



TXT e-solutions Group

**Half-yearly report
as at 30 June 2013**

TXT e-solutions S.p.A.

Registered office, management, and administration:

Via Frigia, 27 – 20126 Milan - Italy

Share capital:

€ 2,955,966 fully paid-in

Tax code and

Milan Business Register number: 09768170152

Corporate bodies

BOARD OF DIRECTORS

Alvise Braga Illa	Chairman	(1)
Marco Edoardo Guida	Chief Executive Officer	(3)
Franco Cattaneo	Independent Director	(2)
Andrea Cencini	Director	(3)
Paolo Enrico Colombo	Director	(3)
Adriano De Maio	Independent Director	(2)
Teresa Cristiana Naddeo	Independent Director	(2) (4)

- (1) Powers assigned: ordinary and extraordinary administration, except purchase and sale of buildings.
- (2) Member of the Remuneration Committee and the Risks and Internal Controls Committee.
- (3) Powers assigned: ordinary administration.
- (4) Appointed by the Shareholders' Meeting of 6 December 2012

BOARD OF STATUTORY AUDITORS

Raffaele Valletta	Chairman
Luigi Carlo Filippini	Standing Auditor
Fabio Maria Palmieri	Standing Auditor
Angelo Faccioli	Alternate Auditor
Pietro Antonio Grignani	Alternate Auditor

EXTERNAL AUDITORS

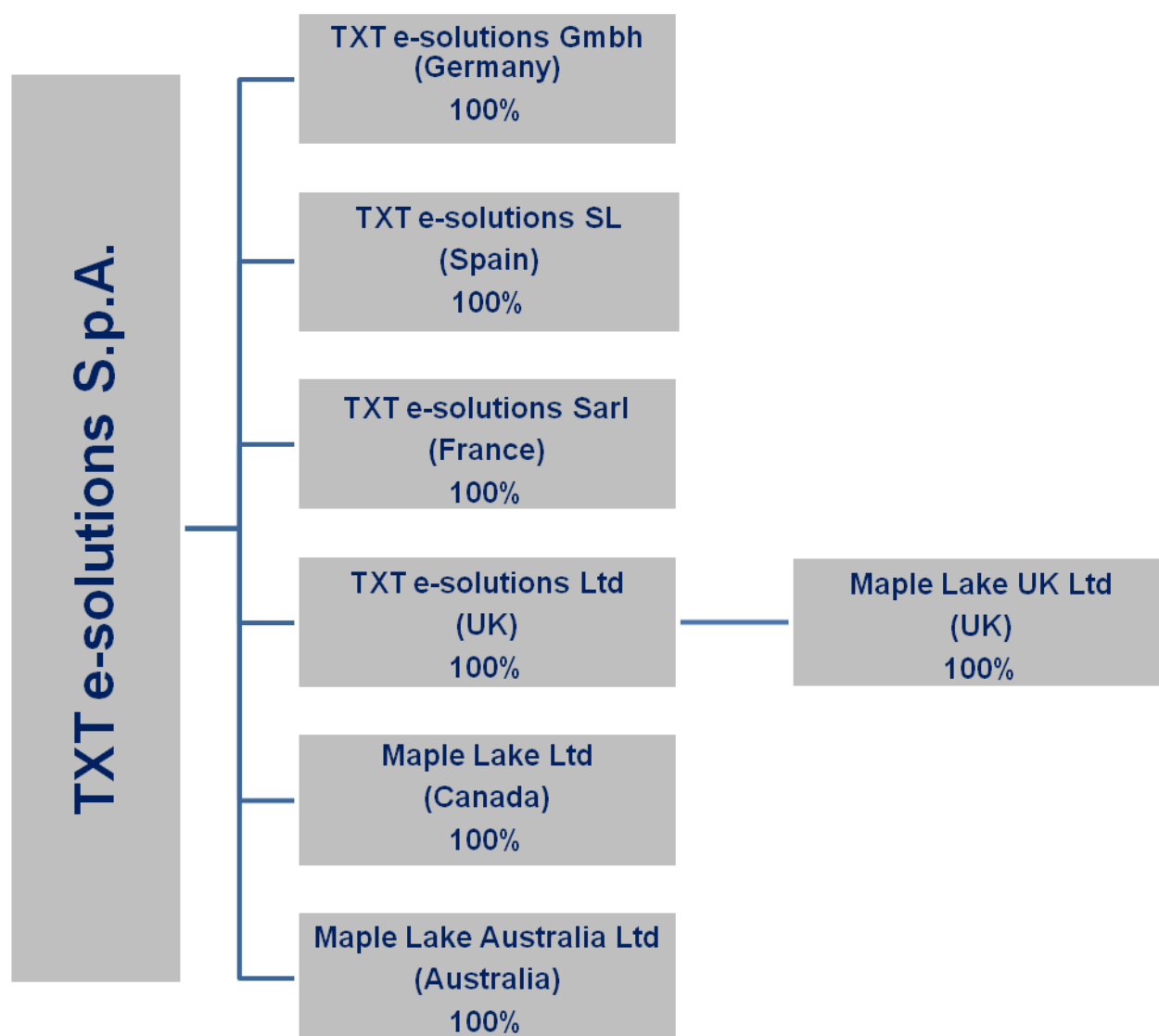
Reconta Ernst & Young S.p.A.

INVESTOR RELATIONS

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Organisational structure and scope of consolidation



Maple Lake UK Ltd (UK) has ceased operations and, following the corporate restructuring plan in the wake of the Maple Lake Group acquisition, is to be liquidated before the end of 2013.

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Key data and directors' report on operations as at 30 June 2013

TXT e-solutions Group – Key data

INCOME DATA (€ thousand)	1st half of 2013	% of total revenues	1st half of 2012	% of total revenues	% Change
NET REVENUES	26,265	100%	23,454	100%	12.0%
of which:					
TXT Perform	15,388	58.6%	12,814	54.6%	20.1%
TXT Next	10,877	41.4%	10,640	45.4%	2.2%
EBITDA (1)	3,144	12.0%	3,120	13.3%	0.8%
OPERATING PROFIT (EBIT)	2,445	9.3%	2,641	11.3%	N.S.
NET PROFIT FROM OPERATIONS	2,012	7.7%	2,291	9.8%	N.S.
Non-recurring profit (loss)	-		604		
NET PROFIT (LOSS) FOR THE PERIOD	2,012	7.7%	2,895	12.3%	N.S.

FINANCIAL DATA (€ thousand)	30 June 2013	31 Dec. 2012	Change
Fixed assets	20,810	21,815	(1,005)
Net working capital	4,317	4,527	(210)
Post-employment benefits and other non-current liabilities	(3,357)	(3,415)	58
CAPITAL EMPLOYED	21,770	22,927	(1,157)
Net financial position	4,064	3,237	827
Shareholders' equity	25,834	26,164	(330)

Data per share	1st half of 2013	1st half of 2012	Change
Number of shares outstanding	5,221,913	5,012,105	209,808
Net earnings per share *	0.39	0.58	(0.19)
Equity per share *	4.95	2.97	1.98

Additional information	30 June 2013	31 Dec. 2012	Change
Number of employees	498	488	10.00
TXT share price	9.59	6.30	3.29

(1) EBITDA is not recognised by IFRS and shall not be considered as an alternative measure for assessing the Group's performance; however, EBITDA is deemed to be an important indicator for measuring the Group's performance. Since its determination is not governed by the reference accounting standards, the criteria applied by the Group may differ from those adopted by other Groups. EBITDA is an acronym for "Earnings before interest, taxes, depreciation, and amortisation".

(*) The number of shares and the relevant 2012 prices were restated following the free capital increase dated 28 May 2012, with the issue of one new share for every share issued, so as to allow comparison with 2013. The shares outstanding are equal to the shares issued less treasury shares.

Notes on Alternative Performance Measures

Pursuant to recommendation CESR/05-178b, it should be noted that this Directors' Report uses a number of synthetic Alternative Operating Performance Measures, which can be found in the official accounting statements reported in the following pages and in the notes to the condensed consolidated half-yearly financial statements.

Specifically, the following measures are used in the Report's Consolidated Income Statement:

- **EBITDA**, i.e. "Total revenues" net of total operating costs;
- **EBIT**, i.e. "Total revenues" net of total operating costs, depreciation, amortisation, and impairment of fixed assets.

Similarly, the following items are reported in the Consolidated Balance Sheet:

- **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 half of 2013

Dear Shareholders,

The first six months of 2013 were characterised by the business combination with Maple Lake, acquired in 2012, as well as expenses to integrate TXT's and Maple Lake's software products into one of the most comprehensive integrated offerings available on the market, as well as commercial activities, especially to develop the business in North America.

- Revenues increased by +12.0% from € 23.5 million to € 26.3 million. Revenues from licenses and maintenance amounted to € 6.0 million, i.e. 23% as a percentage of total revenues, up 22.4% compared to the first half of 2012.
- International revenues grew from € 11.8 to € 13.6 million (+14.8%) and accounted for 52% of total revenues, essentially due to the TXT Perform Division.
- Gross Margin grew by 13.0%, faster than revenues, and profitability improved from 52.3% to 52.8%.
- EBITDA remained essentially unchanged from the previous year, amounting to € 3.1 million, i.e. 12.0% as a percentage of revenues. All research and development costs were expensed in both years. During the six months, the release of new major products and the integration of Maple Lake caused research and development expenditure as well as commercial expenditure to increase by +26.3% and +13.4%, respectively, to support future growth.
- Net profit was € 2.0 million (7.7% of revenues) compared to € 2.9 million in the first half of last year, which included a € 0.6 million one-off capital gain on the sale of the last KIT Digital shares, as part of the Polymedia Division disposal. A lower tax burden partially offset the increase in depreciation and amortisation as well as financial expenses following the Maple Lake acquisition.
- The Net Financial Position grew from € 3.2 million as at 31 December 2012 to € 4.1 million as at 30 June 2013, on the back of strong cash flows during the six months, net of the € 2.1 million dividend distribution.
As at both reporting dates, the Net Financial Position also included an approximately € 2.7 million liability, equal to the fair value measurement of the "Earn-out" amounts payable to the sellers of Maple Lake contingent upon the achievement of growth and profitability targets for 2013 and 2014. Including this liability, the net available financial resources were € 6.8 million.
- Shareholders' Equity as at 30 June 2013 amounted to € 25.8 million, slightly down compared to € 26.2 million as at 31 December 2012, mainly as a result of the dividend distribution (€ 2.1 million) and the share buy-backs (€ 0.7 million), exceeding net profit for the period (€ 2.0 million).

Both TXT's business areas contributed to the increase in revenues, with TXT Perform and TXT Next growing by +20.1% (59% of group's revenues) and +2.2% (41% of group's revenues), respectively.

