

TXT e-solutions: H1 2014
Revenues € 29 million (+10.3%) and Net Profit (+25.9%),
with benefit of non-recurring income.

- *Consolidated Revenues: € 29.0 million (+10.3%), 58% from outside Italy.*
- *EBITDA: € 4.0 million (+28.2% compared to H1 2013).*
- *Net income: € 2.7 million (+25.9% compared to H1 2013).*
- *Net Financial Position: positive € 6.6 million as of June 20 2014.*

Milan – August 5, 2014

The Board of Directors of TXT e-solutions, chaired by Alvisè Braga Illa, today approved the first half-financial results for the period ended as of June 30, 2014 and discussed options - presented by CEO, Marco Guida – for the international development of TXT Next and innovative extensions of products TXT Perform.

In the first six 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 for the “end-to-end” planning for large international Apparel, Luxury, Fashion and Retail companies.

Revenues grew from € 26.3 million in H1 2013 to € 29.0 million (+10.3%, or +11% at constant exchange rates). Revenues include a non-recurring income of € 1.5 million, earned as indemnity from two sellers of Maple Lake who resigned.

Net of this income, the revenues of the first half of the year grew by +4.7%.

TXT Perform, the End-to-End Retail specialist in the Luxury and Fashion sector (62.5% of group revenues) grew revenues by +8.1%; TXT Next (37.5% of group revenues) slightly decreased (-0.1%).

International Revenues rose from € 13.6 to € 16.8 million (58% of total sales, almost entirely in TXT Perform).

Gross margin grew from € 13.9 million to € 15.5 million. Direct costs include non-recurring charges of € 0.4 million for two projects. The increase in gross margin of € 1.6 million is due for € 0.5 million to current activities. Net of non-recurring income, gross margin increased by 4.2% with a profitability on revenues of 52.5%, substantially in line with last year (52.8%).

EBITDA amounted to € 4.0 million, up compared to € 3.1 million in the first half of 2013, thanks to the positive contribution of net non-recurring income of € 1.1 million. The current gross profitability is slightly down by € 0.2 million due to strong growth of commercial investments (+15.7%).

Net Income amounted to € 2.7 million (9.2% of revenues) and grew compared to € 2.1 million of H1 2013.

Net Financial Position amounted to € 6.6 million positive at 30 June 2014 (€ 6.8 million at 30 June 2013 and € 8.6 million at 31 December 2013) after the payment of dividends (€ 2.6 million), the payment of 2013 personnel bonuses (€ 2.2 million) and the purchase of treasury shares (€ 0.3 million).

Operating Activities, before changes in Net Working Capital, generated in the first semester € 4.0 million of cash.

Shareholders' Equity as at 30 June 2014 amounted to € 27.7 million, compared to € 27.9 million at 31 December 2013, as the result of Net Income of the semester (€ 2.7 million), net of payment of dividends (€ 2.6 million) and purchase of treasury shares (€ 0.3 million).

As of June 30, 2014 TXT holds 1,386,430 treasury shares, or 11.73% of issued shares, purchased at an average price of € 2.69.

In H1 TXT Perform gained important new customers, including Otto (D), La Halle (F), The White Company (UK), Pandora (DK), Kronos (D), and important extension 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 half of the year, End-to-End Retail solutions – with AgileFit methodology of exclusive, innovative ownership of TXT - were launched for the first time in Miroglio and Bata; AgileFit accelerates the installation and the economic returns of investments for TXT customers. In addition, TXT solutions also became operational for around 25 customers, including Thirty-One Gifts (USA), Sephora (F), Damartex (F), Lacoste (F), Fat Face (UK), Hamm Reno (D), Yamamay (I), Burberry's (UK) and six projects for Louis Vuitton (F).

The Chairman Alvise Braga Illa commented as follows: *"Revenues from Perform software were stationary in the first semester of the year (€ 6.1 million) compared to first semester 2013 (€ 6.0 million). We felt the slowdown in the entire Luxury and Fashion sector in the first half of the year. Our result improves due to non-recurring income; our aim is to perform better in the second half of the year. Recent availability of AgileFit Deployment shall increase the propensity to purchase our "End-to-End Retail" solutions, an essential and unique tool for managing Luxury and Fashion processes, especially in difficult times.*

Our stock price, which has reached a peak of € 11.91 in the first quarter, has decreased significantly to € 8.02 on 4 August. I trust that it will now be considered a good medium-term investment opportunity by many new investors".

Outlook and Subsequent Events

Economic environment remains difficult and with increasing geopolitical issues, while USA economy confirms a strong uptake in the second quarter 2014. The Company believes it will be able to outperform the market, thanks to its strengthened presence in North America, defined strategy, valuable customer base, innovative products and international team of specialized consultants.

