

TXT e-solutions: 2014 nine-months**Revenues € 41.7 million (+5.2%)****Net Profit € 3.6 million (+25.0%)**

- *Consolidated Revenues: € 41.7 million (+5.2%), 57% outside Italy.*
- *EBITDA: € 5.6 million (+13.4%).*
- *Net income: € 3.6 million (+25.0% compared to first nine months of 2013).*
- *Net Financial Position: positive € 7.1 million.*

Milan – November 5, 2014

The Board of Directors of TXT e-solutions, chaired by Alvisè Braga IIIa, today approved the financial results for the period ended September 30, 2014.

In the first nine months of 2014, TXT e-solutions continued its commercial investments both in North America and in Europe aimed at sale and implementation of software TXT Perform, the “end-to-end” planning for large international Apparel, Luxury, Fashion and Retail companies.

Revenues grew from € 39.6 million to € 41.7 million (+5.2%, or +5.6% at constant exchange rates). The increase of € 2.1 million in revenue includes non-recurring income of € 1.5 million, an indemnity from two sellers of Maple Lake, acquired in 2012.

TXT Perform, the Planning Specialist in End-to-End Retail for the Luxury and Fashion sector (61.9% of group revenues) grew revenues by +8.1%; TXT Next (38.1% of group revenues) grew by 0.9%.

International Revenues rose from € 21.5 to € 23.9 million (57% of total sales, almost entirely in TXT Perform).

Gross margin grew from € 20.8 million to € 22.2 million. The increase in gross margin of € 1.4 million is due for € 1.1 million to non-recurring income and expenses and for € 0.3 million to improvement in operating profitability. Profitability on revenues is 53.3% compared to 52.6% in 2013.

EBITDA amounted to € 5.6 million, compared to € 4.8 million in the first nine months of 2013, including non-recurring income of € 1.1 million. Current gross profitability is slightly down (-€ 0.3 million) due to growth of commercial investment (+7.6%).

Net Income amounted to € 3.6 million (8.7% of revenues) and grew by 25%, compared to € 2.9 million for the first nine months of 2013.

Net Financial Position was € 7.1 million positive at September 30, 2014 (€ 6.6 million at June 30, 2014 and € 8.6 million at December 31, 2013) after dividends (€ 2.6 million), 2013 personnel bonuses (€ 2.2 million) and purchase of treasury shares (€ 0.4 million). Operating Activities, before changes in Net Working Capital, generated € 4.8 million of cash in the first nine months of 2014.

Shareholders' Equity at September 30, 2014 amounted to € 28.7 million, compared to € 27.9 million at 31 December 2013, as result of Net Income of the first nine months of 2014 (€ 3.6 million), net of dividends (€ 2.6 million), purchase of treasury shares (€ 0.4 million) and other equity movements.

As of September 30, 2014 TXT holds 1,410,450 treasury shares, or 11.93% of issued shares, purchased at an average price of € 2.78.

In the first nine months of 2014, TXT Perform acquired important new customers, including Otto (D), La Halle (F), The White Company (UK), Pandora (DK), Kronos (D), Constellium (D), Ellos (SE), PAS Group (AUS), Build-a-Bear Workshop (USA) and important extensions of licences to existing customers, including Damartex (F), Dior (F), Starboard Cruise Services (USA), Cotton On (AUS), Lindex (FIN) and Greencore (UK).

In the first nine months of 2014, End-to-End Retail Planning solutions – using for the first time AgileFit, an innovative methodology exclusively owned by TXT - were launched in Miroglio and Bata; AgileFit accelerates installation and economic return of investment for TXT customers. In addition, TXT solutions also became operational at about 25 customers, including Thirty-One Gifts (USA), Damartex (F), Lacoste (F), Fat Face (UK), Hamm Reno (D), Yamamay (I), six projects for Louis Vuitton (F) and “roll out” in Europe, America and Asia for Burberry's (UK). In Q3, important projects were successfully completed on budget and on time with Sephora France, with further extensions to Sephora USA, and at Pandora (DK), a dynamic new-generation jeweller active in 84 countries.