TXT's results for the first half of 2013, compared with the prior-year period, are presented below:

(€ thousand)	1st half of 2013	%	1st half of 2012	%	13/12 Change %
REVENUES	26,265	100.0	23,454	100.0	12.0
Direct costs	12,394	47.2	11,181	47.7	10.8
GROSS MARGIN	13,871	52.8	12,273	52.3	13.0
Research and Development costs	2,559	9.7	2,026	8.6	26.3
Commercial costs	4,896	18.6	4,317	18.4	13.4
General and Administrative costs	3,272	12.5	2,810	12.0	16.4
EBITDA	3,144	12.0	3,120	13.3	0.8
Amortisation, depreciation and impairment	699	2.7	479	2.0	45.9
OPERATING PROFIT (LOSS) [EBIT]	2,445	9.3	2,641	11.3	(7.4)
Financial income (charges)	(156)	(0.6)	180	0.8	N.S.
EARNINGS BEFORE TAXES (EBT)	2,289	8.7	2,821	12.0	(18.9)
Taxes	(277)	(1.1)	(530)	(2.3)	N.S.
NET PROFIT FROM OPERATIONS	2,012	7.7	2,291	9.8	(12.2)
Non-recurring profit (loss)	-	-	604	2.6	N.S.
NET PROFIT (LOSS) FOR THE PERIOD	2,012	7.7	2,895	12.3	N.S.

REVENUES, GROSS MARGINS, AND THE DIVISIONS' COMPETITIVE POSITION

The Revenues and Gross Margin of the TXT Perform and the TXT Next Divisions are shown below:

TXT PERFORM					
(€ thousand)	1st half of 2013	%	1st half of 2012	%	13/12 Change
REVENUES	15,388	100.0	12,814	100.0	20.1
Licenses & maintenance	5,996	39.0	4,876	38.1	23.0
Projects and other income	9,392	61.0	7,938	61.9	18.3
DIRECT COSTS	5,614	36.5	4,794	37.4	17.1
GROSS MARGIN	9,774	63.5	8,020	62.6	21.9

TXT Next					
(€ thousand)	1st half of 2013	%	1st half of 2012	%	13/12 VAR
REVENUES	10,877	100.0	10,640	100.0	2.2
Licenses & maintenance	49	0.5	64	0.6	(23.4)
Projects and other income	10,828	99.5	10,576	99.4	2.4
DIRECT COSTS	6,780	62.3	6,387	60.0	6.2
GROSS MARGIN	4,097	37.7	4,253	40.0	(3.7)

TOTAL TXT					
(€ thousand)	1st half of 2013	%	1st half of 2012	%	13/12 VAR
REVENUES	26,265	100.0	23,454	100.0	12.0
Licenses & maintenance	6,045	23.0	4,940	21.1	22.4
Projects and other income	20,220	77.0	18,514	78.9	9.2
DIRECT COSTS	12,394	47.2	11,181	47.7	10.8
GROSS MARGIN	13,871	52.8	12,273	52.3	13.0

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 also e-commerce – for business planning, sales budgeting, and effectively implementing strategic plans.

The TXT Perform division's revenues amounted to € 15.4 million, rising 20.1% compared to € 12.8 million in the first half of 2012, mainly as a result of the Maple Lake acquisition.

The division's international revenues increased from € 11.0 million to € 12.8 million, up +16.9% and accounting for 83% of TXT Perform's total revenues.

Revenues from licenses and maintenance rose +23.0%, from € 4.9 million to € 6.0 million, as a result of new contracts and projects entered into with both long-time and new customers as well as

of rising maintenance revenues, pointing to the good reception and continued use of our software solutions. Revenues from licenses and maintenance rose from 38.1% to 39.0% as a percentage of the division's total revenues.

The Division's gross margin, net of direct costs, increased from € 8.0 million to € 9.8 million, and from 62.6% to 63.5% as a percentage of revenues, thanks both to the improved revenue mix and the stronger contribution margin for services.

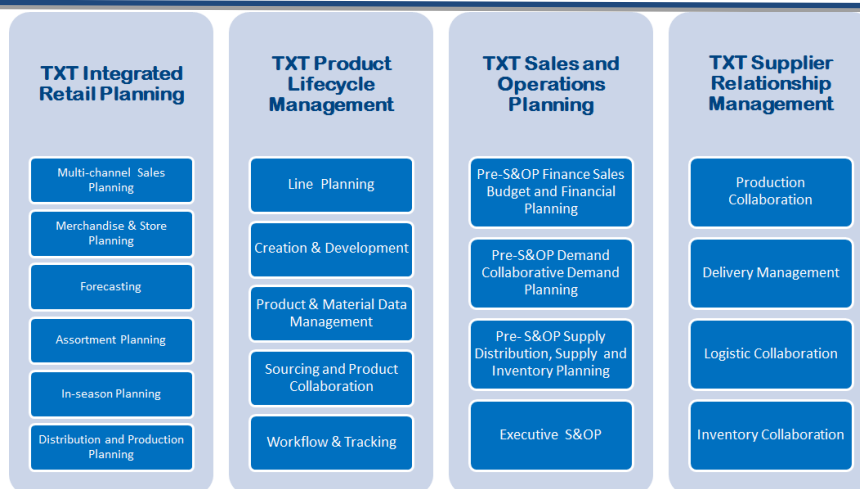
The higher commercial costs incurred during the six months, up € 0.4 million year on year, allowed TXT to bolster its international presence, especially in North America, and to lay the foundations for future growth. Also marketing activities were stepped up: chief among them were the NRF - National Retail Federation in January in New York and the third TXT 'Thinking Retail' Summit in March in London, with more than 120 delegates from 50 international Retail companies.

During the first half of 2013, TXT entered into important contracts with leading companies in various industries and continued to work on the projects related to the implementation of Integrated Planning, Product Lifecycle Management, and Sales & Operation Planning solutions with international customers, including Louis Vuitton (F), Dior (F), Redcats (F), Eckes-Granini (F), Kenzo (F), Delsey (F), Celine (F), Lacoste (F), Miroglio (I), Tod's (I), Safilo (I), Prenatal (I), Adidas (D), Marc Cain (D), Hugo Boss (D), Ecco (D), Valeo (D), Apollo Optik (D), Tesco (UK), Burberry (UK), Desigual (E), Loewe (E), Manor AG (CH), Bestseller (DK), Marc Jacobs (USA), Guess (USA), Swatch (USA), Kenneth Cole (USA), Modells (USA), Holt Renfrew (USA) and Thirty-One Gifts (USA).

Overall, in the six months, the active customers – i.e., those who contributed to revenues – numbered approximately 350, spread among the Luxury, Fashion, and Retail sectors, with more than 100,000 points of sales and sales channels throughout the world. TXT Perform's potential market, in the geographical areas it currently serves – Europe and North America – includes approximately 1500 large Retailers. Over 30 projects were completed and became operational in the first half of 2013.

TXT's product range is extremely competitive as far as both customers' requirements and competing products are concerned: TXTPERFORM is the first product to integrate Planning and Business Intelligence functions in a single application. As a result of this combination of intelligence and technology, TXTPERFORM allows informed decisions to be made based on key qualitative information and data, improving management and planning efficiency and effectiveness throughout the customers' entire business. Furthermore, its set of integrated performance metrics facilitates Supply Chain performance management.

The main 'customer processes' covered by TXTPERFORM solutions are shown in the following chart, which also highlights those that accounted for most of Research and Development spending in the first half of 2013:



During the NRF - National Retail Federation's convention in New York in January 2013, TXT presented the new 5.0 version of its Integrated 'end-to-end' Retail Planning software, further expanding its functions and introducing the 'visual assortment': it allows to immediately associate images to styles and components, navigate the collection, create store-specific assortments, compare and analyze product ranges at different stores or channels; all in a new immediate and intuitive visual planning tool.

During the six months, TXT also made its proprietary TXT Perform software available for deployment on Microsoft Azure and Amazon AWS cloud platforms. 'TXT on Cloud' reduces deployment costs and time, making the solutions available for use in highly flexible and scalable environments.

Also on show were two new TXT Mobile applications allowing to manage collection development processes on mobile devices - smartphones and tablets - making TXT Perform increasingly integrated, easy, and interactive while facilitating the constant monitoring of the collection's development by all users through the web, wherever they are. These new applications, particularly TXT Product Lifecycle Management 3.0, are initially available on Windows 8.

Mobile and Cloud applications, developed in partnership with leading customers throughout the world, are set to expand considerably in the next few years; with these products, TXT promptly positions itself among the 'first movers' in terms of innovation in the Luxury and Retail sectors.

With the acquisition of Maple Lake, qualified and skilled staff joined the TXT Perform research and development team at the offices in Leicester. Since October 2012, a single research and development structure has been created, and the strategy for evolving and merging Maple Lake's and TXTPERFORM's solutions into a single product has been defined.

TXT Next Division

The TXT NEXT division increased its revenues to € 10.9 million, up 2.2% from € 10.6 million in the first half of 2012. The Aerospace & Defence and the Banking & Finance segments performed well. The division's revenues accounted for 41.4% of the group's revenues.

Gross margin fell from € 4.3 million to € 4.1 million, essentially due to lower government grants related to income given to the Corporate Research division for funded projects, only partially compensated by improvements on projects.

TXT NEXT offers a specialised and innovative portfolio of engineering and software services to leading European companies, particularly in the following sectors:

- Aerospace & Defence;
- High Tech Manufacturing;
- Banking & Finance.

TXT NEXT stands out for its ability to listen to the customer and design advanced technological solutions based on its needs, focusing on business and companies and with technology as a key business factor. It specialises in mission critical software and systems and high-reliability embedded software.

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 our in-depth expertise in software planning and development. Furthermore, we have strategic partnerships with Microsoft, HP and IBM.

REVENUES

Research and development costs for the six months – for new products, new TXT Perform releases, and the integration of Maple Lake products into TXT Perform – amounted to € 2.6 million, rising +26.3% compared to € 2.0 million in the first half of 2012. As a percentage of revenues, they increased from 8.6% to 9.7%. All research and development costs were expensed in the period, since the activities undertaken focused on long-term research projects and the development of existing products.

Commercial costs amounted to € 4.9 million, increasing by +13.4% compared to the first half of 2012, due to the bolstering of the commercial network in North America as well as the new initiatives to promote TXT Perform products at the NRF event in New York and the Thinking Retail conference in London. Commercial costs rose from 18.4% to 18.6% as a percentage of revenues.

