

TXT e-solutions: in 1H 2013
Luxury and North America drive Revenues
(+12% Group, +20.1% Luxury)

- *Consolidated Revenues: € 26.3 million (+12.0%), 52% from abroad.*
- *EBITDA: € 3.1 million (+0.8% compared to H1 2012).*
- *Net profit: € 2.0 million (€ 2.3 million in H1 2012, net of non-recurring capital gain).*
- *Net Financial Position: € 4.1 million (€ 3.2 million at 31 December 2012).*

Milan – 7 August 2013

The Board of Directors of TXT e-solutions, chaired by Alvisè Braga Illa, today approved the first half financial results for the period ended 30 June 2013.

In the first six months of 2013 key business objectives for TXT have been the Luxury and Fashion market and the North American market, where TXT offers its proprietary software TXT Perform for “end to end” planning of large Luxury and Retail international customers.

Revenues grew by 12.0%, from € 23.5 million to € 26.3 million. Sales of licences and maintenance totalled € 6.0 million, 23% as a percentage of revenues, up +22.4% compared to H1 2012.

Both business areas made a positive contribution to the growth in group's revenues, with TXT Perform and TXT Next posting an increase of +20.1% (59% of group's revenues) and +2.2% (41% of group's revenues), respectively.

International revenues rose from € 11.8 to € 13.6 million, up 14.8% and 52% as a percentage of total sales.

Gross Margin, net of direct costs, rose by 13.0% and grew to 52.8% as a percentage of revenues, compared to 52.3% in H1 2012.

In the quarter several new initiatives pushed up both Research and Development costs (+26.3%) and Commercial costs (+13.4%) to support the planned growth. **EBITDA** was substantially in line with H1 2012: € 3.1 million, 12.0% as a percentage of revenues. All research and development costs were expensed in 2013 and 2012.

Net Income amounted to € 2.0 million, 7.7% as a percentage of revenues, compared to € 2.9 million in H1 2012, which included € 0.6 million extraordinary capital gain on the sale of KIT Digital shares, following the divestiture of Polymedia. Lower tax charges balanced higher amortization costs on Maple Lake acquisition.

Net Financial Position, € 3.2 million positive at 31 December 2012, has risen to € 4.1 million at 30 June 2013, due to good quarterly cash generation and net of payment of dividends of € 2.1 million. Consistently with 2012 and according to accounting principle IFRS 3, Net Financial Position includes a provision of € 2.7 million of the maximum earn-outs payable, subject to the achievement of set growth and profitability goals in 2013 and 2014. Net of this provision, Net Available Financial Resources was € 6.8 million.

Shareholders' Equity as at 30 June 2013 amounted to € 25.8 million, compared to € 26.2 million at 31 December 2012, mainly due to payment of dividends (€ 2.1 million), purchase of treasury shares (€ 0.7 million) not entirely balanced by Net Income of the semester (€ 2.0 million).

In the semester TXT Perform launched on the market new applications "TXT Mobile" and "TXT on Cloud" and new releases of TXT Perform.

Alvise Braga Illa, Chairman of TXT Group, stated: *"As Shareholder and Chairman, I am extremely pleased with our first-ever full semester in North America. Our growth potential in Luxury, Fashion and tier-1 specialized Retailers is very large. Sales and corporate costs have increased in order achieving results in the next several quarters. Innovation in both TXT Perform and TXT Next has been brilliant. The general economic context is slowly improving"*.

Significant events after the reporting period and Outlook

Order book and ongoing negotiations for the sale of TXT Perform solutions and TXT Next services are good and allow envisaging a positive development of the business in the current quarter.

