PRESS RELEASE

TXT e-solutions Q1 2016

Revenues € 14.4 million (-1.9%),

EBITDA € 1.4 million (€ 1.5 million in 2015)

- *Consolidated Revenues 52% from outside Italy.*
- *Net income: € 0.9 million (€ 1.0 million in Q1 2015).*
- *Net Financial Position: € 13.7 million positive (€ 8.3 million as of December 31, 2015).*

Milan – May 13, 2016

The Board of Directors of TXT e-solutions, chaired by Alvise Braga Illa, today approved the the first quarter financial results for the period ended as of March 31, 2016.

In Q1 2016 TXT e-solutions has suffered from the difficulties and uncertainties in Fashion and Luxury markets, which have caused delays and rescheduling of new licence agreements. The impact on margins has been mitigated by good service revenues and tight control of operating expenses.

Revenues were € 14.4 million, down by € 0.3 million compared to first quarter 2015 (-1.9%). Software revenues from licences, fees and maintenance were € 3.1 million (-16.6%) and service revenues were € 11.3 million, up + 3.1%.

TXT Perform, the global leader for End-to-End Business Software for Fashion, Luxury and Specialty Retailers (55% of group revenues) had € 7.9 million revenues (-8.3%) and TXT Next, the software specialist for Complex Operations & Manufacturing for Aerospace, High-Tech and Finance (45% of group) had € 6.5 million revenues (+7.4%). International Revenues were € 7.4 (52% of total sales, in line with 2015).

In Q1 2016 TXT Perform signed important software contracts or achieved licence milestones with global customers, including Groupe Dynamite (USA), Missoni (I), Adidas (D), Pandora (DK), Takko (D), Peek & Cloppenburg (D) and Delta Galil (ISR).

Profitability on services improved slightly, while total Gross Margin on Revenues was 49.3%, compared to 51.6% in Q1 2015, due to the decrease in software revenues.

EBITDA was € 1.4 million, down € 0.1 million compared to Q1 2015 (-5.2%). The decrease in licence revenues in the quarter has been almost entirely compensated by reductions in R&D expenses (-8.3), Commercial expenses (-8.3%) and G&A expenses (-2.2%).

Operating Income (EBIT) was € 1.2 million, compared to € 1.4 million in Q1 2015. Profitability on revenues was unchanged at 8.4%.

Net Income was € 0.9 million down - € 0.1 million compared to Q1 2015 (-9.5%). Income tax charges were € 0.2 million, or 22% of pre-tax income. Profitability on revenues is 6.1%.

Net Financial Position as at 31 March 2016 was positive by € 13.7 million (€ 8.5 million as at 31 December 2015), due to reduction of trade receivables and to cash generated by operations.

Shareholders' Equity as of March 31, 2016 increased slightly to € 33.7 million, compared to € 33.6 million as of December 31, 2015 mainly due to net income in the quarter (€ 0.9 million), purchase of treasury shares (€ 0.3 million) and foreign currency effects (€ 0.5 million).

As of March 31, 2016 TXT owned 1,298,431 treasury shares or 9.98% of issued shares, purchased at an average price of € 2.23.

Significant events and Outlook after the reporting period

On April 1 TXT finalized the acquisition of Pace GmbH. The acquisition transaction includes consideration of 5.6 m€ paid in cash by TXT on April 1st for 79% of PACE shares; additional cash payments in 2016 and 2017, based on results from PACE operations, estimated at about 2.2m€; put-call options for the remaining 21% of the shares owned by the three managing founders, to be exercised in the period 2020-2021, at a price based on future PACE results and multiples in line with the initial transaction; permanence of the three founders to drive future growth.

The Chairman Alvise Braga Illa has commented: "*After a very positive 2015 for TXT, during the first quarter 2016 many retailers and brands have been delaying investments; however, the second quarter is already showing the positive impact of our commercial efforts and of our continuous improvement in references and product performance. North America is indeed one of our fundamental priorities. TXT intends to further accelerate the evolution of our offering, to fully enable retailers in their on-going omnichannel transformation.*

The Next Division is on an unconditionally positive trend, having won and developed new international clients in 1Q 2016, even before acquiring PACE GmbH. PACE will be consolidated with TXT as of 2Q 2016. The Next Division operates in a sector which has little correlation with retail.

For the remainder of 2016, in spite of general uncertainties and of difficulties in the retail sector, we believe that we will benefit from the unique features of our 'end-to-end' Merchandise Lifecycle Management software, and from our strong presence at many large, diversified retailers in many countries. We therefore confirm our overall objectives for 2016".

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 Australia, Canada, France, Germany, Hong Kong, Italy, Singapore, Spain, United Kingdom and United States.

For information:

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Management Income Statement as at 31.3.2016

€ thousand	Q1 2016	%	Q1 2015	%	Var %
REVENUES	**14.410**	**100,0**	**14.684**	**100,0**	**(1,9)**
Direct costs	7.306	50,7	7.108	48,4	2,8
GROSS MARGIN	**7.104**	**49,3**	**7.576**	**51,6**	**(6,2)**
Research and Development costs	1.249	8,7	1.362	9,3	(8,3)
Commercial costs	2.679	18,6	2.922	19,9	(8,3)
General and Administrative costs	1.762	12,2	1.801	12,3	(2,2)
EBITDA	**1.414**	**9,8**	**1.491**	**10,2**	**(5,2)**
Amortization, depreciation	200	1,4	253	1,7	(20,9)
OPERATING PROFIT (EBIT)	**1.214**	**8,4**	**1.238**	**8,4**	**(1,9)**
Financial income (charges)	(86)	(0,6)	(70)	(0,5)	22,9
EARNINGS BEFORE TAXES (EBT)	**1.128**	**7,8**	**1.168**	**8,0**	**(3,4)**
Taxes	(245)	(1,7)	(192)	(1,3)	27,6
NET PROFIT	**883**	**6,1**	**976**	**6,6**	**(9,5)**