General and administrative costs amounted to € 3.3 million, compared to € 2.8 million in the first half of 2012, rising from 12.0% to 12.5% as a percentage of revenues. The operating offices outside Italy increased from six to nine, with approximately 150 employees as at 30 June 2013, due to the addition of the Toronto (CN) and Sydney (A) operating offices and the bolstering of the presence in the UK, with the new office in Leicester following the Maple Lake acquisition.

Gross operating profit (EBITDA) amounted to € 3.1 million in the first half of 2013, essentially in line with 2012 (+0.8%). As a percentage of revenues, it amounted to 12.0%.

Operating profit (EBIT) was € 2.4 million, down from € 2.6 million in the prior-year period, due to the higher amortisation of intellectual property rights to software and the customer portfolio deriving from the Maple Lake acquisition. Operating profit as a percentage of revenues amounted to 9.3%.

Net profit from operations amounted to € 2.0 million, down from € 2.3 million in the first half of 2012, as a result of lower operating profit and higher financial charges. Net profit from operations amounted to 7.7% as a percentage of revenues, compared to 9.8% in 2012.

In the first half of 2012, non-recurring profit amounted to € 0.6 million due to capital gains on the sale of the last Kit Digital shares as part of the Polymedia Division disposal in 2011.

CAPITAL EMPLOYED

As at 30 June 2013, Capital Employed totalled € 21.8 million, down € 1.1 million compared to € 22.9 million as at 31 December 2012, mainly due to the reduction in fixed assets.

Fixed assets decreased by € 0.8 million, from € 21.8 million to € 21.0 million. Intangible assets fell by € 0.9 million as a result of the amortisation of research and development costs capitalised over the years up to 2011 as well as of intellectual property rights to software and the customer portfolio of the Maple Lake acquisition, and also due to the effect of exchange rates on foreign currency goodwill. Since 2012, all research and development costs have been expensed in full as incurred. Property, plant and equipment were essentially unchanged: investments made during the period in servers and computers were compensated for by depreciation for the period.

Net working capital, despite the increase in turnover, dropped by € 0.3 million, from € 4.5 million to € 4.2 million, mainly as a result of lower trade receivables (€ 0.8 million) net of the reduction in tax

payables (€ 0.3 million), as well as the increase in inventories for work not yet invoiced (€ 0.3 million).

Liabilities arising from post-employment benefits of Italian employees and other non-current liabilities remained substantially unchanged at € 3.4 million.

The table below shows the details:

<i>(€ thousand)</i>	30 June 2013	31 Dec. 2012	Total Change	30 June 2012
Intangible assets	18,996	19,866	(870)	6,386
Net property, plant and equipment	1,210	1,154	56	837
Other fixed assets	767	795	(28)	287
Fixed assets	20,973	21,815	(842)	7,510
Inventories	1,669	1,388	281	1,516
Trade receivables	16,516	17,274	(758)	13,584
Sundry receivables and other short-term assets	2,252	2,288	(36)	2,615
Trade payables	(1,723)	(1,800)	77	(2,060)
Tax payables	(1,835)	(2,158)	323	(1,035)
Sundry payables and other short-term liabilities	(12,725)	(12,465)	(260)	(10,622)
Net working capital	4,154	4,527	(373)	3,998
Post-employment benefits and other non-current liabilities	(3,357)	(3,415)	58	(3,450)
Capital employed	21,770	22,927	(1,157)	8,058
Shareholders' equity	25,834	26,164	(330)	22,929
Net financial position (Cash)	(4,064)	(3,237)	(827)	(14,871)
Capital employed	21,770	22,927	(1,157)	8,058

Compared with 30 June 2012, capital employed increased by € 13.7 million (from € 8.1 million to € 21.8 million) following the Maple Lake acquisition.

Consolidated shareholders' equity amounted to € 25.8 million, down € 0.3 million compared to € 26.1 million as at 31 December 2012, due to the combined effect of the dividend distribution (€ 2.1 million), the net profit for the period (€ 2.0 million), share buy-backs (€ 0.7 million) and the issue of 145,000 new shares to service the stock option plan.

The consolidated Net Financial Position as at 30 June 2013 was positive to the tune of € 4.1 million, improving by € 0.8 million compared to € 3.2 million as at 31 December 2012.

As at both reporting dates, the Net Financial Position included a € 2.7 million liability equal to the fair value measurement of the maximum earn-out amounts payable to the sellers of Maple Lake contingent upon conditions related to growth and profitability resulting from the combination's synergies for 2013 and 2014 (CAD\$ 4 million). The "Earn-out" is contingent upon the achievement of significant increases in profitability; pursuant to IFRS 3, the fair value of the maximum outlay was measured at € 2.7 million and recognised as a financial liability, partly short-term (€ 0.9 million) and partly medium-long term (€ 1.8 million).

Therefore, the Net Available Financial Resources as at 30 June 2013, including this liability, amounted to € 6.8 million, as detailed in the following table:

<i>(€ thousand)</i>	30 June 2013 (A)	31 Dec. 2012 (B)	Change (A + B)	30 June 2012
Cash and bank assets	11,984	15,819	(3,835)	17,529
Negotiable securities and short-term financial receivables	-	-	-	372
Short-term financial payables	(1,602)	(5,496)	3,894	(1,461)
Short-term financial resources	10,382	10,323	59	16,440
Payables due to banks with maturity beyond 12 months	(3,601)	(4,302)	701	(1,569)
Net Available Financial Resources	6,781	6,021	760	14,871
Financial payable for Earn-out (IFRS 3)	(2,717)	(2,784)	67	-
Total Net Financial Position	4,064	3,237	827	14,871

The Net Financial Position as at 30 June 2013 is detailed as follows:

- € 12.0 million in cash and bank assets were largely invested in euro-denominated short-term bank deposits, with the rest being held as cash for operating activities.
- Short-term financial payables, amounting to € 1.6 million, consisted of payments due within 12 months for medium/long-term loans. The decrease compared to 31 December 2012 was due to the payment of grants for research projects (€ 3.6 million) received by TXT as lead manager of the projects at the end of 2012 and distributed during the first half of 2013 to the other participating companies.
- Payables due to banks with maturity beyond 12 months, totalling € 3.6 million, consisted of a 5-year loan entered into at the end of 2012 with a par value of € 4.0 million and a 3.6% interest rate, as well as largely subsidised medium/long-term loans for funded research and development.

Q2 2013 ANALYSIS

An analysis of the second quarter of 2013 is provided in the table below:

(€ thousand)	Q2 2013	%	Q2 2012	%	13/12 Change %
REVENUES	13,052	100	11,846	100	10.2
Direct costs	6,123	47	5,523	47	10.9
GROSS MARGIN	6,929	53	6,323	53	9.6
Research and Development costs	1,267	10	1,009	9	25.6
Commercial costs	2,384	18	2,276	19	4.7
General and Administrative costs	1,594	12	1,374	12	16.0
EBITDA	1,684	13	1,664	14	1.2
Amortisation, depreciation and write-downs	357	3	262	2	36.3
OPERATING PROFIT (LOSS) [EBIT]	1,327	10	1,402	12	(5.3)
Financial income (charges)	(106)	(1)	99	1	N.S.
EARNINGS BEFORE TAXES (EBT)	1,221	9	1,501	13	(18.7)
Taxes	(136)	(1)	(121)	(1)	N.S.
NET PROFIT FROM OPERATIONS	1,085	8	1,380	12	(21.4)
Non-recurring profit (loss)			(66)		N.S.
NET PROFIT (LOSS) FOR THE PERIOD	1,085	8	1,314		N.S.

The performance for the second quarter of 2012 was as follows:

- Net revenues amounted to € 13.1 million, up 10.2% compared to the second quarter of 2012. Both divisions contributed to the growth in revenues in the quarter, with an increase of 17.5% for TXT Perform (which consolidates Maple Lake operations) and of 1.4% for TXT Next.
- Direct costs amounted to € 6.1 million, up 10.9% compared to the second quarter of 2012. The gross margin was 53.1%.
- Research and development costs amounted to € 1.3 million, up +25.6% from € 1.0 million in the second quarter of 2012. They rose from 8.5% to 9.7% as a percentage of revenues. As in the previous year, all research and development costs were expensed in the period.
- Commercial Costs and General and Administrative Costs grew by 4.7% and 16.0%, respectively, as a result of the integration of Maple Lake's organisation;
- Gross operating profit (EBITDA) amounted to € 1.7 million in the second quarter of 2013, essentially in line with 2012 (+1.2%). As a percentage of revenues, it amounted to 12.9%;

- Operating profit (EBIT) totalled € 1.3 million, down from € 1.4 million in the prior-year period, due to the higher amortisation of intellectual property rights to software and the customer portfolio deriving from the Maple Lake acquisition. Operating profit as a percentage of revenues amounted to 10.2%.
- Earnings before taxes for the quarter amounted to € 1.2 million, after financial charges of € 0.1 million.
- Net profit from operations amounted to € 1.1 million, compared to € 1.4 million in 2012, net of € 0.1 million in provisions for taxes that benefited from the use of past losses. Therefore, net profit from operations amounted to 8.3% as a percentage of revenues.
- Net profit for the second quarter of 2013 amounted to € 1.1 million, compared to € 1.3 million in the prior-year period. In the second quarter of 2012, the company recognised a € 0.1 million loss on the Kit-Digital equity investment.

EMPLOYEES

As at 30 June 2013, the group had 498 employees, compared with 488 as at 31 December 2012, with an increase of 10 employees in the TXT Next division.

Personnel costs in the first half of 2013 amounted to € 15.6 million, compared to € 13.4 million in the prior-year period, rising 16.6%, mainly as a result of the consolidation of Maple Lake's staff (66 employees).

TXT SHARE PERFORMANCE AND TREASURY SHARES

During the first six months of 2013, the share price of TXT e-solutions reached a high of € 9.95 on 18 June 2013 and a low of € 6.31 on 4 January 2013. As at 30 June 2013, the share price was € 9.59, up 52% since the start of the year. The volume of trading in TXT's stock during the first months of 2013 was higher than in 2012, with a daily average of 21,045 shares traded. TXT ranks among the best stocks listed in the STAR segment of the Italian Stock Exchange in terms of turnover velocity. Turnover velocity is a measure of stock liquidity calculated as the ratio of volumes traded during the period to the company's average market capitalisation.

In the first six months of 2013, TXT purchased 86,750 treasury shares at an average price of € 7.64 per share, for a total of € 0.7 million. As at 30 June 2013, TXT held 652,909 treasury shares, amounting to 11.04% of shares outstanding.

In the first half of the year, 145,000 new shares were issued to service the 2008 stock option plan and 27,341 treasury shares were awarded to the beneficiaries of the 2012 Stock Grant plan. At the end of the period, there were 4,000 stock options and 659 stock grants vested and not yet exercised.

