TXT e-solutions Group

Interim report

as at 30 September 2015

TXT e-solutions S.p.A.

Registered office, management, and administration:

Via Frigia, 27 – 20126 Milan - Italy

Share capital:

€ 6,503,125 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)
Fabienne Anne Dejean Schwalbe	Independent Director	(3)
Andrea Cencini	Director	(2)
Paolo Enrico Colombo	Director	(2)
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.

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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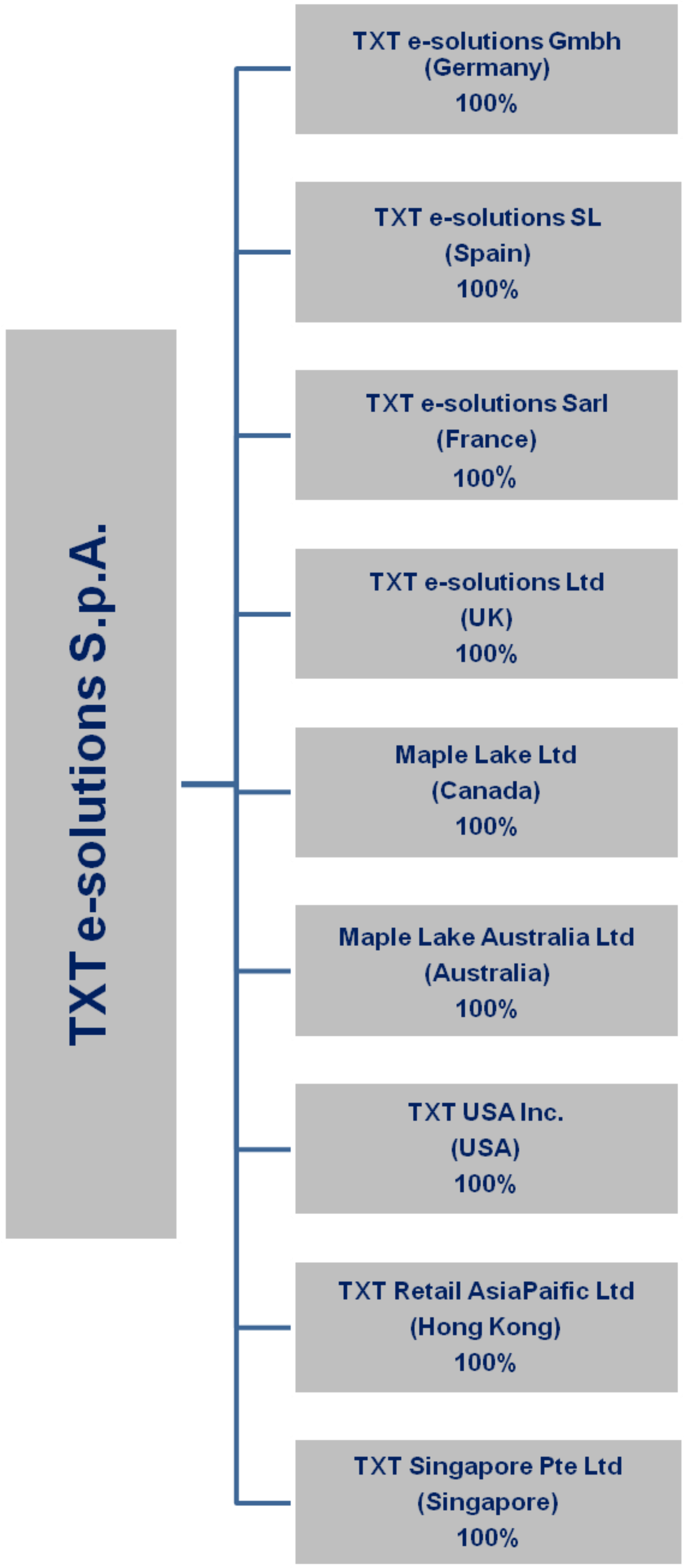
Organisational structure and scope of consolidation



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TXT e-solutions Group – Key data

INCOME DATA (€ thousand)		9m 2015	%	9m 2014 (1)	Non-recurring events 2014	9m 2014 "Adjusted" (2)	%	% Change vs 2014	% Change vs 2014 "Adjusted"
REVENUES		**45,403**	**100.0**	**41,682**	**(1,468)**	**40,214**	**100.0**	**8.9**	**12.9**
	of which:								
	TXT Perform	27,246	60.0	25,813	(1,468)	24,345	60.5	5.6	11.9
	TXT Next	18,157	40.0	15,869		15,869	39.5	14.4	14.4
EBITDA		**5,004**	**11.0**	**5,587**	**(1,061)**	**4,526**	**11.3**	**(10.4)**	**10.6**
OPERATING PROFIT (EBIT)		**4,178**	**9.2**	**4,607**	**(1,061)**	**3,546**	**8.8**	**(9.3)**	**17.8**
NET PROFIT		**3,435**	**7.6**	**3,608**	**(864)**	**2,744**	**6.8**	**(4.8)**	**25.2**