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

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

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

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

For information:

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Management Income Statement as at 30.6.2013

<i>Amounts in thousands of Euro</i>	2013 1st Half	%	2012 1st Half	%	Var. 13/12%
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
R&D Costs	2.559	9,7	2.026	8,6	26,3
Commercial Costs	4.896	18,6	4.317	18,4	13,4
G&A Costs	3.272	12,5	2.810	12,0	16,4
GROSS OPERATING MARGIN (EBITDA)	3.144	12,0	3.120	13,3	0,8
Amortization, Depreciation	699	2,7	479	2,0	45,9
OPERATING PROFIT (EBIT)	2.445	9,3	2.641	11,3	(7,4)
Financial Income (Expenditure)	(156)	(0,6)	180	0,8	n.m.
PRE-TAX INCOME (EBT)	2.289	8,7	2.821	12,0	(18,9)
Income Taxes	(277)	(1,1)	(530)	(2,3)	n.m.
NET INCOME FROM OPERATIONS	2.012	7,7	2.291	9,8	(12,2)
Non recurring profit	-	-	604	2,6	n.m.
NET INCOME FROM OPERATIONS	2.012	7,7	2.895	12,3	n.m.

Income statement as at 30.6.2013

Amounts in Euro	2013 1st Half	2012 1st Half
Revenues	25.362.639	21.551.881
Other income	902.149	1.901.827
TOTAL REVENUES AND INCOME	26.264.788	23.453.708
Purchases of materials and services	(6.637.412)	(5.836.994)
Personnel costs	(15.598.408)	(13.375.010)
Other operating costs	(884.813)	(1.121.574)
Amortisations, depreciation and write downs	(699.378)	(479.431)
OPERATING RESULT	2.444.777	2.640.699
Financial income	578.650	1.096.368
Financial charges	(734.509)	(314.468)
PRE-TAX RESULT	2.288.918	3.422.599
Income Taxes	(276.496)	(530.635)
NET RESULT CURRENT ACTIVITIES	2.012.422	2.891.964
Net profit from divested operations	-	2.683
NET RESULT	2.012.422	2.894.647
PROFIT PER SHARE (Euro)	0,39	0,58
PROFIT PER SHARE DILUTED (Euro)	0,38	0,55

Net Financial Position as at 30.6.2013

Amounts in thousands of Euro	June 30, 2013 (A)	December 31, 2012 (B)	Var. (A-B)	June 30, 2012
Cash	11.984	15.819	(3.835)	17.529
Negotiable Securities	-	-	-	372
Short Term Debt	(1.602)	(5.496)	3.894	(1.461)
Short Term Financial Resources	10.382	10.323	59	16.440
Long Term Debt	(3.601)	(4.302)	701	(1.569)
Net Available Financial Resources	6.781	6.021	760	14.871
Financial Debt - Earn-Out (IFRS 3)	(2.717)	(2.784)	67	
Total Net Financial Position	4.064	3.237	827	14.871

Consolidated Balance Sheet as at 30.6.2013

ASSETS (Amounts in Euro)	June 30, 2013	December 31, 2012
NON-CURRENT ASSETS		
Goodwill	14.770.412	15.139.294
Definite life intangible assets	4.225.450	4.726.960
Intangible Assets	18.995.862	19.866.254
Buildings, plants and machinery owned	1.187.451	1.121.001
Lease assets	22.187	33.281
Tangible Assets	1.209.638	1.154.282
Other non current assets	168.636	301.053
Deferred tax assets	597.950	493.907
Other non current assets	766.586	794.960
TOTAL NON-CURRENT ASSETS	20.972.086	21.815.496
CURRENT ASSETS		
Inventories	1.668.687	1.388.486
Trade receivables	16.515.718	17.274.489
Other current assets	2.252.429	2.287.953
Cash and other liquid equivalents	11.984.431	15.818.812
TOTAL CURRENT ASSETS	32.421.265	36.769.740
TOTAL ASSETS	53.393.351	58.585.236
EQUITY AND LIABILITIES (Amounts in Euro)		
SHAREHOLDERS' EQUITY		
Share capital	2.955.966	2.883.466
Reserves	17.124.646	17.422.630
Retained earnings	3.740.768	719.785
Profit (Loss) for the year	2.012.422	5.137.932
TOTAL SHAREHOLDERS' EQUITY	25.833.802	26.163.813
NON-CURRENT LIABILITIES		
Non-current financial liabilities	3.600.610	4.301.301
Long term Earn-out	1.777.260	2.784.284
Severance and other personnel liabilities	3.308.785	3.326.244
Deferred tax liabilities	1.201.400	1.269.903
Provision for future risks and charges	48.483	88.706
TOTAL NON-CURRENT LIABILITIES	9.936.538	11.770.438
CURRENT LIABILITIES		
Current financial liabilities	1.601.989	5.496.498
Short term Earn-out	939.711	-
Trade payables	1.723.057	1.799.747
Tax payables	633.205	889.563
Other current liabilities	12.725.049	12.465.177
TOTAL CURRENT LIABILITIES	17.623.011	20.650.985
TOTAL LIABILITIES	27.559.549	32.421.423
TOTAL EQUITY AND LIABILITIES	53.393.351	58.585.236