The share buy-backs were carried out pursuant to the plan resolved upon by the Board of Directors following authorisation from the Shareholders' Meetings held on 23 April 2013, which renewed the authorisation to purchase treasury shares up to 20% of the share capital for a period of 18 months.

The Shareholder's Meeting held on 23 April 2013 examined and approved the 2012 financial statements and approved the distribution of a € 0.40 dividend per share outstanding at the ex-dividend date, i.e. 27 May 2013. Approximately € 2.1 million in dividends were distributed to approximately 5.3 million shares outstanding at the ex-dividend date.

Direct communication with investors continued, in particular through the "TXT Investor Club". This initiative is aimed at communicating with the entire market in an increasingly thorough and timely manner, paying particular attention to Shareholders and Private Investors. In order to provide regular updates on the Company, an email-based communication channel is now 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.

Meetings were arranged with institutional investors, both during the Star Conference event organised by Borsa Italiana in Milan on 26 March 2013 and for specific occasions, in order to illustrate the company's performance and offer the opportunity to invest in TXT stock.

EVENTS AFTER THE REPORTING PERIOD AND OUTLOOK

The world economy remains weak, with some countries in recession. A number of markets, and especially the Italian one, are showing further signs of slowdown. Nonetheless, the company believes it can continue to outperform the market, thanks to its overall competitive position in terms of strategy as well as its customer base, innovative products, and international teams of specialists. Therefore, the previously announced targets remain unchanged.

The portfolio of ongoing negotiations for the sale of new TXT Perform solutions is strong and shows a positive trend; however, revenues from licenses are always highly unpredictable and subject to the uncertainty over the outcome of negotiations with new customers. The outlook for orders for services and projects is favourable and allows to expect a positive performance by both divisions in the next quarter

Manager responsible for preparing
corporate accounting documents

Paolo Matarazzo

The Chairman of the Board of Directors

Alvise Braga Illa

Milan - 7 August 2013

**Condensed consolidated half-yearly financial
statements as at 30 June 2013**

Consolidated Balance Sheet

ASSETS	Notes	30 June 2013	Of which due to related parties	31 December 2012	Of which due to related parties
NON-CURRENT ASSETS					
Goodwill	7.1	14,770,412		15,139,294	
Intangible assets with finite useful life	7.2	4,225,450		4,726,960	
Intangible assets		18,995,862	-	19,866,254	-
Property, plant and equipment	7.3	1,187,451		1,121,001	
Leased assets	7.3	22,187		33,281	
Property, plant and equipment		1,209,638	-	1,154,282	-
Sundry receivables and other current assets	7.4	168,636		301,053	
Deferred tax assets	7.5	597,950		493,907	
Other non-current assets		766,586	-	794,960	-
TOTAL NON-CURRENT ASSETS		20,972,086	-	21,815,496	-
CURRENT ASSETS					
Period-end inventories	7.6	1,668,687		1,388,486	
Trade receivables	7.7	16,515,718		17,274,489	
Sundry receivables and other current assets	7.8	2,252,429		2,287,953	
Cash and cash equivalents	7.9	11,984,431		15,818,812	
TOTAL CURRENT ASSETS		32,421,265	-	36,769,740	-
TOTAL ASSETS		53,393,351	-	58,585,236	-
LIABILITIES AND SHAREHOLDERS' EQUITY					
SHAREHOLDERS' EQUITY					
Share capital		2,955,966		2,883,466	
Reserves		17,124,646		17,422,630	
Retained earnings (accumulated losses)		3,740,768		719,785	
Profit (loss) for the period		2,012,422		5,137,932	
TOTAL SHAREHOLDERS' EQUITY	7.10	25,833,802	-	26,163,813	-
NON-CURRENT LIABILITIES					
Non-current financial liabilities	7.11	3,600,610		4,301,301	
Long-term Earn-out	7.12	1,777,260		2,784,284	
Employee benefits expense	7.13	3,308,785	892,057	3,326,244	821,432
Deferred tax provision	7.5	1,201,400		1,269,903	
Provision for future risks and charges	7.14	48,483		88,706	
TOTAL NON-CURRENT LIABILITIES		9,936,538	892,057	11,770,438	821,432
CURRENT LIABILITIES					
Current financial liabilities	7.15	1,601,989		5,496,498	
Short-term Earn-out	7.12	939,711		-	
Trade payables	7.16	1,723,057		1,799,747	
Tax payables	7.17	633,205		889,563	
Sundry payables and other current liabilities	7.18	12,725,049	144,168	12,465,177	367,400
TOTAL CURRENT LIABILITIES		17,623,011	144,168	20,650,985	367,400
TOTAL LIABILITIES		27,559,549	1,036,225	32,421,423	1,188,832
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		53,393,351	1,036,225	58,585,236	1,188,832

Consolidated Income Statement

	Notes	1st half of 2013	Of which due to related parties	1st half of 2012	Of which due to related parties
Revenues		25,362,639		21,551,881	
Other income		902,149		1,901,827	
TOTAL REVENUES AND OTHER INCOME	8.1	26,264,788		23,453,708	
Purchase of materials and external services	8.2	(6,637,412)	(292,113)	(5,836,994)	(291,050)
Personnel costs	8.3	(15,598,408)	(453,691)	(13,375,010)	(493,214)
Other operating costs	8.4	(884,813)		(1,121,574)	
Depreciation and amortisation/Impairment	8.5	(699,378)		(479,431)	
OPERATING PROFIT (LOSS)		2,444,777	(745,804)	2,640,699	(784,264)
Financial income	8.6	578,650		1,096,368	
Financial charges	8.6	(734,509)		(314,468)	
EARNINGS BEFORE TAXES		2,288,918	(745,804)	3,422,599	(784,264)
Income taxes	8.7	(276,496)		(530,635)	
NET PROFIT (LOSS) FROM OPERATIONS		2,012,422	(745,804)	2,891,964	(784,264)
Profit (loss) from assets held for sale and discontinued operations		-		2,683	
NET PROFIT FOR THE PERIOD		2,012,422	(745,804)	2,894,647	(784,264)
EARNINGS PER SHARE		0.39		0.58	
DILUTED EARNINGS PER SHARE		0.38		0.55	

Consolidated Statement of Comprehensive Income

	1st half of 2013	1st half of 2012
NET PROFIT FOR THE PERIOD	2,012,422	2,894,647
Foreign currency translation differences - foreign operations	(30,227)	27,446
Net change in fair value of assets held for sale	3,450	13,557
TOTAL ITEMS OF OTHER COMPREHENSIVE INCOME THAT WILL BE SUBSEQUENTLY RECLASSIFIED TO PROFIT /(LOSS) FOR THE PERIOD NET OF TAXES	(26,777)	41,003
Defined benefit plans actuarial gains (losses)	80,023	(28,479)
TOTAL ITEMS OF OTHER COMPREHENSIVE INCOME THAT WILL NOT SUBSEQUENTLY RECLASSIFIED TO PROFIT /(LOSS) FOR THE PERIOD NET OF TAXES	80,023	(28,479)
TOTAL PROFIT/ (LOSS) OF COMPREHENSIVE INCOME NET OF TAXES	53,246	12,524
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	2,065,668	2,907,171

Consolidated Statement of Cash-Flows

	1st half of 2013	1st half of 2012
Cash flows from (used in) operating activities (before change in working capital)	2,337,715	3,655,033
Net profit (loss) for the period	2,012,422	2,894,646
Non-monetary costs	112,816	280,956
Current tax	(256,358)	-
Change in deferred tax	(172,546)	-
Depreciation and amortisation, impairment and provisions	641,381	479,431
Change in operating assets and liabilities	985,084	(431,152)
(Increases)/decreases in trade receivables	926,712	(1,310,443)
(increases)/decreases in inventories	(280,201)	(854,114)
Increases/(decreases) in trade payables	(76,690)	(231,639)
increases/(decreases) in post-employment benefits	62,564	154,044
increases/(decreases) in other assets and liabilities	352,699	1,811,000
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	3,322,799	3,223,881
Increases in property, plant and equipment	(300,079)	(173,927)
Increases in intangible assets	(5,944)	(165,776)
Increases in financial assets	-	17,934
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES	(306,023)	(321,769)
Increases / (decreases) in financial payables	(4,595,200)	(1,146,171)
(Increases) / decreases in financial receivables	(67,313)	1,875,419
Distribution of dividends	(2,106,906)	-
Share buy-backs	(662,974)	-
Stock options exercise	468,928	(281,557)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(6,963,465)	447,691
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,946,689)	3,349,803
Effect of exchange rate changes on cash flows	112,308	27,446
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	15,818,812	14,369,062
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	11,984,431	17,746,311

Consolidated Statement of Changes in Equity as at 30 June 2013

	Share capital	Legal reserve	Share premium reserve	Merger surplus	First time application	Stock options	Actuarial differences on post-employment benefits	IRS Fair Value Reserve	Translation reserve	Retained earnings	Profit (loss) for the period	Total Equity
Balances at 31 December 2012	2,883,466	340,130	15,280,603	1,911,444	140,667	663,956	(754,463)	(3,450)	(156,257)	719,785	5,137,932	26,163,813
Profit (loss) as at 31 December 2012		102,870								5,035,062	(5,137,932)	-
Distribution of dividends										(2,106,906)		(2,106,906)
Allocation to stock option plan						38,793						38,793
Stock options subscription	72,500		396,428									468,928
Share buy-backs			(662,974)									(662,974)
MTM IRS								3,450				3,450
Post-employment benefits discounting							80,023					80,023
Exchange differences					(30,227)				(226,347)			(256,574)
Other changes										92,827		92,827
Profit (loss) as at 30 June 2013											2,012,422	2,012,422
Balances at 30 June 2013	2,955,966	443,000	15,014,057	1,911,444	110,440	702,749	(674,440)	-	(382,604)	3,740,768	2,012,422	25,833,802

	Share capital	Legal reserve	Share premium reserve	Merger surplus	First time application	Stock options	Actuarial differences on post-employment benefits	IRS Fair Value Reserve	Translation reserve	Retained earnings	Profit (loss) for the period	Total Equity
Balances at 31 December 2011	1,366,519	340,130	15,976,803	1,911,444	140,667	1,499,106	(544,425)	(23,862)	(204,885)	(14,381,062)	14,184,230	20,264,665
Profit (loss) as at 31 December 2012										14,184,230	(14,184,230)	-
Stock options subscription	15,500		168,723									184,223
Free capital increase	1,379,520		(1,379,520)									-
Stock options award						(912,736)				938,598		25,862
Share buy-backs			(452,395)									(452,395)
MTM IRS								13,557				13,557
Post-employment benefits discounting							(28,480)					(28,480)
Exchange differences					27,446							27,446
Other changes												-
Profit (loss) as at 30 June 2012											2,894,647	2,894,647
Balances at 30 June 2012	2,761,539	340,130	14,313,611	1,911,444	168,113	586,370	(572,905)	(10,305)	(204,885)	741,766	2,894,647	22,929,525

NOTES TO THE FINANCIAL STATEMENTS

1. Group's Structure and scope of consolidation

TXT e-solutions S.p.A., the Parent Company, and its subsidiaries operate both in Italy and abroad in the IT sector, providing 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 June 2013:

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 Gmgh	EUR	100%	1,300,000
TXT e-solutions Ltd	GBP	100%	2,966,460
Maple Lake Ltd	CAD	100%	2,230,553
Maple Lake Pty Ltd	AUD	100%	112
Company name of the subsidiary	Currency	% of indirect interest*	Share Capital
Maple Lake UK Ltd	GBP	100%	1

* through TXT e-solutions Ltd

The indirect subsidiary TXT Holding Ontario Ltd was liquidated; its net assets were transferred to TXT e-solutions Ltd before the company's liquidation was completed.