FINANCIAL DATA (€ thousand)	30.9.2015	31.12.2014	Var
Fixed assets	18,140	18,020	120
Net working capital	8,750	6,326	2,424
Severance & other non-current liabilities	(3,784)	(3,841)	57
Capital employed	**23,106**	**20,505**	**2,601**
Net financial position - Cash	9,395	8,465	930
Shareholders' equity	32,501	28,970	3,531

DATA PER SHARE (in €)	30.9.2015	30.9.2014 (3)	Var
Number of shares outstanding (3)	11,666,805	11,488,011	178,794
Operating profit per share (3)	0.29	0.31	(0.02)
Shareholders' equity per share (3)	2.79	2.52	0.26

ADDITIONAL INFORMATION	30.9.2015	31.12.2014 (3)	Var
Number of employees	657	569	88
TXT share price (3)	7.60	7.10	0.50

(1) Official Financial Reporting
(2) Results for the first 9 months of 2014 included non-recurring revenues of € 1,468 thousand and non-recurring expenses of € 407,000. For comparision with the current year, the values as at 30/09/2014 were adjusted, excluding the non-recurring Revenue and Expense items. Taxes were calculated on a pro-rata basis.
(3) The number of shares and the relevant 2014 prices were restated following the free share capital increase dated 20 May 2015, with the issue of one new share for every 10 shares issued, so as to allow comparison with 2015. 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' reports on operations for the first 9 months of 2015

Dear Shareholders,

In the first 9 months of 2015, the Group underwent significant growth in revenues in both divisions and from R&D and commercial investments 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.

The results for the first 9 months of 2014 included non-recurring income of € 1.5 million received as compensation from two Maple Lake sellers and non-recurring direct costs of € 0.4 million concerning two projects for customers. To permit a comparison of performance of operations for 2015 and 2014, the results for the first 9 months of 2014 are provided as well, on an adjusted basis, excluding non-recurring income and charges.

Compared to 2014, performance for the first 9 months of 2015 was as follows:

- Revenues for the first 9 months were € 45.4 million (€ 41.7 million in the first 9 months of 2014, which included non-recurring income of € 1.5 million). Compared to the adjusted figure for the first 9 months of 2014 (€ 40.2 million), growth was +12.9%. Revenues from licenses and maintenance amounted to € 12.1 million, equal to 27% of total revenues and up 29.4% compared to the first 9 months of 2014.

- TXT Perform Division's revenues (60% of the Group's revenues) amounted to € 27.2 million (€ 25.8 million in the first 9 months of 2014). Growth compared to the adjusted first 9 months of 2014 figure (€ 24.3 million) was +11.9%. Revenues of the TXT Next Division (40% of the Group's revenues) amounted to € 18.2 million, up 14.4% over the prior year.

- International revenues amounted to € 25.0 million. These revenues accounted for 55% of the total and were essentially attributable to the TXT Perform Division.

- Net of direct costs, the Gross Margin was € 23.7 million (€ 22.2 million in the first 9 months of 2014, including non-recurring income and charges of € 1.1 million). Growth compared to the adjusted figure for the first 9 months (€ 21.2 million) was 12.2%, with a 52.3% margin, essentially in line with the adjusted 2014 figure.

- EBITDA grew 10.6% from € 4.5 million (adjusted figure for the first 9 months of 2014) to € 5.0 million, after significant investment in R&D (+13.3%) and commercial expenditure (+13.7%). As a percentage of revenues, it amounted to 11.0%. The € 5.6 million in EBITDA in the first 9 months of 2014 included non-recurring income and charges of € 1.1 million.

- Pre-tax profit came to € 4.1 million (€ 4.4 million in the first 9 months of 2014). Growth compared to the adjusted figure for the first 9 months of 2014 (€ 3.4 million) was +20.8%, higher than the revenues and with a profitability ratio of 8.9%, compared to 8.3% in 2014.

- Net profit was € 3.4 million (€ 3.6 million in the first 9 months of 2014, which included non-recurring income of € 0.9 million). Growth compared to the adjusted 2014 figure (€ 2.7 million) was +25.2%, with an improvement in percentage of revenues from 6.8% to 7.6%. Tax charges of € 0.6 million amount to 15% of the pre-tax profit.