Ongoing negotiations for the sale of TXT Perform solutions are decent but with high uncertainty about the timing of customers' decision which may influence revenues from licenses. The order book for services has a good visibility and allow envisaging a development of the profitability of the business in the current quarter in line with Q3 2013.

On 4 August 2014 Mr Jean-Philippe Vorsanger was appointed as Senior Vice President and COO of North American operations, based on his significant experience in Capgemini. He will be based in Toronto.

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:

TXT e-solutions SpA

Paolo Matarazzo
CFO
Tel. +39 02 25771.355
paolo.matarazzo@txtgroup.com

Management Income Statement as of 30.06.2014

<i>Amounts in thousands of Euro</i>	H1 2014	%	H1 2013 (*)	%	Var %
REVENUES	28.972	100,0	26.265	100,0	10,3
Direct costs	13.464	46,5	12.394	47,2	8,6
GROSS MARGIN	15.508	53,5	13.871	52,8	11,8
R&D Costs	2.380	8,2	2.559	9,7	-7
Commercial Costs	5.666	19,6	4.896	18,6	15,7
G&A Costs	3.431	11,8	3.272	12,5	4,9
GROSS OPERATING MARGIN (EBITDA)	4.031	13,9	3.144	12,0	28,2
Amortization, Depreciation	643	2,2	624	2,4	3
OPERATING PROFIT (EBIT)	3.388	11,7	2.520	9,6	34,4
Financial Income (Expenditure)	(124)	(0,4)	(109)	-0,4	n.m.
PRE-TAX INCOME (EBT)	3.264	11,3	2.411	9,2	35,4
Income Taxes	(607)	(2,1)	(300)	-1,1	102,3
NET INCOME	2.657	9,2	2.111	8,0	25,9

(*) The Consolidated Income Statement as of June 30, 2013 has been restated to reflect the retrospective effect of the final acquisition price of Maple Lake.

Income Statement as of 30.06.2014

Amounts in Euro	H1 2014	H1 2013 (*)	Variazione	%
Revenues	25.716.799	25.362.639	354.160	1,4%
Other income	3.255.609	902.149	2.353.460	260,9%
TOTAL REVENUES AND INCOME	28.972.408	26.264.788	2.707.620	10,3%
Purchases of materials and services	(6.701.861)	(6.637.412)	(64.449)	1,0%
Personnel costs	(17.179.025)	(15.598.408)	(1.580.617)	10,1%
Other operating costs	(1.060.747)	(884.813)	(175.934)	19,9%
Amortizations, depreciation and write downs	(642.347)	(623.960)	(18.387)	2,9%
OPERATING RESULT	3.388.428	2.520.195	868.233	34,5%
Net Financial income/charges	(124.606)	(109.127)	(15.479)	14,2%
PRE-TAX RESULT	3.263.822	2.411.068	852.754	35,4%
Income Taxes	(606.444)	(300.177)	(306.267)	102,0%
NET RESULT	2.657.378	2.110.891	546.487	25,9%

(*) The Consolidated Income Statement as of June 30, 2013 has been restated to reflect the retrospective effect of the final acquisition price of Maple Lake.

Net Financial Position as of 30.06.2014

Amounts in thousands of Euro	30.06.2014	31.12.2013	Var	30.06.13 (*)
Cash	11.583	14.821	(3.238)	11.984
Short Term Debt	(2.763)	(3.352)	589	(1.602)
Short Term Financial Resources	8.820	11.469	(2.649)	10.382
Long Term Debt	(2.188)	(2.896)	708	(3.601)
Net Available Financial Resources	6.632	8.573	(1.941)	6.781

(*) The Consolidated Balance Sheet as of June 30, 2013 has been restated to reflect the retrospective effect of the final acquisition price of Maple Lake.