TXT e-solutions Group's condensed consolidated half-yearly 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, and Maple Lake UK Ltd into Euro:

- Income Statement (average exchange rate for the first half)

Currency	30 June 2013	30 June 2012
British Pound Sterling (GBP)	0.8512	0.8225
Canadian Dollar (CAD)	1.3345	1.3041
Australian Dollar (AUD)	1.2966	1.2560

- Balance sheet (exchange rate as at 30 June 2013 and 31 December 2012)

Currency	30 June 2013	31 December 2012
British Pound Sterling (GBP)	0.8572	0.8161
Canadian Dollar (CAD)	1.3714	1.3137
Australian Dollar (AUD)	1.4171	1.2712

2. Basis of preparation of the consolidated financial statements

The Group's consolidated annual financial statements are prepared in compliance with the IFRS international accounting standards issued by the International Accounting Standards Board (IASB) and endorsed by the European Union with Regulation (EC) no. 1606 of July 2002. The form and content of this half-yearly report conform to the requirements of IAS 34, "Interim Financial Reporting". The report has been prepared in compliance with the international accounting standards ("IAS - IFRS") issued by the International Accounting Standards Board and endorsed by the European Union, including all the interpretations developed by the International Financial Reporting interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC").

The half-yearly report for the period ended 30 June 2013 consists of the consolidated financial statements and the reclassified consolidated financial statements whose form and content are consistent with the financial statements for the year 2012. The condensed consolidated half-yearly financial statements do not therefore include all the information required for the annual financial statements and should be read together with the consolidated financial statements for the year ended 31 December 2012. They have been prepared based on accounting entries as at 30 June 2013 and on a going concern basis.

The accounting policies applied in preparing the financial statements, as well as the composition of, and changes in, individual items, are illustrated below.

All amounts are expressed in euro, unless otherwise indicated.

The publication and release of this report were approved by the Board of Directors' Meeting held on 7 August 2013.

3. New accounting standards and interpretations effective since 1 January 2013

The accounting standards adopted in preparing the condensed consolidated half-yearly financial statements are consistent with those used in preparing the consolidated financial statements as at 31 December 2012, except for the adoption of the new standards, amendments and interpretations effective since 1 January 2013.

The amendments to IAS 19 did not have any effect, since the Group had already adopted the provisions of the standard summarised here below.

The new standards and amendments effective since 1 January 2013 are listed below:

- IAS 1 Presentation of Financial Statements – Presentation of items of other comprehensive income

The amendment to IAS 1 introduced the grouping of items of other comprehensive income. The items that could be subsequently reclassified (or "recycled") to profit or loss (for example, net gains on the hedges of net investments, foreign currency translation adjustments, net gains on cash flow hedges, and gains/losses on available-for-sale financial assets) must now be presented separately from the items that will never be reclassified (for example, actuarial gains/losses arising on defined-benefit plans and revaluations of land and buildings). The amendment only concerned the method of presentation and did not have any impact on the Group's financial position or performance.

Here below are the new standards and amendments effective since 1 January 2013 that did not have any impact on TXT e-solutions Group's condensed consolidated half-yearly financial statements.

- IAS 12 - Deferred Tax: Recovery of Underlying Assets
- IFRS 7 Disclosures - Offsetting financial assets and liabilities – Amendments to IFRS 7
- IFRS 13 Fair Value Measurement
- IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

In addition to the amendments and the new standards listed above, an amendment was made to IFRS 1 - First-Time Adoption of International Financial Reporting Standards, effective for periods beginning on or after 1 January 2013. This amendment is not significant for the Group, as it is not a first-time adopter of IFRS.

The Group did not apply early new standards, interpretations, or amendments already issued but not yet effective.

4. 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 2012, to which reference should be made.

5. Use of estimates

The preparation of the condensed consolidated half-yearly financial statements requires Management to make estimates and assumptions that affect the reported amounts of income, expenses, assets, and liabilities, as well as disclosures relating to contingent assets and liabilities at the reporting date. Should said estimates and assumptions, based on the best currently available measure, differ from actual circumstances, they shall be revised accordingly in the period said circumstances changed.

In particular, estimates are used to recognise provisions for bad debts, depreciation and amortisation, taxes, and allocations to provisions. Estimates and assumptions are reviewed on an ongoing basis and any changes are recognised in profit or loss.

In addition, some measurement processes, in particular the most complex ones such as determining any impairment of non-current assets, are generally fully completed only when preparing the annual report, when all the information that may be necessary is available, except in cases in which there are indicators of impairment which require an immediate measurement.

6. Seasonality of operating segments

The segments in which the TXT e-solutions Group operates are not subject to any seasonality as far as operations are concerned.

7. Balance sheet

7.1. Goodwill

Goodwill, referring entirely to the TXT Perform Cash Generating Unit (CGU), amounted to € 14,770,412 as at 30 June 2013, down € 368,882.

A breakdown of the item as at 30 June 2013 and the comparison with 31 December 2012 are shown below:

Goodwill	Amount as at 30 June 2013	Amount as at 31 December 2012
Program Acquisition	800,000	800,000
MSO Concept Acquisition	2,326,982	2,326,982
BGM Acquisition	1,601,632	1,520,425
Maple Lake Acquisition	10,041,798	10,491,887
TOTAL GOODWILL	14,770,412	15,139,294

The difference in the gross amount as at 30 June 2013 compared to the end of 2012 can be attributed entirely to exchange differences on goodwill in foreign currencies other than the Euro.

The goodwill generated by the Maple Lake acquisition was temporarily allocated as at 30 June 2013.

The Group tests goodwill for impairment annually (as at 31 December) and when there is any indication that it may be impaired. The impairment test for goodwill and intangible assets with indefinite useful life is based on the value-in-use calculation. The variables used to determine the recoverable amount of the various cash-generating units (CGU) were illustrated in the consolidated financial statements as at 31 December 2012.

In reviewing its impairment indicators, the Group takes into consideration, among other factors, the ratio between its market capitalisation and its net equity. As at 30 June 2013, the Group's market capitalisation was not lower than equity.

No recoverability test was conducted as at 30 June 2013, since there was no indicator of impairment for the reported goodwill.

7.2. Intangible assets with finite useful life

Intangible assets with finite useful life, net of amortisation, amounted to € 4,225,450 as at 30 June 2013. The changes occurred during the period are reported below:

Intangible assets	Software licenses	Research and development	Intellectual Property	Customer Relationship	Other intangible assets	TOTAL
Balances at 31 December 2012	39,505	1,300,004	1,950,010	1,437,441	-	4,726,960
Acquisitions	5,430	-	-	-	508	5,938
Disposals	(21,917)	-	-	-	-	(21,917)
Other changes	-	-	-	-	6	6
Amortisation	(9,334)	(257,969)	(144,445)	(73,715)	(74)	(485,537)
Impairment	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-
Balances at 30 June 2013	13,684	1,042,035	1,805,565	1,363,726	440	4,225,450

Balances at 31 December 2012						
Historical cost	1,123,927	3,886,715	2,022,233	1,474,298	-	8,507,173
Accumulated amortisation and impairment	(1,084,422)	(2,586,711)	(72,223)	(36,857)	-	(3,780,213)
Net value	39,505	1,300,004	1,950,010	1,437,441	-	4,726,960

Balances at 30 June 2013						
Historical cost	1,011,487	2,579,684	2,022,233	1,474,298	508	7,088,210
Accumulated amortisation and impairment	(997,803)	(1,537,649)	(216,668)	(110,572)	(68)	(2,862,760)
Net value at 30 June 2013	13,684	1,042,035	1,805,565	1,363,726	440	4,225,450

The negative change (€ 501,510) was almost entirely attributable to the amortisation for the period.

7.3. Property, plant and equipment

Property, plant, and equipment as at 30 June 2013 amounted to € 1,209,638, net of depreciation, rising € 55,355 from the end of 2012. The changes occurred during the period are reported below:

Property, plant and equipment	Plants	Vehicles	Furniture & fixtures	Electronic machinery	Other property, plant and equipment	TOTAL
Balances at 31 December 2012	5,748	270,246	168,756	487,393	222,140	1,154,283
Acquisitions	4,722	39,562	22,152	188,949	44,694	300,079
Disposals	-	(41,039)	(2,686)	(2,507)	(2,425)	(48,657)
Other changes	-	-	-	-	-	-
Depreciation	(883)	(35,851)	(32,827)	(96,619)	(29,887)	(196,067)
Impairment	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-
Balances at 30 June 2013	9,587	232,918	155,395	577,216	234,522	1,209,638

Balances at 31 December 2012						
Historical cost	875,021	431,222	658,430	877,407	657,765	3,499,845
Accumulated amortisation and impairment	(869,273)	(160,976)	(489,674)	(390,014)	(435,625)	(2,345,562)
Net value	5,748	270,246	168,756	487,393	222,140	1,154,283

Balances at 30 June 2013						
Historical cost	879,743	408,281	675,442	1,060,451	698,888	3,722,805
Accumulated amortisation and impairment	(870,156)	(175,363)	(520,047)	(483,235)	(464,366)	(2,513,167)
Net value at 30 June 2013	9,587	232,918	155,395	577,216	234,522	1,209,638

Investments in the “electronic machinery” category mainly refer to the purchase of computer systems and hardware to bolster productive capacity. Electronic machinery includes systems and equipment that TXT e-solutions S.p.A. uses to carry out its business and that are recognised as finance leases pursuant to IAS 17.