- The Net Financial Position, equal to € 8.5 million as at 31 December 2014, increased to € 9.4 million as at 30 September 2015, mainly due to the positive cash flow generated in 2015. During the first 9 months, a block of treasury shares was sold to the US fund Kabouter for € 3.2 million, dividends were paid for € 2.7 million, bonuses to personnel for € 2.5 million were paid, and treasury shares were purchased on the market for € 0.8 million.

- Shareholders' Equity as at 30 September 2015 amounted to € 32.5 million, up by € 3.5 million compared to € 29.0 million as at 31 December 2014, mainly as a result of the net profit for the first 9 months of 2015 (€ 3.4 million).

TXT's results for first 9 months of 2015, compared with the previous year's figures, are presented below:

(€ thousand)	9m 2015	%	9m 2014 (1)	2014 non-recurring	9m 2014 adjusted (2)	%	% Change vs 2014	% Change vs 2014 Adjusted
REVENUES	**45,403**	**100.0**	**41,682**	**(1,468)**	**40,214**	**100.0**	**8.9**	**12.9**
Direct costs	21,659	47.7	19,451	(407)	19,044	47.4	11.4	13.7
GROSS MARGIN	**23,744**	**52.3**	**22,231**	**(1,061)**	**21,170**	**52.6**	**6.8**	**12.2**
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
EBITDA	**5,004**	**11.0**	**5,587**	**(1,061)**	**4,526**	**11.3**	**(10.4)**	**10.6**
Depreciation, amortisation and impairment	826	1.8	980		980	2.4	(15.7)	(15.7)
OPERATING PROFIT (EBIT)	**4,178**	**9.2**	**4,607**	**(1,061)**	**3,546**	**8.8**	**(9.3)**	**17.8**
Financial income (charges)	(128)	(0.3)	(192)		(192)	(0.5)	(33.3)	(33.3)
EARNINGS BEFORE TAXES (EBT)	**4,050**	**8.9**	**4,415**	**(1,061)**	**3,354**	**8.3**	**(8.3)**	**20.8**
Taxes	(615)	(1.4)	(807)	197	(610)	(1.5)	(23.8)	0.8
NET PROFIT	**3,435**	**7.6**	**3,608**	**(864)**	**2,744**	**6.8**	**(4.8)**	**25.2**

(1) Official Financial Reporting.

(2) Results for the first 9 months of 2014 included non-recurring revenues of € 1,468 thousand and non-recurring expenses of € 407,000. For comparision with the current year, the values as at 30/09/2014 were adjusted, excluding the non-recurring Revenue and Expense items. Taxes were calculated on a pro-rata basis.

REVENUES AND GROSS MARGINS

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

(€ thousand)	9m 2015	%	9m 2014 (1)	Non-recurring events 2014	9m 2014 "Adjusted"(2)	%	% Change vs 2014	% Change vs 2014 "Adjusted"
TXT PERFORM								
REVENUES	**27,246**	**100.0**	**25,813**	**(1,468)**	**24,345**	**100.0**	**5.6**	**11.9**
Licences and maintenance	11,971	43.9	9,250		9,250	35.8	29.4	29.4
Projects and services	15,275	56.1	16,563	(1,468)	15,095	64.2	(7.8)	1.2
DIRECT COSTS	9,755	35.8	9,686	(407)	9,279	37.5	0.7	5.1
GROSS MARGIN	**17,491**	**64.2**	**16,127**	**(1,061)**	**15,066**	**62.5**	**8.5**	**16.1**
TXT NEXT								
REVENUES	**18,157**	**100.0**	**15,869**		**15,869**	**100.0**	**14.4**	**14.4**
Licences and maintenance	91	0.5	75		75	0.5	21.3	21.3
Projects and services	18,066	99.5	15,794		15,794	99.5	14.4	14.4
DIRECT COSTS	11,904	65.6	9,765		9,765	61.5	21.9	21.9
GROSS MARGIN	**6,253**	**34.4**	**6,104**		**6,104**	**38.5**	**2.4**	**2.4**
TOTALE TXT								
REVENUES	**45,403**	**100.0**	**41,682**	**(1,468)**	**40,214**	**100.0**	**8.9**	**12.9**
Licences and maintenance	12,062	26.6	9,325		9,325	22.4	29.4	29.4
Projects and services	33,341	73.4	32,357	(1,468)	30,889	77.6	3.0	7.9
DIRECT COSTS	21,659	47.7	19,451	(407)	19,044	46.7	11.4	13.7
GROSS MARGIN	**23,744**	**52.3**	**22,231**	**(1,061)**	**21,170**	**53.3**	**6.8**	**12.2**

(1) Official Financial Reporting.
(2) Results for the first 9 months of 2014 included non-recurring revenues of € 1,468 thousand and non-recurring expenses of € 407,000. For comparision with the current year, the values as at 30/09/2014 were adjusted, excluding the non-recurring Revenue and Expense items, which are fully attributable to the TXT Perform division.

