Interim Management Report of the Itway Group as of March 31, 2015

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Company Officers

Board of Directors

(Until the approval of the December 31, 2016 Financial Statements)

Giovanni Andrea Farina	Chairman and Chief Executive Officer
Cesare Valenti	Managing Director
Gabriele Brusa	Independent Director
Giuseppe Parrello	Independent Director
Claudia Palella	Independent Director

Board of Statutory Auditors

(Until the approval of the December 31, 2016 Financial Statements)

Alessandro Antonelli	Chairman
Daniele Chiari	Member
Silvia Caporali	Member

Manager mandated to draft corporate accounting documents

The board of directors named Sonia Passatempi (Administrative Manager of the Group) as the manager in charge of drafting corporate accounting documents for the Itway Group.

Auditing Firm

PricewaterhouseCoopers S.p.A.

The mandate to the auditing company was given by the ordinary shareholders meeting of January 11, 2010 for the nine year period ending with the approval of December 31, 2017 Financial Statements and, pursuant to current regulations, it cannot be renewed.

Interim management report as of March 31, 2015

The Interim Management report for the quarter as of March 31, 2015 of Itway Group, which has not been audited, was drafted pursuant to article 154 ter (Financial Reports) of Dlgs 58/1998 (T.U.F. Consolidated Law on Financial Intermediation), as well as Consob Communication DEM/8041082 of April 30, 2008. The Board of Directors authorized the publication of this interim management report on May 15, 2015.

In the current interim management Report the analysis of the economic performance was carried out with reference to the situation as of March 31, 2015 in the quarter between January and March 2015compared with the equivalent periods of 2014.

The balance sheet information refers to March 31, 2015 and March 31, 2014 and is compared with the consolidated Financial Statements as of December 31, 2014.

The accounting statements to March 31, 2015 were drafted before taxes and of the fiscal effects on the results of the period.

The accounting principles, the evaluation criteria, the forecasts made, and the consolidation principles that are referred to in preparing the attached interim management report to March 31, 2015 are, as in the previous fiscal period, the international accounting principles defined by IFRS. In particular, these principles require forward looking statements. In the context of economic uncertainty illustrated below, please note that these forecasts have a component of risk and uncertainty. Therefore, it cannot be ruled out that in the near future the results achieved could be different from those forecast, therefore requiring revisions that today cannot be either estimated or forecast.

Performance of the Group and the reference market

Following is the consolidated condensed Income Statements compared with those of the same periods a year earlier:

(Thousands of €uro)	**Quarter ended**	
	31/03/15	**31/03/14**
Turnover		
Revenues	21,396	19,745
Other operating revenues	367	327
Total turnover	**21,763**	**20,072**
Operating costs		
Cost of products	17,185	15,007
Personnel costs	2,542	2,808
Other costs and operating charges	1,680	1,912
Total operating costs	**21,407**	**19,727**
EBITDA	**356**	**345**
Amortization	(100)	(111)
EBIT	**256**	**234**
Net financial charges	(386)	(418)
Recurring pre-tax result	**(130)**	**(184)**
Non-recurring charges	-	(22)
Pre-tax result	**(130)**	**(206)**

In the quarter that ended March 31, 2015 all main indicators posted a positive performance compared with the same period of the previous fiscal year. In particular revenues rose some 8% from the same period of 2014 while Ebitda came in at 356 thousand Euro compared with 345 thousand Euro in the previous year (+3.2%): Ebit and the pre-tax result respectively of 256 thousand Euro and -130 thousand Euro improved compared with the same period of 2014 by 9.4% and 36.9% respectively.

As already indicated in the consolidated Management Report to December 31, 2014 the economic context that characterized the start of 2015 is still not positive.

The start of the financial crisis in 2008 was still felt in particular in the Countries of the Mediterranean area. During the Italian presidency of the European Union, the Eurozone countries started speaking not only of austerity policies that Germany so strongly demands, but also of development from which the Juncker Plan emerged. The plan aims to revive economic growth and produce investments without creating new public debt. It is an overall 315 billion euro plan with the constitution of the European Fund for Strategic Investments that we hope will lead to benefits during 2015. The ECB, under its president Mario Draghi, injected significant liquidity with the Long Term Refinancing Operations (LTRO) for those banks that took part in a bid to give the chance to refinance at advantageous interest rates the real economy of Countries. This move so far has not produced impressive results. GDP in the countries of the Mediterranean area grew as forecast, Italy is technically back in recession posting in 2014 a negative GDP of 0.4% (-0.5% in the fourth quarter) while the other Countries of the euro area are growing by zero point something percent rates with the exception of Turkey that is expected to grow by over 3%. This continuation of austerity measures that do not go hand in hand with an economic recovery has translated into persistently high unemployment rates and added a new class of poor people.