The breakdown of property, plant and equipment by ownership is shown below:

	30 June 2013			31 December 2012		
	Owned assets	Leased assets	TOTAL	Owned assets	Leased assets	TOTAL
Electronic machinery	555,028	22,188	577,216	454,112	33,281	487,393
TOTAL	555,028	22,188	577,216	454,112	33,281	487,393

The increases in “other property, plant and equipment” mainly referred to leasehold improvements, in particular the costs of restructuring the Parent Company's headquarters.

7.4. Sundry receivables and other non-current assets

The item “Sundry receivables and other non-current assets” as at 30 June 2013 amounted to € 168,636, compared with € 301,053 as at 31 December 2012. The item included security deposits paid by the Group companies as part of their operations and relating to car rentals and bids in public tenders. The decrease compared with the end of the previous year can be attributed to the withdrawal of the amount deposited with the court of Barcelona for a lost lawsuit with a Spanish customer.

7.5. Deferred tax assets / liabilities

The breakdown of deferred tax assets and liabilities as at 30 June 2013 and the comparison with the end of 2012 are shown below:

	Balance at 30 June 2013	Balance at 31 December 2012	Change
Deferred tax assets	597,950	493,907	104,043
Deferred tax provision	1,201,400	1,269,903	(68,503)
Total	(603,450)	(775,996)	172,546

Deferred tax assets referred to the temporary differences (deductible in future years) deemed reasonably certain to be recovered.

The deferred tax provision referred to the recognition of deferred tax for the assets acquired during 2012 as part of the Maple Lake business combination (Customer List and Intellectual Property).

7.6. Period-end inventories

Period-end inventories as at 30 June 2013 amounted to € 1,668,687, up € 280,201 compared with the end of 2012.

The table below reports the breakdown of inventories of work-in-progress among the Group companies:

Company	30 June 2013	31 December 2012	Change
TXT e-solutions S.p.A.	1,536,459	1,356,919	179,540
TXT e-solutions S.a.r.l.	132,228	30,272	101,956
TXT e-solutions GmbH	-	1,295	-1,295
TOTAL	1,668,687	1,388,486	280,201

The increase in inventories can be attributed to the longer billing periods for the services rendered to customers compared with the end of the previous year.

7.7. Trade receivables

Trade receivables as at 30 June, net of the provision for bad debts, amounted to € 16,515,718, down € 758,771 compared with the end of 2012.

The item is detailed in the table below:

Trade receivables	30 June 2013	31 December 2012	Change
Gross value	17,179,280	17,979,336	(800,056)
Provision for bad debts	(663,562)	(704,847)	41,285
Net value	16,515,718	17,274,489	(758,771)

The provision for bad debts changed as follows over the six months:

Provision for bad debts	30 June 2013
Opening amount	(704,847)
Allocation	-
Use	41,285
Closing amount	(663,562)

The breakdown of trade receivables into coming due and past due as at 30 June 2013, compared with 31 December 2012, is shown below:

Maturities of trade receivables	Total	Coming due	Past due	
			0 - 90 days	More than 90 days
30 June 2013	16,515,718	9,425,199	6,016,162	1,074,357
31 December 2012	17,274,489	8,012,224	6,508,635	2,753,630

7.8. Sundry receivables and other current assets

The item “sundry receivables and other current assets”, which included receivables for research grants, tax and other receivables, as well as prepaid expenses and unearned revenues, amounted to € 2,252,428 as at 30 June 2013, compared to € 2,287,953 as at 31 December 2012.

The breakdown is shown below:

Sundry receivables and other current assets	30 June 2013	31 December 2012	Change
Receivables due from EU	1,286,169	1,128,443	157,726
Tax receivables	367,208	647,719	(280,511)
Other receivables	103,263	74,195	29,068
Prepaid expenses and unearned revenues	495,788	437,596	58,192
Total	2,252,428	2,287,953	(35,525)

The item “receivables due from EU” included receivables for research grants related to income, awarded to the Parent Company to support the research and development activities subject to specific grant competitions; such grants will be disbursed upon completion of the development stages for the projects concerned.

The increase compared to 31 December 2012 was a result of payments received during the first half of 2013, totalling € 377,259, and the accrual of revenues for the period, amounting to € 534,985.

Tax receivables, amounting to € 367,208, represent the receivables due from taxation authorities for withholding taxes paid on self-employment and employment income, bank interest income, and tax credits for post-employment benefits.

Other receivables, amounting to € 103,263 included receivables due from employees for travel advances (€ 64,156) and other trade receivables.

Prepaid expenses, amounting to € 495,788, consisted of reversals of prepaid expenses that did not relate to the period.

7.9. Cash and cash equivalents

The Group's cash and cash equivalents amounted to € 11,984,431, down € 3,834,381 from 31 December 2012. Please refer to the statement of cash flows for details about cash flow generation.

Cash and cash equivalents referred to ordinary current accounts held with Italian banks, amounting to € 10,251,726, as well as with foreign banks, totalling € 1,732,705.

Cash and cash equivalents are not subject to any constraints, and there are no monetary or other types of restrictions on their transferability in Italy.

7.10. Shareholders' equity

The company's share capital as at 30 June 2013 consisted of 5,911,932 ordinary shares with a par value of € 0.5, totalling € 2,955,966 (as at 31 December 2012, 5,766,932 shares with a par value of € 0.5, totalling € 2,883,466).

The change was the result of the issue of 145,000 shares following the subscription to the 2008 stock option plan by employees and directors (€ 72,500 capital increase);

The reserves and retained earnings included the legal reserve (€ 443,000), the share premium reserve (€ 15,014,057), the merger surplus reserve (€ 1,911,444), the "stock option/stock grant reserve" (€ 702,749), the "reserves for actuarial differences on post-employment benefits" (€ 674,440), the reserves for retained earnings (€ 3,740,768), and the "translation reserve" (negative to the tune of € 382,604).

The Stock Option reserve is used to recognise the value of share-based payments due to employees, including the benefits for key management personnel settled with equity instruments, which form part of their compensation.

This reserve amounted to € 702,749 (€ 663,956 as at 31 December 2012) and is broken down as follows:

- € 560,507 for the 2008 stock option plan.
- € 142,242 for the 2012 stock grant plan.

It should be noted that the Shareholder's Meeting of 23 April 2012 resolved to allocate the reserve for the expired 2003 and 2004 stock options (amounting to € 602,930 and € 335,668, respectively) to the reserve for retained earnings.

The disclosures required by IFRS 2 about the 2008 stock option plan and the 2012 stock grant plan are reported below:

STOCK OPTION PLAN DISCLOSURES - IFRS 2
2008 - 2012 PLAN

Options	2008	2009	2010	2011	2012	2013
(I) Outstanding at the beginning of the period	226,000	226,000	226,000	238,000	105,500	214,500
(II) Granted during the period	-	-	16,000	-	140,000	180,000
(III) Forfeited during the period	-	-	(4,000)	(27,000)	-	-
(IV) Exercised during the period	-	-	-	(105,500)	(31,000)	(99,841)
(V) Expired during the period	-	-	-	-	-	-
(VI) Outstanding at the end of the period	226,000	226,000	238,000	105,500	214,500	294,659
(VII) Of which exercisable at the end of period	-	-	-	-	74,500	2,659

For further details and information, please refer to the directors' report.

Here below is the table regarding the amounts of the reserves:

Description	Free	Required by Law	Required by By-Laws	Established by Shareholders' Meetings	TOTAL
Share premium reserve	13,972,023	1,042,035	-	-	15,014,058
Legal reserve	-	443,000	-	-	443,000
Stock option reserve	-	-	-	702,749	702,749
Merger surplus	1,911,444	-	-	-	1,911,444
Reserve for retained earnings	-	-	-	3,740,768	3,740,768
Reserve for actuarial differences on post-employment benefits	-	-	-	(674,440)	(674,440)
Translation reserve	-	-	-	(382,604)	(382,604)
Total	15,883,467	1,485,035	-	3,386,473	20,754,975

Incentive plans

The Shareholders' meeting held on 23 April 2012 approved a stock grant plan for the group's executive directors and senior managers, involving up to 510,000 shares over five years with three-year vesting periods and performance conditions concerning growth, profitability and the net financial position. The performance conditions relate to one or more of the following indicators: Revenues, Gross Operating Profit (EBITDA), Operating Profit (EBIT), Earnings before taxes, Net Profit, Economic Value Added – EVA, TXT share performance in absolute terms and/or relative to the performance of the relevant stockmarket indices, and the Net Financial Position, as the Board of Directors shall decide upon each grant.

The Board of Directors has the right to resolve upon granting stock options in each of the years 2012, 2013 and 2014. All options will have a three-year vesting period.

Each stock option grant will vest as follows:

- 20% upon satisfying the conditions for the first year of the plan;
- 30% upon satisfying the conditions for the second year of the plan;
- 50% upon satisfying the conditions for the third and final year of the plan.

The shares granted will be freely negotiable. The Board of Directors will establish the obligation on the Recipients to hold a portion between 30% and 50% of the shares granted to them for a period of no more than three years from the grant date.

On 10 May 2012, the Board of Directors granted a first tranche of 140,000 stock grants that will vest upon satisfying the performance conditions for the years 2012, 2013 and 2014. The Board also determined the conditions for the first year, 2012, which relate to Revenues, Gross Operating Profit (EBITDA) and the Net Financial Position.

The cost accrued in 2013 for stock grants dated 10 May amounted to € 38,793 (€ 103,448 as at 31 December 2012).

The EBITDA, revenues and net financial position targets for 2012 were achieved, and therefore the relevant shares (28,000) vested, 659 options are yet to be exercised.

On 13 December 2012, the Board of Directors awarded the second tranche of 180,000 stock grants that will vest upon satisfying the performance conditions for the financial years 2013, 2014, and 2015. The Board also established the conditions for the second year of reference, i.e. 2013, with reference to Revenues, Gross Operating Profit (EBITDA), and Net Profit.

The cost accrued in 2013 for this second grant was not recognised, as the achievement of the vesting conditions is deemed to be unlikely.

Treasury shares

There were 652,909 treasury shares as at 30 June 2013 (593,500 as at 31 December 2012), accounting for 11.04% of shares outstanding, which as at 30 June 2012 numbered 5,911,932. The overall value of said treasury shares was € 3,117,027 (€ 2,650,307 as at 31 December 2012).

During the first six months of the year, 86,750 treasury shares were purchased at an average price of € 7.64, for a total amount of € 662,973; treasury shares were awarded to employees pursuant to the Stock Grant plan (27,341 shares) at a carrying amount of € 7.18 each, totalling € 196,254.

Subsequent to the subscription to the Stock Option plan, 145,000 TXT shares were issued, raising € 468,928, of which 72,500 as capital increase and € 396,428 as share premium.