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.

TXT Perform Division's revenues for the first 9 months of 2015 amounted to € 27.2 million (€ 25.8 million in the first 9 months of 2014, including non-recurring income of € 1.5 million as compensation from two Maple Lake sellers). Compared to the adjusted figure for the first 9 months of 2014 (€ 24.3 million), growth was +11.9%.

The division's international revenues amounted to € 23.3 million, equal to 85% of the total.

Revenues from licences and maintenance amounted to € 12.0 million, up 29.4% compared to € 9.3 million in the first 9 months of 2014. Revenues from licenses and maintenance rose from 35.8% to 43.9% as a percentage of the Division's total revenues.

Net of direct costs, the Division's gross margin was € 17.5 million (€ 16.1 million in the first 9 months of 2014, including non-recurring income and charges of € 1.1 million). According to the adjusted figure for the first 9 months of 2014 (€ 15.1 million), growth was 16.1%, with the margin on revenues up from 62.5% to 64.2%, thanks to the contribution of revenues from software.

During the first 9 months of 2015, licence contracts signed with new customers or those extended with existing ones included 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 the first 9 months of 2015, implementation of the End-to-End Retail solutions that began in 2014 continued, via AgileFit, exclusive, innovative and proprietary TXT solution. These now constitute the heart of commercial offers and are at basis of all customer projects. 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, numerous 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 and 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 of Europe and North America includes approximately 1,500 large Retailers.

On 14 May 2015, associate TXT Retail AsiaPacific Ltd was established in Hong Kong, in order to develop and provide direct support to international customers in 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. A first licence contract was signed in the Asia Pacific area for more than € 1 million, to manage the over forty DFS "Duty Free & Galleries" in the main airport and tourist hubs around the world.

On 18 August 2015, associate TXT Singapore Pte Ltd was established in Singapore, to work alongside the Hong Kong-based associate on the development of business opportunities in the Asia Pacific area.

A commercial and operational partnership was launched with Ebp Management Consulting, global company with ample experience in the retail sector; this agreement is aimed at supporting TXT's growth in Asia. Ebp Management Consulting will work alongside the TXT team in the sale and implementation of TXT Retail end-to-end planning solutions.

In the first 9 months of 2015, TXT organised several TXT Thinking Retail events, notably in New York and Paris, with numerous retailers, including Adidas, Pandora, Sephora, Levi’s, Tod’s, Desigual, Coast Guard Exchange, Modell’s Sporting Goods, and Roots as testimonials of ideas and experiences in end-to-end planning, with over 150 leaders in international retail and planning professionals present. The following key points emerged on these occasions:

- 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 Summits of TXT establish 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 9 months of 2015 amounted to € 18.2 million, up 14.4% compared to € 15.9 million in 2014, due to good sales results across all sectors in which the division operates. The Division's revenues accounted for 40% of the Group's revenues.

The Division's gross margin, net of direct costs, is essentially stable at € 6.3 million (€ 6.1 million in the first 9 months of 2014), due to the increase in direct costs, pressures on the margins of a number of orders and the costs to train new teams in order to support the high growth rates during the period. The gross margin amounted to 34.4% 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 the first 9 months of 2015 amounted to € 3.8 million, up 13.3% compared to € 3.4 million in 2014, due to work on the new AgileFit, Cloud and Omnichannel solutions. As a percentage of revenues, this came to 8.5%, essentially in line with the first 9 months of 2014.

Commercial costs amounted to € 9.3 million, increasing by +13.7% compared to 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 and New York. Commercial costs amounted to 20.5% as a percentage of revenues.

General and administrative costs amounted to € 5.6 million, up 10.3% compared to € 5.1 million in 2014, due to investment in a new Group ERP management system. The percentage of revenues declined from 12.6% to 12.3%.

Gross operating profit (EBITDA) for the first 9 months of 2015 was € 5.0 million, up 10.6% compared to the adjusted figure for the first 9 months of 2014 (€ 4.5 million). As a percentage of revenues, it stood at 11.0%. The € 5.6 million in EBITDA in the first 9 months of 2014 also included non-recurring income and charges of € 1.1 million.

Operating profit (EBIT) amounted to € 4.2 million (€ 4.6 in the first 9 months of 2014, which also included non-recurring income of € 1.1 million). Growth compared to the adjusted figure of the first 9 months (€ 3.5 million) was +17.8%, also due to the reduction in amortisation of research and development costs capitalised in previous years. Operating profit as a percentage of revenues grew to 9.2%, compared to 8.8% during the first 9 months of 2014 on an adjusted basis.

