consolidated Statement of Comprehensive Income

	31 Mar. 2015	31 Mar. 2014
NET PROFIT (LOSS) FOR THE PERIOD	**976,137**	**993,000**
Foreign currency translation differences - foreign operations	(46,895)	(7,767)
Total items of other comprehensive income that will be subsequently reclassified to profit /(loss) for the period net of taxes	**(46,895)**	**(7,767)**
Defined benefit plans actuarial gains (losses)	-	-
Total items of other comprehensive income that will not be subsequently reclassified to profit /(loss) for the period net of taxes	**-**	**-**
Total profit/ (loss) of Comprehensive income net of taxes	**(46,895)**	**(7,767)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**929,242**	**985,233**

Consolidated Statement of Cash Flows

	31 Mar. 2015	31 Mar. 2014
Net profit (loss) for the period	**976,137**	**993,000**
Non-monetary costs	2,652	24,287
Current tax	410,173	145,162
Change in deferred tax	(85,896)	(41,040)
Depreciation and amortisation, impairment and provisions	253,114	302,704
Cash flows from (used in) operating activities (before change in working capital)	**1,556,180**	**1,424,113**
(Increases)/decreases in trade receivables	(2,922,651)	(1,114,075)
(Increases)/decreases in inventories	(94,464)	(528,682)
Increases/(decreases) in trade payables	259,817	(114,988)
increases/(decreases) in post-employment benefits	(19,671)	9,297
Increases/(decreases) in other assets and liabilities	2,029,484	3,057,216
Change in operating assets and liabilities	(747,485)	1,308,768
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	**808,695**	**2,732,881**
Increases in property, plant and equipment	(244,356)	(75,410)
Increases in intangible assets	(4,666)	-
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES	**(249,022)**	**(75,410)**
Increases / (decreases) in financial payables	(2,586,269)	(748,576)
(Purchase) / Sale of treasury shares	3,159,247	-
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	**572,978**	**(748,576)**
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**1,132,651**	**1,908,895**
Effect of exchange rate changes on cash flows	(32,417)	53,925
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**12,304,130**	**14,821,027**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**13,404,364**	**16,783,847**

Consolidated Statement of Changes in Equity as at 31 March 2015

	Share capital	Legal reserve	Share premium reserve	Merger surplus	First time adoption	Stock options	Actuarial differences on post-employment benefits	IRS fair value reserve	Translation reserve	Retained earnings (accumulated losses)	Profit (loss) for the period	Total equity
Balances at 31 December 2014	5,911,932	519,422	10,999,923	1,911,444	198,747	181,297	(1,014,033)	-	70,735	6,018,431	4,172,380	28,970,278
Profit (loss) at 31 December 2014										4,172,380	(4,172,380)	-
(Purchase) / Sale of treasury shares			3,159,247									3,159,247
Exchange differences					46,895				413,691			460,586
Profit (loss) at 31 March 2015											976,137	976,137
Balances at 31 March 2015	5,911,932	519,422	14,159,170	1,911,444	245,642	181,297	(1,014,033)	-	484,426	10,190,811	976,137	33,566,248

	Share capital	Legal reserve	Share premium reserve	Merger surplus	First time adoption	Stock options	Actuarial differences on post-employment benefits	IRS fair value reserve	Translation reserve	Retained earnings (accumulated losses)	Profit (loss) for the period	Total equity
Balances at 31 December 2013	5,911,932	443,000	11,595,783	1,911,444	140,667	741,805	(667,093)	-	(289,724)	3,506,897	4,642,043	27,936,754
Profit (loss) at 31 December 2013		76,422								4,565,621	(4,642,043)	-
Stock option plan						(560,508)				560,508		-
Exchange differences									(7,767)			(7,767)
Profit (loss) at 31 March 2014											993,000	993,000
Balances at 31 March 2014	5,911,932	519,422	11,595,783	1,911,444	140,667	181,297	(667,093)	-	(297,491)	8,633,026	993,000	28,921,987

Notes to the Financial Statements

1. Group's structure and scope of consolidation

The Parent Company TXT e-solutions S.p.A. and its subsidiaries operate both in Italy and abroad in the IT sector, and provide software and service solutions in extremely dynamic markets that require advanced technological solutions.

The table below shows the companies included in the scope of consolidation under the line-by-line method at 31 March 2015:

Company name of the subsidiary	Currency	% of direct interest	Share Capital
TXT e-solutions SL	EUR	100%	600,000
TXT e-solutions Sarl	EUR	100%	1,300,000
TXT e-solutions Gmbh	EUR	100%	1,300,000
TXT e-solutions Ltd	GBP	100%	2,966,460
Maple Lake Ltd	CAD	100%	2,200,801
Maple Australia Lake Pty Ltd	AUD	100%	112
TXT USA Inc.	USD	100%	1,000

TXT e-solutions Group’s consolidated financial statements are presented in Euro.

Here below are the foreign exchange rates used for translating the amounts expressed in foreign currency of the subsidiaries TXT e-solutions Ltd, Maple Lake Ltd, Maple Lake Pty, and TXT USA Inc. into Euro:

- Income Statement (average exchange rate for the first 3 months)

Currency	31 Mar. 2015	31 Mar. 2014
British Pound Sterling (GBP)	0.7436	0.8278
Canadian Dollar (CAD)	1.3966	1.511
Australian Dollar (AUD)	1.4322	1.5272
USA Dollar (USD)	1.1270	1.3697

- Balance sheet (exchange rate at 31 March 2015 and 31 December 2014)

Currency	31 Mar. 2015	31 Dec. 2014
British Pound Sterling (GBP)	0.7273	0.7789
Canadian Dollar (CAD)	1.3738	1.4063
Australian Dollar (AUD)	1.4154	1.4829
USA Dollar (USD)	1.0759	1.2141

2. Accounting standards and measurement bases

This interim report was prepared in compliance with IFRSs and pursuant to Article 154-ter of the Consolidated Law on Finance (Legislative Decree 195/2007) implementing Directive 2004/109/EC on disclosure requirements. Such article replaced Article 82 ("Interim management report") and Annex 3D ("Content of the quarterly report") of the Issuers' Regulation.

This interim report has been prepared in accordance with accounting standards and principles used to prepare the separate and consolidated financial statements. The assumptions applied to this interim report are also in line with those used in the separate and consolidated financial statements.

The interim report for the first quarter of 2015 is not subject to auditing.

3. Financial Risk Management

As for business risks, the main financial risks identified and monitored by the Group are as follows:

- Credit risk
- Market risk
- Liquidity risk
- Operational risk.

The financial risk management objectives and policies of the TXT e-solutions Group reflect those illustrated in the consolidated financial statements as at 31 December 2014, to which reference should be made.

4. Certification of the Interim report pursuant to Article 154-bis of Legislative Decree 58/98

Pursuant to paragraph 2 of Article 154-bis, part IV, title III, heading II, section V-bis of Legislative Decree 58 dated 24 February 1999, the Manager responsible for preparing corporate accounting documents certifies that financial information included in this document corresponds to the accounting books and records.

Manager responsible for preparing corporate accounting documents

Paolo Matarazzo

Milan, 12 May 2015