These purchases were made pursuant to the share buy-back plan resolved upon by the Board of Directors following authorisation from the Shareholders' meeting held on 11 September 2003 and renewed from year to year by the same Shareholders' meeting. The share buy-back refers to a maximum number of shares so as not to exceed the legal maximum number at the maximum price, i.e. the quoted price prior to each individual transaction plus no more than 10%, and in any case no more than € 25.

In order to maintain the necessary operational flexibility over an adequate timeframe, and since the above mentioned authorisation expired on 20 October 2012, the Shareholders' meeting held on 23 April 2012 renewed the authorisation to purchase and dispose of treasury shares (including via subsidiaries) over a period of 18 months, while revoking at the same time, for the portion that had not been effected as at said date, the similar resolution passed on 20 April 2011.

7.11. Non-current financial liabilities

The item "non-current financial liabilities" amounted to € 3,600,610 (€ 4,301,301 as at 31 December 2012) and consisted of:

- The payable for three loans, granted for research and development purposes and with € 867,871 outstanding (€ 1,184,350 as at 31 December 2012). The first had € 455,524 outstanding (€ 566,599 as at 31 December 2012) and was granted by the Ministry of Education, University and Research through Intesa San Paolo for an original amount of € 1,914,368 at a subsidised fixed interest rate of 1%.
The second loan, with € 300,024 outstanding (€ 449,475 as at 31 December 2012), was granted by the Ministry of Education, University and Research for an original amount of € 2,503,080 on 5 November 2009, net of already made interest-only payments, at an annual subsidised fixed interest rate of 1%; The third, with € 112,323 outstanding (€ 168,275 as at 31 December 2012), was granted by the Ministry of Education, University and Research for an original amount of € 501,617 on 13 May 2010, net of already made interest-only payments, at an annual subsidised fixed interest rate of 1%.
- a € 2,732,200 loan for the acquisition of Maple Lake granted to the Company by BNL on 20 December 2012 for a notional amount of € 4,000,000.

As at 30 June 2013, therefore, the non-current portion amounted to € 2,732,200 and the current portion to € 800,000, at a 3-month Euribor variable rate (360) + 2.60% spread.

The table below details the maturity of non-current financial liabilities, compared with the situation at the end of the prior year:

	30 June 2013	31 December 2012	Change
Between 1 and 2 years	1,437,843	1,434,582	3,261
Between 2 and 5 years	2,162,228	2,866,719	(704,491)
Total	3,600,071	4,301,301	(701,230)

As at 31 December 2012, TXT had a loan with € 224,003 outstanding for the acquisition of the investment in BGM Solutions LTD, granted by Unicredit Spa on 09 April 2008 for an original amount of € 1,800,000 at a 3-month Euribor variable rate (365) + 1% spread. This loan was regularly settled during the first half of 2013.

Non-current financial liabilities as at 30 June are not subject to compliance with any financial covenants.

7.12. Earn-out

The items “Long-term earn-out” and “Short-term earn-out” amounted to € 2,716,971 overall, and referred to the fair value of the amount that will be paid to the sellers of the Maple Lake group companies, provided that the agreed targets related to growth and profitability resulting from the synergies arising from the Maple Lake and TXT combination in 2013 and 2014 are achieved. The payment of this “Earn-out” is contingent upon the achievement of future profitability conditions and, pursuant to IFRS 3, the amount related to this financial payable was measured at fair value (€ 1,777,260 for the long-term portion and 939,711 for the short-term portion).

7.13. Employee benefits expense

The item “Employee benefits expense” as at 30 June 2013 amounted to € 3,308,785, of which € 3,145,169 relating to obligations to the employees of the Parent, both for defined-contribution and defined-benefit plans, € 106,509 relating to the pension fund for the management of the German subsidiary TXT e-solutions G.m.b.h., and € 57,107 relating to obligations to employees of the French subsidiary TXT e-solutions S.a.r.l.

The breakdown of, and changes in, this item over the period are presented below:

Employee benefits expense	31 December 2012	Provisions	Uses / Payments	Actuarial gains/losses and other	Financial income / charges	30 June 2013
Post-employment benefits	2,537,657	463,772	(551,950)	(80,023)	11,622	2,381,078
Provision for severance for retirement from office	693,467	70,625	-	-	-	764,092
German management pension fund	94,682	11,827	-	-	-	106,509
TXT France liabilities	-	57,106	-	-	-	57,106
Provision for customer refunds	438	-	(438)	-	-	-
Total non-current provisions relating to employees	3,326,244	603,331	(552,388)	(80,023)	11,622	3,308,785

To calculate post-employment benefits, the following assumptions regarding the future trends in the variables included in the algorithm have been used:

- The probability of death was estimated based on the census of the Italian population by age and gender taken in 2000 by ISTAT [Italy's National Institute for Statistics], reducing it by 20%.
- The probability of removal due to total and permanent disability of the employee, such as to become disabled and leave the company, was estimated based on disability tables currently used in the reinsurance practice, differentiated by age and gender.
- The retirement age of a generic worker was estimated assuming that the first retirement requirement for the purpose of obtaining the Mandatory General Insurance was satisfied and that the employees started paying into INPS [Italy's Social Security Institute] no later than 28 years of age. This measurement accounts for the changes to the retirement age introduced by the Monti reform in late 2011.
- As for the probability of termination of employment due to resignations and dismissals, as at the measurement date an annual 1.50% staff turnover rate was calculated and agreed upon with the company.
- As for the probability of requests for advance payment of benefits, an annual 1.00% advance payment rate, with advance payments amounting to 70% of the post-employment benefits outstanding held with the company, was estimated.
- Estimated inflation rate used for measurement purposes: 2.00% per year.
- Discount rate used for measurement purposes: 3.08% per year, i.e. the rate on over-10-year Bonds issued by AA-rated European Companies as at 30 June 2013.

7.14. Provision for future risks and charges

The item “provision for future risks and charges” as at 30 June 2013 amounted to € 48,483. The breakdown of, and changes in, this item compared with 31 December 2012 are shown in the table below:

Provision for risks and charges	31 December 2012	Increases	Uses	30 June 2013
Provision for product warranty	48,483	-	-	48,483
Provision for future risk	40,223	-	(40,223)	-
Total provision for risks and charges	88,706	-	(40,223)	48,483

The provision for future risks, made for contingent liabilities arising from outstanding legal disputes, was used for the defeat in a lawsuit.

The provision for product warranty, unchanged from 31 December 2012, refers to disputes with customers for complaints about the services rendered.

7.15. Current financial liabilities

The item current financial liabilities amounted to € 1,601,989 (€ 5,496,498 as at 31 December 2012) and included the short-term portion of medium /long-term loans, the short-term portion of loans from financial companies for leases, and the payables on research projects funded by the European Union. In particular:

- The short-term portion of medium/long-term loans amounted to € 1,431,352;
- The short-term portion of loans received from financial companies for leases amounted to € 3,435;
- The payable for research projects funded by the European Union received as lead manager and to be distributed to the project partners amounted to € 75,499.
- The short-term portion of a loan obtained by the French subsidiary amounted to € 68,053. This loan will be settled in July 2013;
- The short-term portion of a loan obtained by the German subsidiary amounted to € 23,650.

The short-term portion of medium/long-term loans is detailed as follows:

- the short-term portion of the three loans granted by the Ministry of Education amounted to € 631,352.
- the current portion of the loan granted by BNL in 2012 for the acquisition of Maple Lake amounted to € 800,000;

The decrease from 31 December 2012 was mainly due to the repayment of the advance payment, amounting to € 3,571,448, on research projects funded by the European Union and received in 2012 by TXT e-solutions S.p.A. as lead manager of the project. This advance payment was paid back to the project partners in January 2013.

7.16. Trade payables

Trade payables as at 30 June 2013 amounted to € 1,723,057, down € 76,690 from 31 December 2012. Trade payables due to suppliers are non-interest bearing, refer all to transactions, and are due within twelve months.

7.17. Tax payables

Tax payables as at 30 June 2013 amounted to € 633,205 and can be attributed to the Parent company's IRAP [regional tax on productive activities] payable, amounting to € 459,314, and the income taxes of TXT e-solutions Ltd.

7.18. Sundry payables and other current liabilities

Sundry payables and other current liabilities as at 30 June 2013 amounted to € 12,725,049, compared with € 12,465,177 as at 31 December 2012, as shown in the table below:

Sundry payables and other current liabilities	30 June 2013	31 December 2012	Change
Other payables	6,081,382	6,681,766	(600,384)
Accrued expenses and revenues	4,767,762	4,082,240	685,522
Advance payments from customers	1,335,803	1,191,837	143,966
Payables due to social security institutions	349,114	314,173	34,941
Payables due to employees and collaborators	190,988	195,161	(4,173)
Sundry payables and other current liabilities	12,725,049	12,465,177	259,872

The item "Payables due to employees" included payables for wages and salaries relating to June 2013 as well as payables due to employees for unused annual leave.

The item "Advance payments from customers" included the advance payments received from customers for orders currently being processed.

As for accrued expenses and revenues, the item essentially referred to adjustments to maintenance and service invoices made to recognise only revenues for the period.

"Other payables" mainly included the payables due to taxation authorities for withholding taxes on salaries of employees and collaborators as well as VAT payables.

8. Income Statement

8.1. Total revenues and other income

Consolidated revenues and other income for the first half year of 2013 amounted to € 26,264,788, up 12% compared with the prior-year period, as detailed below:

	30 June 2013	30 June 2012	Change	Change
Revenues	25,362,639	21,551,881	3,810,758	18%
Other income	902,149	1,901,827	(999,678)	-53%
Total	26,264,788	23,453,708	2,811,080	12%

The increase over the first half of the previous year was mainly due to revenues generated by Maple Lake group companies acquired during the second half of 2012. For further details, please refer to the directors' report on operations.

8.2. Purchase of materials and external services

Purchases of materials and external services for the first half of 2013 amounted to € 6,637,412, up from the first half of 2012, when they totalled € 5,836,994.

The item is detailed below:

	30 June 2013	30 June 2012	Change
Consumables and resale items	60,492	32,633	27,859
Technical Consulting	2,850,806	2,937,099	(86,293)
Travel expenses	865,118	838,733	26,385
Utilities	331,024	319,064	11,960
Media & marketing services	710,855	411,880	298,975
Maintenance and repair	199,643	144,208	55,435
Canteen and ticket services	229,926	211,383	18,543
Administrative and legal services	92,485	361,073	(268,588)
Directors' fees	292,113	252,540	39,573
Subcontractors	221,650	158,527	63,123
Others	783,299	368,915	414,384
General services charges	-	199,062	(199,062)
Total	6,637,412	5,836,994	601,356

As a percentage of consolidated revenues, the costs for purchasing materials and services were essentially in line with the first six months of 2012, edging up from 24.89% to 25.27%.