Pre-tax profit was € 4.1 million, equal to 8.9% of revenues (€ 4.4 million in the first 9 months of 2014, which also included non-recurring income and charges of € 1.1 million). Compared to the adjusted figure for the first 9 months of 2014 (€ 3.4 million), growth was +20.8%.

Net profit, after tax charges of € 0.6 million (15% of the pre-tax profit) was € 3.4 million (€ 3.6 million in the first 9 months of 2014, which also included net non-recurring income and charges of € 0.9 million). Growth compared to the adjusted figure for the first 9 months of 2014 (€ 2.7 million) was 25.2%, for an improved percentage of revenues from 6.8% to 7.6%.

CAPITAL EMPLOYED

At 30 September 2015, Capital Employed totalled € 23.1 million, compared to € 20.5 million as at 31 December 2014, mainly due to the increase in net working capital (+€ 2.4 million).

The table below shows the details:

(€ thousand)	30/09/2015	31/12/2014	Change	30/09/2014
Intangible assets	14,811	15,079	(268)	15,301
Net property, plant and equipment	1,408	1,249	159	1,234
Other fixed assets	1,921	1,692	229	1,165
Fixed assets	**18,140**	**18,020**	**120**	**17,700**
Inventories	2,767	1,821	946	1,607
Trade receivables	20,043	18,571	1,472	18,866
Sundry receivables and other short-term assets	2,442	2,197	245	2,344
Trade payables	(1,254)	(1,540)	286	(1,169)
Tax payables	(1,389)	(1,117)	(272)	(890)
Sundry payables and other short-term liabilities	(13,859)	(13,606)	(253)	(13,211)
Net working capital	**8,750**	**6,326**	**2,424**	**7,547**
Post-employment benefits and other non-current liabilities	**(3,784)**	**(3,841)**	**57**	**(3,628)**
Capital employed	**23,106**	**20,505**	**2,601**	**21,619**
Group shareholders' equity	32,501	28,970	3,531	28,690
Net financial position (Cash)	(9,395)	(8,465)	(930)	(7,071)
Capital employed	**23,106**	**20,505**	**2,601**	**21,619**

Intangible assets fell by € 0.3 million compared to 31 December 2014 as a result of amortisation of research and development costs, intellectual property rights to software and the customer portfolio. These assets include goodwill allocated to the subsidiaries in the United Kingdom and Canada with regard to the Maple Lake acquisition.

Property, plant and equipment amounted to € 1.4 million, up € 0.2 million compared to year-end 2014, due to investments made in servers and computers.

Other assets amounted to € 1.9 million, essentially comprising prepaid taxes, which increased by € 0.2 million compared to the end of 2014, upon their recognition.

Net working capital increased by € 2.4 million to € 8.7 million, due to the increase in trade receivables (€ 1.5 million) and inventories for customer orders completed and not yet invoiced (€ 0.9 million), following the growth in revenues during the first 9 months. Tax payables increased by € 0.3 million due to the tax burden for the period and sundry payables and other short-term liabilities increased by € 0.3 million due to provisions for personnel costs.

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 € 32.5 million, up by € 3.5 million compared to € 29.0 million as at 31 December 2014, mainly due to the net profit for the first 9 months of 2015 (€ 3.4 million). During the first 9 months, a block of treasury shares was sold to the US fund Kabouter for € 3.2 million, dividends were paid for € 2.7 million and treasury shares were acquired on the market for € 0.8 million.

The consolidated Net Financial Position as at 30 September 2015 was positive at € 9.4 million, an improvement compared to € 8.5 million as at 31 December 2014, due to the positive cash flow generated during the period, net of the increase in working capital related to growth in business.

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 30 September 2015 is as follows:

(€ thousand)	30/09/2015	31/12/2014	Change	30/09/2014
Cash and bank assets	11,862	12,304	(442)	11,862
Short-term financial payables	(2,467)	(2,154)	(313)	(2,757)
Short-term financial resources	**9,395**	**10,150**	**(755)**	**9,105**
Payables due to banks with maturity beyond 12 months	-	(1,685)	1,685	(2,034)
Net Available Financial Resources	**9,395**	**8,465**	**930**	**7,071**

The Net Financial Position as at 30 September 2015 is detailed as follows:

- Cash and bank assets of € 11.9 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 (€ 2.2 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 € 2.5 million in short-term financial payables consist of the financial payable for grants to be paid to research projects partners (€ 2.2 million) and payments due within 12 months for outstanding medium/long-term loans (€ 0.3 million).

Payables due to banks with maturity beyond 12 months were eliminated 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.