The austerity programs brought the economy, in particular of the Mediterranean countries of the EU, back by 30 years with depressive effects both on retail consumption and on investments by companies and public administrations without signs of any radical change.

The subject of growth and employment seem to have been brought, first timidly and then always more persistently, to the centre of Governments' attention, and one can catch a glimpse of concrete policies to invert the trend. The measures like the one to add €80 in the pay check of 10 million workers (confirmed also for 2015) and the recently approved Jobs Act give greater security and flexibility for workers and companies and are a first step, but not having acted in a determined way on the unproductive public spending with tens-of-billions of euros wasted, not having acted on a serious restructuring of the Public Administration, not having acted already in 2014 on the decrease of the IRAP tax, not having acted on the tax pressure that oppresses taxpayers and companies tells us how much work still has to be done. Recently there has also been the approval of a new electoral law that received the blessing of the main international ratings agencies and that should give the country greater stability. Obviously, the above mentioned macroeconomic situation continues to impact the performance of financial markets with tension, especially in terms of funding costs, which fortunately have been decreasing compared with the date at the beginning of the current financial statements. The drop in interest rates, however, only has marginal effects on the balance sheet.

For the Itway Group this translated, for some time now, into the need to support clients in a contracted credit situation with payments that are ever more delayed while the main vendors are not inclined to take on the burden of the systemic crisis, especially on the Italian and Iberian markets. In this context the Group is continuing to take measures to contain payment conditions and to use more non-recourse factoring transactions. These measures have started to produce some tangible result

<u>General context, performance of the ICT Market</u>: Please refer to the considerations made in the consolidated management Report to December 31, 2014. The ICT market continues to suffer from a general slowdown, in particular for Hardware that saw a contraction of 7-8%. The segments where the Group operates are Security, Virtualization and the newly established Cloud Computing are defined as "additional components and innovative ICT"; while the so-called "traditional ICT components" segment is contracting 6.4%, the "additional components and innovative ICT" segment is growing 4.8% (Assinform 10/2014, data for Italy that can proportionally be estimated for other Countries).

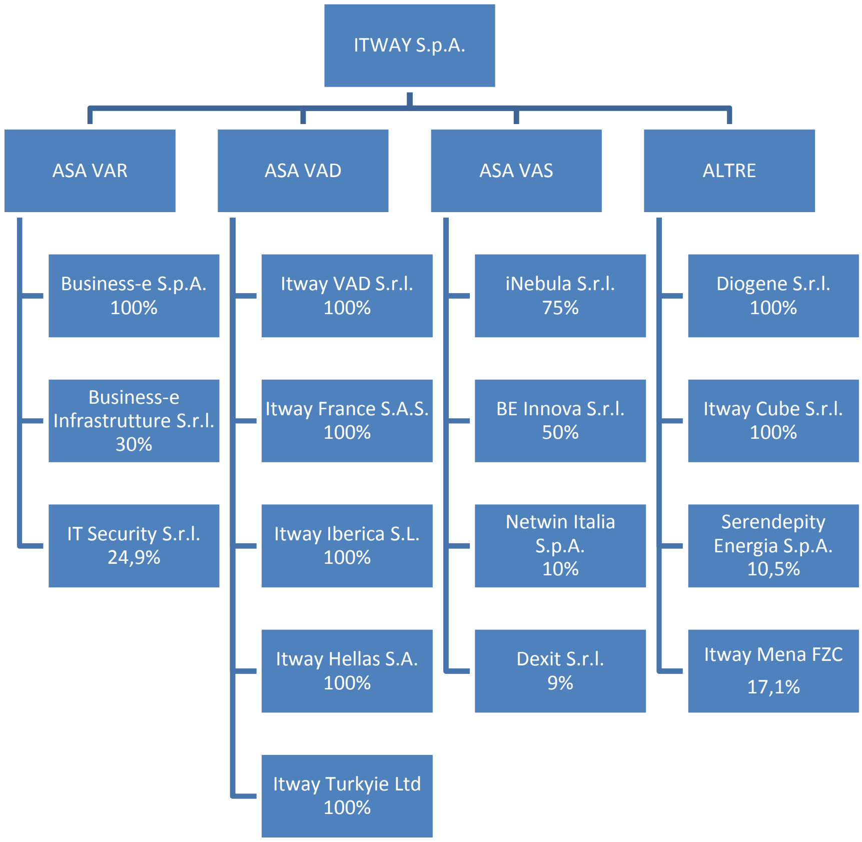
Market positioning: During the period the repositioning on new product distribution lines continued, with the aim of replacing lower-margin lines with higher value added ones that also allow a smaller use of working capital. It should be noted that while the US economy had a positive performance, the euro area essentially and overall stagnated (and entered into recession in some Countries) prompting a progressive weakening of the European currency compared with the US one. During 2014 the €/USD progressively went from 1.38 in January 2014 to 1.21 in December 2014 and then reach 1.06 in February and 1.13 up today and this throughout 2014 had a serious impact on the gross margin of the Companies of the Group, which is improving in the current quarter since the speed of feedback in the recovery of price lists is always with a lag.