The Chairman Alvisè Braga Illa has declared: *“The Company is actively pursuing new opportunities of commercial development in APAC and in the continents where it is already present and it is looking selectively at possible acquisitions in its core competence areas, particularly in TXT Next; we are also continuing R&D investments in areas of greatest potential – cloud services, in-memory optimizations and mobile services. We are balancing our investments with the need to maintain adequate profitability to reward shareholders and employees”*.

Outlook and Subsequent Events

The third quarter opened with increasing risk due to the uncertain economic scenario in several sectors, including Luxury and Fashion. The Company believes it will be able to outperform the market, thanks to strengthened presence in North America, and the development of the existing customer list, which is very wide and geographically located in different areas. The company is now also increasing its presence in selected areas of international manufacturing, which are gradually emerging from recession.

Ongoing negotiations for the sale of TXT Perform solutions are at a fair level but there is high uncertainty about timing of customers' decisions, which may influence license revenues. The order book for services has good visibility and permits development of business in the current quarter in line with Q4 2013.

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

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

As from today, this press release is available also on the company's website www.txtgroup.com

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

For information:

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Management Income Statement as of 30.09.2014

<i>Amounts in thousands of Euro</i>	9m 2014	%	9m 2013	%	Var %
REVENUES	41.682	100,0	39.611	100,0	5,2
Direct costs	19.451	46,7	18.762	47,4	3,7
GROSS MARGIN	22.231	53,3	20.849	52,6	6,6
R&D Costs	3.388	8,1	3.618	9,1	-6,4
Commercial Costs	8.193	19,7	7.616	19,2	7,6
G&A Costs	5.063	12,1	4.851	12,2	4,4
GROSS OPERATING MARGIN (EBITDA)	5.587	13,4	4.764	12,0	17,3
Amortization, Depreciation	980	2,4	945	2,4	3,7
OPERATING PROFIT (EBIT)	4.607	11,1	3.819	9,6	20,6
Financial Income (Expenditure)	(192)	(0,5)	(316)	-0,8	-39,2
PRE-TAX INCOME (EBT)	4.415	10,6	3.503	8,8	26
Income Taxes	(807)	(1,9)	(616)	-1,6	31
NET INCOME	3.608	8,7	2.887	7,3	25

Income Statement as of 30.09.2014

Amounts in Euro	30.09.2014	30.09.2013
Revenues	38.210.356	38.802.620
Other income	3.471.713	808.686
TOTAL REVENUES AND INCOME	41.682.069	39.611.306
Purchases of materials and services	(9.425.021)	(9.853.606)
Personnel costs	(25.086.476)	(23.659.425)
Other operating costs	(1.583.144)	(1.333.785)
Amortizations, depreciation and write downs	(980.241)	(944.992)
OPERATING RESULT	4.607.187	3.819.498
Net Financial income/charges	(192.494)	(316.315)
PRE-TAX RESULT	4.414.693	3.503.183
Income Taxes	(806.353)	(615.768)
NET INCOME	3.608.340	2.887.415

Net Financial Position as of 30.09.2014

Amounts in thousands of Euro	30.9.2014	31.12.2013	Var	30.9.2013
Cash	11.862	14.821	(2.959)	11.123
Short Term Debt	(2.757)	(3.352)	595	(1.462)
Short Term Financial Resources	9.105	11.469	(2.364)	9.661
Long Term Debt	(2.034)	(2.896)	862	(3.407)
Net Available Financial Resources	7.071	8.573	(1.502)	6.254