Q3 2015 ANALYSIS

An analysis of the third quarter of 2015 is provided in the table below:

(€ thousand)	Q3 2015	%	Q3 2014	%	% change vs. 2014
REVENUES	**14,277**	**100.0**	**12,710**	**100.0**	**12.3**
Direct costs	6,781	47.5	5,987	47.1	13.3
GROSS MARGIN	**7,496**	**52.5**	**6,723**	**52.9**	**11.5**
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
GROSS OPERATING PROFIT (LOSS) [EBITDA]	**1,628**	**11.4**	**1,556**	**12.2**	**4.6**
Depreciation, amortisation and impairment	307	2.2	337	2.7	(8.9)
OPERATING PROFIT (LOSS) [EBIT]	**1,321**	**9.3**	**1,219**	**9.6**	**8.4**
Financial income (charges)	(16)	(0.1)	(68)	(0.5)	(76.5)
EARNINGS BEFORE TAXES (EBT)	**1,305**	**9.1**	**1,151**	**9.1**	**13.4**
Taxes	(210)	(1.5)	(200)	(1.6)	5.0
NET PROFIT (LOSS) FOR THE PERIOD	**1,095**	**7.7**	**951**	**7.5**	**15.1**

Performance compared to the third quarter of the prior year was as follows:

- Revenues amounted to € 14.3 million, up 12.3% compared to third quarter 2014 (€ 12.7 million). Revenues of the TXT Perform division were € 8.4 million, up 9.5%, while those of the TXT Next division were € 5.9 million, up 16.6% compared to third quarter 2014. Revenues from software (licences and maintenance) were € 3.7 million, up 15.4% compared to third quarter 2014, while revenues from services were € 10.6 million, up 11.3%.
- The gross margin for third quarter 2015 amounted to € 7.5 million, up 11.5% compared over third quarter 2014. As a percentage of revenues, it was 52.5%, compared to 52.9% in third quarter 2014 due to the mix, with a higher component of TXT Next services.
- The Gross operating profit (EBITDA) for third quarter 2015 was € 1.6 million, up 4.6% compared to third quarter 2014, following significant commercial investments (+15.8%). As a percentage of revenues, it stood at 11.4%.
- Operating profit (EBIT) was € 1.3 million, up 8.4% compared to third quarter 2014, following depreciation/amortisation of property, plant and equipment, R&D costs capitalised in previous years, intellectual property rights to software and the customer portfolio deriving from the Maple Lake acquisition (€ 0.3 million).
- Net profit was € 1.1 million, up 15.1% compared to third quarter 2014 and net of tax charges of € 0.2 million. The percentage of revenues grew from 7.5% to 7.7%.

EMPLOYEES

At 30 September 2015, the Group had 657 employees, compared to 569 at 31 December 2014, for an increase of 88 employees essentially in the TXT Next division, given the growth in business volume and the hiring of young graduates, following the contractual incentives introduced in Italy by the Jobs Act. Personnel costs amounted to € 30.3 million during the first 9 months of 2015, compared to € 25.1 million in 2014, in line with growth in revenues and staff.

TXT SHARE PERFORMANCE AND TREASURY SHARES

On 20 May 2015, one new share was granted for every 10 shares held. In accordance with the adjustment made by Borsa Italiana, an adjustment factor of 0.9091x was applied to the 2014 and 2015 prices, to align them to current prices that reflect the higher number of shares.

In the first 9 months of 2015, the share price of TXT e-solutions reached a high of € 9.36 (adjusted) on 27 March 2015 and a low of € 6.76 (adjusted) on 6 January 2015. As at 30 September 2015, the share price was € 7.60.

Trade volumes in the first 9 months of 2015 had a daily average of 33,750 shares traded.

At 30 September 2015, treasury shares amounted to 1,325,117 (1,570,635 at 31 December 2014), accounting for 10.19% of shares outstanding, and were purchased at an average price of € 2.33 per share.

During the first 9 months of 2015, the Company purchased 104,172 treasury shares at an average price of € 7.49 and on 25 March 2015 it sold over three hundred shares outside of the open markets (block trade) 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.

A dividend of € 0.25 per share was paid on 20 May 2015 (unchanged compared to the prior year). Total dividends amounted to € 2.7 million, paid in relation to 10.7 million shares (excluding treasury shares held at that date). The Shareholders' Meeting also approved a free share capital increase through the issue of one new share for every 10 shares held (assigned on 20 May 2015, 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, who resigned. 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 acquired significant experience in the Media & Digital sectors, beginning in the United States, with growing responsibility in the Bertelsmann Group in Paris, subsequently holding the position of CEO in the Bertelsmann Gruner+Jahr/Mondadori Joint Venture in Italy. She provides consulting on digital transformation in Media and Fashion companies in France and Italy.