Administrative and legal services as at 30 June 2013 decreased by € 268,588, since in the first six months of the previous year the company incurred costs for legal consulting services related to the Maple Lake Group acquisition.

General services charges as at 30 June 2012 amounted to € 199,062 and referred to the costs incurred for the spin-off of operating activities subsequent to the sale of the Polymedia business unit to Kit-Digital.

8.3. Personnel costs

Personnel costs for the first six months of 2013 amounted to € 15,598,408, growing by € 2,223,398 (16.62%) compared with the first half of 2012.

This increase was attributable mainly to personnel costs relating to the new companies acquired, which joined the group since 28 September 2012, and to the growth in resources of the Next division due to higher business volumes.

The employees of the TXT e-solutions Group, excluding directors and external consultants, numbered 498 as at 30 June 2013 (488 as at 31 December 2012).

The table below shows the breakdown of employees by level:

	White-collar staff	Middle managers	Executives and managers	Total
31 December 2012	418	51	19	488
30 June 2013	426	52	20	498

8.4. Other operating costs

The item “other operating costs” in the first half of 2013 amounted to € 884,813, down € 236,761 from the prior-year period.

This item included mainly expenses for rents, car and other rentals, and sundry operating costs (including contingent liabilities and deductible taxes).

	30 June 2013	30 June 2012	Change
Other tax (other than income tax)	25,221	34,068	(8,847)
Fines and penalties	1,696	160,924	(159,228)
Charity	-	273	(273)
Magazine and subscription expenses	6,288	8,104	(1,816)
Contingent liabilities	18,261	85,410	(67,149)
Other expenses and extraordinary income adj.	10,495	11,285	(789)
TXT costs for licenses	477	-	477
TXT costs for maintenance	683	-	683
TXT costs for professional services	745	-	745
Rental expense for offices	502,241	519,604	(17,362)
Rental expense for servers	34,081	14,386	19,695
Rental expense for motor vehicles	265,804	265,252	552
Royalties	-	6,685	(6,685)
Other rental expense	18,820	15,585	3,236
Total	884,813	1,121,574	(236,761)

The decrease from the prior-year period can be attributed mainly to the recognition in the previous year of the charge for a dispute relating to the early termination of a real estate lease agreement for a building located in Milan.

8.5. Depreciation, amortisation and impairment

Depreciation, amortisation and impairment as at 30 June 2013 amounted to € 699,378, up € 219,947 from the first half of 2012.

The change compared to 30 June 2012 was mainly due to the fact that, subsequent to the allocation to intangible assets of part of the consideration paid for the Maple Lake Business Combination, also Customer Relationship and Intellectual Property were amortised during the period, for a total amount of € 218,160.

8.6. Financial income (charges)

As at 30 June 2013, the company recognised financial charges amounting to € 155,859, compared with € 781,900 in financial income at the end of the first half of 2012.

The € 937,759 fall can be attributed to the fact that, during the first half of 2012, the company had recognised capital gains on the disposal of Kit-Digital shares, sold at a price of 11.86 dollars, compared to a carrying amount of 8.45 dollars.

8.7. Income taxes

Income taxes as at 30 June 2013 amounted to € 276,496, and are detailed as follows:

	30 June 2013	30 June 2012	Change
Total current tax	449,042	460,835	(11,793)
Total deferred tax	(172,546)	69,800	(242,346)
Total taxes	276,496	530,635	(254,139)

9. Segment disclosures

For operating purposes, the Group is organised into two Business Units based on the end-use of the products and services provided; the heading "Unallocated" includes the Corporate operating and financial amounts.

The main operating and financial data broken down by business segment were as follows:

INCOME STATEMENT BY BUSINESS UNIT AS AT 30 JUNE 2013

<i>(Amounts in thousands of Euro)</i>	TXT Perform	TXT Next	Unallocated	TOTAL TXT
REVENUES	15,388	10,877	-	26,265
Licenses & maintenance	5,996	49	-	6,045
Services and other revenues	9,392	10,828	-	20,220
OPERATING COSTS:				
Direct costs	5,614	6,780	-	12,394
Research and development costs	1,703	856	-	2,559
Commercial costs	4,061	835	-	4,896
General and administrative costs	1,917	1,355	-	3,272
TOTAL OPERATING COSTS	13,295	9,826	-	23,121
EBITDA	2,093	1,051	-	3,144
Amortisation	494	-	-	494
Depreciation	120	85	-	205
OPERATING PROFIT (LOSS) [EBIT]	1,479	966	-	2,445
Financial income (charges)	(94)	(62)	-	(156)
EARNINGS BEFORE TAXES [EBT]	1,385	905	-	2,289
Taxes	(168)	(109)	-	(277)
NET PROFIT (LOSS) FROM OPERATIONS	1,217	795	-	2,012
Non-recurring profit (loss)			-	-
NET PROFIT (LOSS) FOR THE PERIOD	1,217	795	-	2,012

BALANCE SHEET BY BUSINESS UNIT AS AT 30 JUNE 2013

<i>(Amounts in thousands of Euro)</i>	TXT Perform	TXT Next	Unallocated	TOTAL TXT
Intangible assets	18,996	-	-	18,996
Property, plant and equipment	709	501	-	1,210
Other fixed assets	449	317	-	767
FIXED ASSETS	20,154	818	-	20,972
Inventories	142	1,527	-	1,669
Trade receivables	9,234	7,282	-	16,516
Sundry receivables and other short-term assets	1,320	933	-	2,252
Trade payables	(991)	(732)	-	(1,723)
Tax payables	(1,110)	(725)	-	(1,835)
Sundry payables and other short-term liabilities	(7,317)	(5,408)	-	(12,725)
NET WORKING CAPITAL	1,278	2,876	-	4,154
POST-EMPLOYMENT BENEFITS AND OTHER NON-CURRENT LIABILITIES	(1,930)	(1,427)	-	(3,357)
CAPITAL EMPLOYED	19,501	2,268	-	21,769
Shareholders' equity			25,834	25,834
Net financial debt			(4,064)	(4,064)
CAPITAL EMPLOYED			21,770	21,770

INCOME STATEMENT BY BUSINESS UNIT AS AT 30 JUNE 2012

<i>(Amounts in thousands of Euro)</i>	TXT Perform	TXT Next	Unallocated	TOTAL TXT
REVENUES	12,814	10,639	-	23,453
Licenses & maintenance	4,876	64	-	4,940
Services and other revenues	7,938	10,575	-	18,513
OPERATING COSTS:				
Direct costs	4,793	6,387	-	11,180
Research and development costs	938	1,089	-	2,027
Commercial costs	3,438	878	-	4,316
General and administrative costs	1,535	1,275	-	2,810
TOTAL OPERATING COSTS	10,704	9,629	-	20,333
Amortisation	300	35	-	335
Depreciation and impairment	79	65	-	144
OPERATING PROFIT (LOSS) [EBIT]	1,731	910	-	2,641
Financial income (charges)	118	62	-	180
EARNINGS BEFORE TAXES [EBT]	1,849	972	-	2,821
Taxes	(348)	(183)	-	(531)
NET PROFIT (LOSS) FROM OPERATIONS	1,501	789	-	2,290
Non-recurring profit (loss)			604	604
NET PROFIT (LOSS) FOR THE PERIOD	1,501	789	604	2,894

BALANCE SHEET BY BUSINESS UNIT AS AT 30 JUNE 2012

<i>(Amounts in thousands of Euro)</i>	TXT Perform	TXT Next	Unallocated	TOTAL TXT
Intangible assets	6,304	82	-	6,386
Property, plant and equipment	457	380	-	837
Other fixed assets	157	130	-	287
FIXED ASSETS	6,918	592	-	7,510
Inventories	(208)	1,724	-	1,516
Trade receivables	7,422	6,162	-	13,584
Sundry receivables and other short-term assets	1,429	1,186	-	2,615
Trade payables	(1,084)	(976)	-	(2,060)
Tax payables	(549)	(289)	-	(838)
Sundry payables and other short-term liabilities	(5,696)	(5,123)	-	(10,819)
NET WORKING CAPITAL	1,313	2,685	-	3,998
POST-EMPLOYMENT BENEFITS AND OTHER NON-CURRENT LIABILITIES	(1,816)	(1,634)	-	(3,450)
CAPITAL EMPLOYED	6,415	1,643	-	8,058
Shareholders' equity			22,929	22,929
Net financial debt			(14,871)	(14,871)
CAPITAL EMPLOYED			8,058	8,058

10. Related party transactions

Related parties are:

- a) Entities that, directly or indirectly, even through subsidiaries, trustees or third parties:
 - Have control over TXT e-solutions S.p.A.
 - Are subsidiaries of TXT e-solutions S.p.A.
 - Are subject to joint control by TXT e-solutions S.p.A.
 - Have an interest in TXT e-solutions S.p.A. such as to exercise a significant influence.
- b) Associates of TXT e-solutions S.p.A.
- c) Joint ventures in which TXT e-solutions S.p.A. participates.
- d) Key management personnel of TXT e-solutions S.p.A. or one of its parent companies.
- e) Close member of the family of parties as per the above points a) and d).
- f) Entities controlled or jointly controlled or subject to significant influence by one of the parties as per points d) and e), or in which said parties hold, directly or indirectly, a significant interest, in any case at least 20% of the voting rights.
- g) An occupational, collective or individual pension fund, either Italian or foreign, set up for TXT e-solutions S.p.A.'s employees or any other related entity.

Transactions with related parties exclusively concern employment relationships with Directors and Key Management Personnel.

The following table shows the overall amounts of the transactions carried out with related parties:

	30 June 2013		30 June 2013		31 December 2012		30 June 2012	
Related party transactions	Employee benefits expense	Other payables due to employees	Purchase of external services	Personnel costs	Employee benefits expense	Other payables due to employees	Purchase of external services	Personnel costs
Directors	892,056	144,168	292,113	453,691	821,432	367,400	291,050	493,214

11. Net financial position

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 is as follows:

(€ thousand)	30 June 2013 (A)	31 Dec. 2012 (B)	Change (A + B)	30 June 2012
Cash and bank assets	11,984	15,819	(3,835)	17,529
Negotiable securities and short-term financial receivables	-	-	-	372
Short-term financial payables	(1,602)	(5,496)	3,894	(1,461)
Short-term financial resources	10,382	10,323	59	16,440
Payables due to banks with maturity beyond 12 months	(3,601)	(4,302)	701	(1,569)
Net Available Financial Resources	6,781	6,021	760	14,871
Financial payable for Earn-out (IFRS 3)	(2,717)	(2,784)	67	-
Total Net Financial Position	4,064	3,237	827	14,871

12. Subsequent events

There were no significant events after 30 June 2013.