Consolidated Balance Sheet as of 30.06.2014

ASSETS (Amounts in Euro)	30.06.2014	31.12.2013
NON-CURRENT ASSETS		
Goodwill	12.722.509	12.481.045
Definite life intangible assets	2.494.910	2.888.814
Intangible Assets	15.217.419	15.369.859
Buildings, plants and machinery owned	1.226.656	1.107.372
Lease assets	5.547	11.093
Tangible Assets	1.232.203	1.118.465
Other non-current assets	135.022	128.741
Deferred tax assets	1.212.166	1.233.314
Other non-current assets	1.347.188	1.362.055
TOTAL NON-CURRENT ASSETS	17.796.810	17.850.379
CURRENT ASSETS		
Inventories	2.409.334	1.451.390
Trade receivables	19.154.752	16.840.120
Other current assets	3.367.795	1.802.252
Cash and other liquid equivalents	11.582.939	14.821.027
TOTAL CURRENT ASSETS	36.514.820	34.914.789
TOTAL ASSETS	54.311.630	52.765.168
EQUITY AND LIABILITIES (Amounts in Euro)		
30.06.2014		
Share capital	5.911.932	5.911.932
Reserves	13.101.624	13.875.881
Retained earnings	6.018.431	3.506.898
Profit (Loss) for the year	2.657.378	4.642.043
TOTAL SHAREHOLDERS' EQUITY	27.689.365	27.936.754
NON-CURRENT LIABILITIES		
Non-current financial liabilities	2.188.366	2.895.924
Severance and other personnel liabilities	3.598.554	3.299.049
Deferred tax liabilities	733.307	769.518
TOTAL NON-CURRENT LIABILITIES	6.520.227	6.964.491
CURRENT LIABILITIES		
Current financial liabilities	2.762.664	3.352.069
Trade payables	1.971.011	1.504.522
Tax payables	404.824	73.182
Other current liabilities	14.963.539	12.934.150
TOTAL CURRENT LIABILITIES	20.102.038	17.863.923
TOTAL LIABILITIES	26.622.265	24.828.414
TOTAL EQUITY AND LIABILITIES	54.311.630	52.765.168

Consolidated Statement of Cash Flows as of 30.06.2014

Amounts in Euro	30.06.2014	30.06.2013 (*)
Net Income	2.657.378	2.110.891
Non cash costs		112.816
Paid taxes	736.914	(256.358)
Variance in deferred taxes	(15.064)	(148.864)
Amortization, depreciation and write-downs	642.347	565.963
Cash flows generated by operations before working capital	4.021.575	2.384.448
(Increase) / Decrease in trade receivables	(2.334.785)	926.712
(Increase) / Decrease in inventories	(957.944)	(280.201)
(Increase) / Decrease in trade payables	466.489	(76.690)
(Increase) / Decrease in severance and other personnel liabilities	55.213	62.564
(Increase) / Decrease in other current assets/liabilities	15.684	238.653
Changes in working capital	(2.755.343)	871.038
CASH FLOW GENERATED BY OPERATIONS	1.266.232	3.255.486
Increase in tangible assets	(347.416)	(300.079)
Decrease in intangible assets	24.603	
Increase in intangible assets	(19.214)	(5.944)
Increase in financial assets		
CASH FLOW GENERATED BY INVESTING ACTIVITIES	(342.027)	(306.023)
Increase / (Decrease) in financial debts	(1.260.354)	(4.595.200)
Distribution of dividends	(2.614.596)	(2.106.906)
Purchase of treasury shares	(269.318)	(662.974)
Exercise of stock options	-	468.928
CASH FLOW GENERETED BY FINANCIAL ACTIVITIES	(4.144.268)	(6.896.152)
INCREASE / (DECREASE) IN CASH	(3.220.063)	(3.946.689)
Difference in Currency Translation	(18.025)	112.308
Cash at beginning of the period	14.821.027	15.818.812
Cash at the end of the period	11.582.939	11.984.431

(*) The Consolidated Statement of Cash Flow as of June 30, 2013 has been restated to reflect the retrospective effect of the final acquisition price of Maple Lake.

Income Statement - Management Reporting Second Quarter as at 30.06.2014

<i>Amounts in thousands of Euro</i>	Q2 2014	%	Q2 2013	%	Var. 14/13%
REVENUS	14.977	100,0	13.052	100,0	14,7
Direct Costs	6.857	45,8	6.123	46,9	12,0
GROSS MARGIN	8.120	54,2	6.929	53,1	17,2
R&D Costs	1.148	7,7	1.267	9,7	(9,4)
Commercial Costs	2.775	18,5	2.384	18,3	16,4
G&A Costs	1.687	11,3	1.594	12,2	5,8
GROSS OPERATING COST (EBITDA)	2.510	16,8	1.684	12,9	49,0
Amortization, Depreciation	333	2,2	320	2,5	4,1
OPERATING PROFIT (EBIT)	2.177	14,5	1.364	10,5	59,6
Financial Income (Expenditure)	(56)	(0,4)	(82)	(0,6)	n.m.
PRE-TAX INCOME (EBT)	2.121	14,2	1.282	9,8	65,4
Income Taxes	(457)	(3,1)	(147)	(1,1)	210,9
NET INCOME	1.664	11,1	1.135	8,7	46,6

(*) The Consolidated Income Statement as of June 30, 2013 has been restated to reflect the retrospective effect of the final acquisition price of Maple Lake.