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 complex geopolitical situation did not prevent many of our customers from achieving excellent results, both in the Fashion and Luxury sector, as well as in the sectors in which TXT Next operates. The transformations underway are giving the more dynamic companies a greater propensity to invest in TXT products.

The Company will continue to invest in research and development, in international commercial growth and in the search for acquisition opportunities for the two divisions, simultaneously maintaining a good profit capacity. The Company therefore envisages positive development in business for the quarter underway, while maintaining due caution as a result of the complex external scenarios.

Acceleration in the orders received in the past 9 months leads us to expect positive development in business for fourth quarter 2015.

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

Milan, 4 November 2015

Consolidated financial statements as at 30 September 2015

Consolidated Balance Sheet

ASSETS (Euro)	30/09/2015	Of which due to related parties	31/12/2014	Of which due to related parties
NON-CURRENT ASSETS				
Goodwill	13,133,536		12,993,445	
Intangible assets with a finite useful life	1,677,298		2,085,369	
Intangible assets	**14,810,834**	**-**	**15,078,814**	**-**
Property, plant and equipment	1,408,442		1,248,845	
Leased assets	-		-	
Property, plant and equipment	**1,408,442**	**-**	**1,248,845**	**-**
Sundry receivables and other non-current assets	141,572		136,068	
Deferred tax assets	1,779,106		1,556,303	
Other non-current assets	**1,920,678**	**-**	**1,692,371**	**-**
TOTAL NON-CURRENT ASSETS	**18,139,954**	**-**	**18,020,030**	**-**
CURRENT ASSETS				
Period-end inventories	2,767,053		1,820,672	
Trade receivables	20,043,309		18,570,928	
Sundry receivables and other current assets	2,441,893		2,196,824	
Cash and cash equivalents	11,862,391		12,304,130	
TOTAL CURRENT ASSETS	**37,114,646**	**-**	**34,892,554**	**-**
TOTAL ASSETS	**55,254,600**	**-**	**52,912,584**	**-**

LIABILITIES AND SHAREHOLDERS' EQUITY	30/09/2015	Of which due to related parties	31/12/2014	Of which due to related parties
SHAREHOLDERS' EQUITY				
Share capital	6,503,125		5,911,932	
Reserves	15,151,014		12,867,534	
Retained earnings (accumulated losses)	7,412,155		6,018,431	
Profit (loss) for the period	3,434,605		4,172,380	
TOTAL SHAREHOLDERS' EQUITY	**32,500,899**	**-**	**28,970,277**	**-**
NON-CURRENT LIABILITIES				
Non-current financial liabilities	-		1,684,734	
Employee benefits expense	3,784,078		3,841,200	
Deferred tax provision	1,163,013		965,428	
TOTAL NON-CURRENT LIABILITIES	**4,947,091**	**-**	**6,491,362**	**-**
CURRENT LIABILITIES				
Current financial liabilities	2,467,446		2,153,926	
Trade payables	1,254,205		1,540,108	
Tax payables	225,620		150,971	
Sundry payables and other current liabilities	13,859,339	1,268,271	13,605,940	1,350,908
TOTAL CURRENT LIABILITIES	**17,806,610**	**1,268,271**	**17,450,945**	**1,350,908**
TOTAL LIABILITIES	**22,753,701**	**1,268,271**	**23,942,307**	**1,350,908**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**55,254,600**	**1,268,271**	**52,912,584**	**1,350,908**

Consolidated Income Statement

Euro	30/09/2015	Of which due to related parties	30/09/2014	Of which due to related parties
Revenues	43,564,161		38,210,356	
Other income	1,839,064		3,471,713	
TOTAL REVENUES AND OTHER INCOME	**45,403,225**		**41,682,069**	
Purchase of materials and external services	(8,669,911)	(456,690)	(9,425,021)	(423,625)
Personnel costs	(30,277,215)	(877,585)	(25,086,476)	(564,283)
Other operating costs	(1,452,102)		(1,583,144)	
Depreciation and amortisation/Impairment	(826,000)		(980,241)	
OPERATING PROFIT (LOSS)	**4,177,997**	**(1,334,275)**	**4,607,187**	**(987,908)**
Financial income	1,720,555		908,963	
Financial charges	(1,848,672)		(1,101,457)	
EARNINGS BEFORE TAXES	**4,049,880**	**(1,334,275)**	**4,414,693**	**(987,908)**
Income taxes	(615,275)		(806,353)	
NET PROFIT (LOSS) FROM OPERATIONS	**3,434,605**	**(1,334,275)**	**3,608,340**	**(987,908)**
EARNINGS PER SHARE	0.29		0.35	
DILUTED EARNINGS PER SHARE	0.29		0.33	