Consolidated Balance Sheet as of 30.09.2014

ASSETS (Amounts in Euro)	30.09.2014	31.12.2013
NON-CURRENT ASSETS		
Goodwill	13.007.582	12.481.045
Definite life intangible assets	2.293.964	2.888.814
Intangible Assets	15.301.546	15.369.859
Buildings, plants and machinery owned	1.231.109	1.107.372
Lease assets	2.773	11.093
Tangible Assets	1.233.882	1.118.465
Other non-current assets	136.309	128.741
Deferred tax assets	1.028.356	1.233.314
Other non-current assets	1.164.665	1.362.055
TOTAL NON-CURRENT ASSETS	17.700.093	17.850.379
CURRENT ASSETS		
Inventories	1.606.866	1.451.390
Trade receivables	18.866.502	16.840.120
Other current assets	2.343.782	1.802.252
Cash and other liquid equivalents	11.862.135	14.821.027
TOTAL CURRENT ASSETS	34.679.285	34.914.789
TOTAL ASSETS	52.379.378	52.765.168
EQUITY AND LIABILITIES (Amounts in Euro)		
EQUITY AND LIABILITIES (Amounts in Euro)		
Share capital	5.911.932	5.911.932
Reserves	13.151.729	13.875.881
Retained earnings	6.018.429	3.506.898
Profit (Loss) for the period	3.608.340	4.642.043
TOTAL SHAREHOLDERS' EQUITY	28.690.430	27.936.754
NON-CURRENT LIABILITIES		
Non-current financial liabilities	2.033.705	2.895.924
Severance and other personnel liabilities	3.628.311	3.299.049
Deferred tax liabilities	710.896	769.518
TOTAL NON-CURRENT LIABILITIES	6.372.912	6.964.491
CURRENT LIABILITIES		
Current financial liabilities	2.756.961	3.352.069
Trade payables	1.168.577	1.504.522
Tax payables	179.827	73.182
Other current liabilities	13.210.671	12.934.150
TOTAL CURRENT LIABILITIES	17.316.036	17.863.923

Consolidated Statement of Cash Flows as of 30.09.2014

Amounts in Euro	30.09.2014	30.09.2013
Net Income	3.608.340	2.887.415
Non cash costs		95.398
Paid taxes	106.645	(352.395)
Variance in deferred taxes	146.336	27.408
Amortization, depreciation and write-downs	980.242	935.747
Cash flows generated by operations before working capital	4.841.563	3.593.573
(Increase) / Decrease in trade receivables	(2.062.967)	(619.670)
(Increase) / Decrease in inventories	(155.476)	(219.808)
(Increase) / Decrease in trade payables	(335.945)	(437.750)
(Increase) / Decrease in severance and other personnel liabilities	84.970	7.795
(Increase) / Decrease in other current assets/liabilities	(272.577)	606.472
Changes in working capital	(2.741.995)	(662.961)
CASH FLOW GENERATED BY OPERATIONS	2.099.568	2.930.612
Increase in tangible assets	(517.694)	(391.724)
Decrease in intangible assets	79.262	
Increase in intangible assets	(25.792)	18.541
Increase in financial assets		
CASH FLOW GENERATED BY INVESTING ACTIVITIES	(464.224)	(373.183)
Increase / (Decrease) in financial debts	(1.457.327)	(4.928.881)
Distribution of dividends	(2.614.596)	(2.106.906)
Purchase of treasury shares	(463.543)	(784.146)
Exercise of stock options		468.928
CASH FLOW GENERETED BY FINANCIAL ACTIVITIES	(4.535.466)	(7.351.005)
INCREASE / (DECREASE) IN CASH	(2.900.122)	(4.793.576)
Difference in Currency Translation	(58.770)	97.758
Cash at beginning of the period	14.821.027	15.818.812
Cash at the end of the period	11.862.135	11.122.994

Income Statement - Management Reporting Third Quarter as at 30.09.2014

<i>Amounts in thousands of Euro</i>	Q3 2014	%	Q3 2013	%	Var. 14/13%
REVENUS	12.710	100,0	13.346	100,0	(4,8)
Direct Costs	5.987	47,1	6.368	47,7	(6,0)
GROSS MARGIN	6.723	52,9	6.978	52,3	(3,7)
R&D Costs	1.008	7,9	1.059	7,9	(4,8)
Commercial Costs	2.527	19,9	2.720	20,4	(7,1)
G&A Costs	1.632	12,8	1.579	11,8	3,4
GROSS OPERATING COST (EBITDA)	1.556	12,2	1.620	12,1	(4,0)
Amortization, Depreciation	337	2,7	359	2,7	(6,1)
OPERATING PROFIT (EBIT)	1.219	9,6	1.261	9,4	(3,3)
Financial Income (Expenditure)	(68)	(0,5)	(228)	(1,7)	N.S.
PRE-TAX INCOME (EBT)	1.151	9,1	1.033	7,7	11,4
Income Taxes	(200)	(1,6)	(304)	(2,3)	(34,2)
NET INCOME	951	7,5	729	5,5	30,5