Consolidated Statement of Cash Flows as at 30.6.2013

Amounts in Euro	2013 1st Half	2012 1st Half
Net Income	2.012.422	2.894.646
Non cash costs	112.816	280.956
Paid taxes	(256.358)	-
Variance in deferred taxes	(172.546)	-
Amortization, depreciation and write-downs	641.381	479.431
Cash flows generated by operations before working capital	2.337.715	3.655.033
(Increase) / Decrease in trade receivables	926.712	(1.310.443)
(Increase) / Decrease in inventories	(280.201)	(854.114)
(Increase) / Decrease in trade payables	(76.690)	(231.639)
(Increase) / Decrease in severance and other personnel liabilities	62.564	154.044
(Increase) / Decrease in other current assets/liabilities	352.699	1.811.000
Changes in working capital	985.084	(431.152)
CASH FLOW GENERATED BY OPERATIONS	3.322.799	3.223.881
Increase in tangible assets	(300.079)	(173.927)
Increase in intangible assets	(5.944)	(165.776)
Increase in financial assets	-	17.934
CASH FLOW GENERATED BY INVESTING ACTIVITIES	(306.023)	(321.769)
Repayment of borrowings	(4.595.200)	(1.146.171)
Increase / (Decrease) in financial debts	(67.313)	1.875.419
Distribution of dividends	(2.106.906)	-
Purchase of treasury shares	(662.974)	-
Exercise of stock options	468.928	(281.557)
CASH FLOW GENERETED BY FINANCIAL ACTIVITIES	(6.963.465)	447.691
INCREASE / (DECREASE) IN CASH	(3.946.689)	3.349.803
Difference in Currency Translation	112.308	27.446
Cash at beginning of the period	15.818.812	14.369.062
Cash at the end of the period	11.984.431	17.746.311

Income Statement - Management Reporting Second Quarter as at 30.6.2013

<i>Amounts in thousands of Euro</i>	Q2 2013	%	Q2 2012	%	Var. 13/12%
REVENUS	13.052	100,0	11.846	100,0	10,2
Direct Costs	6.123	47,0	5.523	47,0	10,9
GROSS MARGIN	6.929	53,0	6.323	53,0	9,6
R&D Costs	1.267	10,0	1.009	9,0	25,6
Commercial Costs	2.384	18,0	2.276	19,0	4,7
G&A Costs	1.594	12,0	1.374	12,0	16,0
GROSS OPERATING COST (EBITDA)	1.684	13,0	1.664	14,0	1,2
Amortization, Depreciation	357	3,0	262	2,0	36,3
OPERATING PROFIT (EBIT)	1.327	10,0	1.402	12,0	(5,3)
Financial Income (Expenditure)	(106)	(1,0)	99	1,0	n.m.
PRE-TAX INCOME (EBT)	1.221	9,0	1.501	13,0	(18,7)
Income Taxes	(136)	(1,0)	(121)	(1,0)	n.m.
NET INCOME FROM OPERATIONS	1.085	8,0	1.380	12,0	(21,4)
Non recurring result			(66)		n.m.
NET INCOME	1.085	8,0	1.314		n.m.