

**TXT e-solutions: Revenues 2017 € 35.9 million (+8.4%)
after sale of TXT Retail**

**International deployment of aeronautic products and activities
Net Financial Position € 87.3 million positive**

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Year 2017 has been characterized by the sale of the Retail Division: from now on, TXT software activities will be focused on the Next Division, mainly in aeronautic and transportation related businesses, with a smaller perimeter, but more promising opportunities of predictable organic growth and of profitable acquisitions. The consequent changes in organisation have been executed very rapidly in the course of the third and fourth quarters 2017, with limited impact on continuing business.

Consolidated revenues for the new business perimeter in 2017 were € 35.9 million, a 8.4% increase compared to 2016 (€ 33.1 million). Software revenues from licences, subscriptions and maintenance contracts in 2017 were € 4.0 million, an increase of 22% over 2016. International revenues accounted for 36% of total revenues, up 32% compared to 2016.

In the fourth quarter of 2017 revenues were € 9.8 million, an increase of 2.4% compared to the fourth quarter of 2016, due to seasonality in the activities. The Aerospace & Aviation business increased by +4.6% in the same time period.

EBITDA for 2017 is expected to decrease slightly compared to 2016 (€ 3,8 million), mainly as a consequence of growing investment in international deployment and of start-up costs for TXT Sense, the new Division for Augmented Reality.

Net Profit in 2017 will reflect an important capital gain from the sale of TXT Retail for a cash consideration of € 85 million at closing, already cashed, plus a € 3.2 million working capital adjustment, agreed and to be cashed within the next few days. The final price for the transaction is therefore € 88.2 million.

The Net Financial Position as of 31 December 2017 was positive by € 87.3 million, invested in short term liquidity deposits with primary Italian banks.

In 2017 the activities of the Next Division have been characterized by the launch of two new products, Pacelab FPO Cloud and Pacelab WEAVR, by good growth of high-margin software revenues and by strong international deployment, deriving in part from the acquisition of Pace GmbH, now fully integrated and strongly synergic with TXT Next.

Pacelab FPO Cloud is targeted to airlines and allows in-flight optimisation of routes to reduce fuel consumption and emissions, and to avoid clear-air turbulence. A proof of concept is under way with one of the largest North American airlines. Pacelab WEAVR is an innovative platform to facilitate development and use of training tools for pilots, crews and engineers, specialized both for aircraft and engine manufacturers and for training schools. WEAVR builds on TXT know-how in the aerospace sector, matured through many successful projects and sophisticated flight simulators, and has been implemented with high-quality Virtual and Augmented Reality technologies.

During 2017 TXT has further strengthened its activities with all existing customers and has also acquired new important clients (including Finnair, Saab and Ferchau), who have recognized the strategic role and high quality of TXT solutions within design, configuration, manufacturing, training, simulation and operating support processes of aeronautic manufacturers and airlines.

The aeronautic sector is undergoing a fast consolidation phase and TXT is well positioned to benefit of business and acquisition opportunities, leveraging on its strong relationship with large customers, who are key players in this consolidation, including Leonardo, Airbus, Boeing, Pilatus, Lufthansa, Safran, Rolls-Royce, Embraer and many others.

TXT has recently resumed the buy-back of Company shares, purchasing on the market 66,500 additional shares. The stock option plan has now been completed and 158.750 options have been exercised. As of today, TXT owns 1,261,883 treasury shares equal to 9.70% of issued shares.

The Board of Directors of TXT will meet on 8 March 2018 as already announced and will evaluate an extraordinary dividend distribution to be proposed to shareholders on April 19, 2018.

TXT e-solutions is an international software products and solutions vendor. Specialized in the most dynamic and agile markets with the highest degree of innovation and renewal that require state-of-the art solutions, TXT is focused on two main business areas: specialized software products and advanced Software-related Engineering Services for companies in the Aerospace, Aviation and Automotive; testing and quality services in Banking. Through its newly created internal start-up TXT Sense, it also develops and market innovative applications of Augmented Reality to other service & industrial sectors. The company is listed on the Italian Stock Exchange - STAR segment (TXT.MI). TXT is based in Milan and has subsidiaries in Italy, Germany, United Kingdom, France, Switzerland and USA.

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