Consolidated Statement of Comprehensive Income

	30/09/2015	30/09/2014
NET PROFIT (LOSS) FOR THE PERIOD	**3,434,605**	**3,608,340**
Foreign currency translation differences - foreign operations	36,161	56,652
Total items of other comprehensive income that will be subsequently reclassified to profit /(loss) for the period net of taxes	**36,161**	**56,652**
	69,312	(244,293)
Total items of other comprehensive income that will not be subsequently reclassified to profit /(loss) for the period net of taxes	**69,312**	**(244,293)**
Total profit/ (loss) of Comprehensive income net of taxes	**105,472**	**(187,641)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**3,540,077**	**3,420,699**

Consolidated Statement of Cash Flows

Euro	30/09/2015	30/09/2014
Net profit (loss) for the period	**3,434,605**	**3,608,340**
Current tax	(78,666)	106,645
Change in deferred tax	(25,218)	146,336
Depreciation and amortisation, impairment and provisions	826,000	980,242
Cash flows from (used in) operating activities (before change in working capital)	**4,156,721**	**4,841,563**
(Increases)/decreases in trade receivables	(1,508,365)	(2,062,967)
(Increases)/decreases in inventories	(946,381)	(155,476)
Increases/(decreases) in trade payables	(285,902)	(335,945)
increases/(decreases) in post-employment benefits	12,190	84,970
Increases/(decreases) in other assets and liabilities	156,140	(272,577)
Change in operating assets and liabilities	(2,572,318)	(2,741,995)
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	**1,584,403**	**2,099,568**
Increases in property, plant and equipment	(609,258)	(517,694)
Decreases in property, plant and equipment	96,763	79,262
Increases in intangible assets	(29,047)	(25,792)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES	**(541,542)**	**(464,224)**
Increases / (decreases) in financial payables	(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)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	**(1,670,659)**	**(4,535,466)**
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(627,798)**	**(2,900,122)**
Effect of exchange rate changes on cash flows	186,059	(58,770)
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	**11,862,391**	**11,862,135**

Consolidated Statement of Changes in Equity as at 30 September 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	140,667	181,297	(1,014,033)	-	128,815	6,018,431	4,172,380	28,970,277
Profit (loss) at 31 December 2014		100,578								4,071,802	(4,172,381)	(0)
Distribution of dividends										(2,678,079)		(2,678,079)
Free capital increase	591,193		(591,193)									-
Purchase / Sale of treasury shares			2,378,634									2,378,634
Post-employment benefits discounting							69,312					69,312
Exchange differences					36,161				289,990			326,151
Profit (loss) at 30 September 2015											3,434,605	3,434,605
Balances at 30 September 2015	6,503,125	620,000	12,787,364	1,911,444	176,828	181,297	(944,721)	-	418,805	7,412,155	3,434,604	32,500,899

	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)	-
Distribution of dividends										(2,614,596)		(2,614,596)
Allocation to stock option plan			(105,406)			(560,508)				560,508		(105,406)
Share buy-backs			(358,137)									(358,137)
Post-employment benefits discounting							(244,293)					(244,293)
Exchange differences									467,768			467,768
Profit (loss) at 30 September 2014											3,608,340	3,608,340
Balances at 30 September 2014	5,911,932	519,422	11,132,240	1,911,444	140,667	181,297	(911,386)	-	178,044	6,018,430	3,608,340	28,690,430

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 as at 30 September 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 Retail AsiaPacific Ltd	HKD	100%	100,000
TXT Singapore Pte Ltd	SGD	100%	10,000

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 Ltd, TXT USA Inc., TXT Retail AsiaPacific Ltd and TXT Singapore Pte Ltd into Euro:

- Income Statement (average exchange rate for the first 9 months)

Currency	30/09/2015	30/09/2014
British Pound Sterling (GBP)	0.7274	0.8122
Canadian Dollar (CAD)	1.4031	1.4829
Australian Dollar (AUD)	1.4619	1.4766
USA Dollar (USD)	1.1145	1.3554
Hong Kong Dollar (HKD)	8.6409	10.5108
Singapore Dollar (SGD)	1.5197	1.7047

- Balance sheet (exchange rate as at 30 September 2015 and 31 December 2014)

Currency	30/09/2015	31/12/2014
British Pound Sterling (GBP)	0.7385	0.7789
Canadian Dollar (CAD)	1.5034	1.4063
Australian Dollar (AUD)	1.5939	1.4829
USA Dollar (USD)	1.1203	1.2141
Hong Kong Dollar (HKD)	8.6824	9.4170
Singapore Dollar (SGD)	1.5921	1.6058

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 as at 30 September 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, 4 November 2015