Income Statement as at 31.3.2016

Amounts in Euro	31.03.2016	31.03.2015
TOTAL REVENUES AND INCOME	**14.410.339**	**14.683.528**
Purchases of materials and services	(2.710.645)	(3.131.528)
Personnel costs	(9.795.080)	(9.586.020)
Other operating costs	(490.742)	(475.057)
Amortizations, depreciation and write downs	(200.128)	(253.114)
OPERATING RESULT	**1.213.744**	**1.237.809**
Financial income/charges	(85.322)	(69.738)
PRE-TAX RESULT	**1.128.422**	**1.168.071**
Income Taxes	(245.372)	(191.934)
NET RESULT CURRENT ACTIVITIES	**883.050**	**976.137**
PROFIT PER SHARE (Euro)	0,08	0,09
PROFIT PER SHARE DILUTED (Euro)	0,08	0,09

Net Financial Position as at 31.3.2016

€ thousand	31.3.2016	31.12.2015	Var	31.3.2015
Cash	14.598	9.080	5.518	13.404
Short term debt	(918)	(821)	(97)	(1.221)
Short term Financial Resources	**13.680**	**8.259**	**5.421**	**12.183**
Long term debt	-	-	-	(115)
Net Available Financial Resources	**13.680**	**8.259**	**5.421**	**12.068**

Consolidated Balance Sheet as at 31.3.2016

ASSETS (Amounts in Euro)	31.03.2016	31.12.2015
NON-CURRENT ASSETS		
Goodwill	12.767.069	13.160.091
Definite life intangible assets	1.453.896	1.531.601
Intangible Assets	**14.220.965**	**14.691.692**
Buildings, plants and machinery owned	1.453.747	1.361.299
Tangible Assets	**1.453.747**	**1.361.299**
Other non-current assets	128.013	141.671
Deferred tax assets	1.920.459	1.936.976
Other non-current assets	**2.048.472**	**2.078.647**
TOTAL NON-CURRENT ASSETS	**17.723.184**	**18.131.638**
CURRENT ASSETS		
Inventories	2.415.229	2.074.935
Trade receivables	20.851.525	25.031.799
Other current assets	2.905.310	2.759.371
Cash and other liquid equivalents	14.598.497	9.079.975
TOTAL CURRENT ASSETS	**40.770.561**	**38.946.080**
TOTAL ASSETS	**58.493.745**	**57.077.718**

EQUITY AND LIABILITIES (Amounts in Euro)	31.03.2016	31.12.2015
SHAREHOLDERS' EQUITY		
Share capital	6.503.125	6.503.125
Reserves	15.036.748	15.826.568
Retained earnings	11.294.643	7.412.155
Profit (Loss) for the year	883.050	3.882.489
TOTAL SHAREHOLDERS' EQUITY	**33.717.566**	**33.624.337**
NON-CURRENT LIABILITIES		
Non-current fiancial liabilities	0	0
Severance and other personnel liabilities	3.744.927	3.830.292
Deferred tax liabilities	1.187.391	1.274.631
TOTAL NON-CURRENT LIABILITIES	**4.932.318**	**5.104.923**
CURRENT LIABILITIES		
Current financial liabilities	917.751	820.586
Trade payables	1.124.559	1.422.360
Tax payables	483.164	15.544
Other current liabilities	17.318.387	16.089.968
TOTAL CURRENT LIABILITIES	**19.843.861**	**18.348.458**
TOTAL LIABILITIES	**24.776.179**	**23.453.381**
TOTAL EQUITY AND LIABILITIES	**58.493.745**	**57.077.718**

Consolidated Statement of Cash Flows as at 31.3.2016

Amounts in Euro	31.03.2016	31.03.2015
Net Income	**883.050**	**976.137**
Non cash costs	-	2.652
Paid taxes	467.620	410.173
Variance in deferred taxes	(70.723)	(85.896)
Amortization, depreciation and write-downs	200.127	253.114
Cash flows generated by operations before working capital	**1.480.074**	**1.556.180**
(Increase) / Decrease in trade receivables	4.181.073	(2.922.651)
(Increase) / Decrease in inventories	(340.294)	(94.464)
(Increase) / Decrease in trade payables	(297.801)	259.817
(Increase) / Decrease in severance and other personnel liabilities	(85.365)	(19.671)
(Increase) / Decrease in other current assets/liabilities	1.096.138	2.029.484
Changes in working capital	4.553.751	(747.485)
CASH FLOW GENERATED BY OPERATIONS	**6.033.825**	**808.695**
Increase in tangible assets	(215.398)	(244.356)
Increase in intangible assets	(271)	(4.666)
CASH FLOW GENERATED BY INVESTING ACTIVITIES	**(215.669)**	**(249.022)**
Repayment of borrowings	97.165	(2.586.269)
(Purchase) / Sale of treasury shares	(275.572)	3.159.247
CASH FLOW GENERETED BY FINANCIAL ACTIVITIES	**(178.407)**	**572.978**
INCREASE / (DECREASE) IN CASH	**5.639.749**	**1.132.651**
Difference in Currency Translation	(121.227)	(32.417)
Cash at beginning of the period	**9.079.975**	**12.304.130**
Cash at the end of the period	**14.598.497**	**13.404.364**