Group industrial policy: Please refer to the considerations made in the management Report to December 31, 2014. In the general context indicated, the industrial policy of the Group continued to focus on higher value added business lines like the VAR SBU and the VAS SBU For the VAD SBU, the results of this policy, that can impact the volumes generated, also in the difficult overall conditions, are being executed.

The alliance with Libanica S.A. led the Group to take part, in October 2014, in the constitution of Itway MENA with a 17.1% stake. The company is based in Dubai-Sharjah, in the United Arab Emirates. Exploiting its geopolitical and technical expertise of Libanica and the technical and specialized expertise of Itway, the newly constituted group will expand in markets in the Middle East and North Africa (MENA),

Activities and Structure of the Group

The Interim Management Report includes the accounting situation of the companies of the Itway Group, which as of March 31, 2015 has the following structure:



Following is the list of fully consolidated companies on which Itway S.p.A. exercises, directly or indirectly, control through the majority of voting rights:

NAME	HEADQUARTER	SHARE CAPITAL Euro	% of direct ownership	% of indirect ownership	% of overall ownership
Itwayvad S.r.l.	Via L. Braille,15 - Ravenna	10.000	100%	-	100%
Itway Iberica S.L.	Argenters 2, Cerdanyola del Vallès - Barcellona	560.040	100%	-	100%
Itway France S.A.S.	76, rue Thiers - Parigi	100.000	100%	-	100%
Itway Hellas S.A.	Agiou Ioannou Str , 10 Halandri - Atene	846.368	100%	-	100%
Itway Turkiye Ltd.	Eski Uscudar Yolu NO. 8/18 - Istanbul	1.500.000*	100%		100%
Itway Cube S.r.l.	Via L. Braille,15 - Ravenna	10.000	100%	-	100%
Diogene S.r.l.	Via V. Mazzola, 66 - Roma	78.000	100%	-	100%
Business-e S.p.A.	Via L. Braille, 15 - Ravenna	1.001.084	100%	-	100%
iNebula S.r.l.	Via L. Braille 15, Ravenna	10.000	75%	-	75%

**the value is expressed in the New Turkish Lira (YTL)*

The subsidiaries, assessed with the equity method, which coincides with the cost, as indicated below, are:

NAME	HEADQUARTER	SHARE CAPITAL €	% of direct ownership	% of indirect ownership	% of overall ownership
BE Innova S.r.l.	Via C. Battisti, 26- Trento	20,000	-	50%	50%
Be Infrastrutture S.r.l.	Via Trieste, 76 - Ravenna	100,000	-	30%	30%
Itsecurity S.r.l.	Via A. De Gasperi, 320 – Bari	20,000	-	24,9%	24,9%

List of minority investments, carried out at cost:

NAME	HEADQUARTER	SHARE CAPITAL €	% of direct ownership	% of indirect ownership	% of overall ownership
Dexit S.r.l.	Via G. Gilli,2 – Trento	700.000	9%	-	9%
Serendipity Energia S.p.A	Piazza Bernini, 2 – Ravenna	1,117,758	-	10,5%	10,5%
Netwin Italia S.p.A.	Via Martiri Baffè, 2/A – Sant'Agata sul Santerno (RA)	5,000,000	-	10%	10%
Itway MENA FZC	PO Box 53314, HFZ, Sharjah, United Arab Emirates	35,000 *		17,1%	17,1%

** The values are expressed in Dirham of the United Arab Emirates (AED)*

List of investments that have not yet been consolidated as they are still not operational: NAME	HEADQUARTER	SHARE CAPITAL €	% of direct ownership	% of indirect ownership	% of overall ownership
iNebula Tech S.r.l.	Via L. Braille 15 – Ravenna	10,000	100%	-	100%

The Itway Group operates in three main types of activities: the core business of Itway is value added distribution of "best of breed" software technology (the best among what is available, at all moments, on the market); it also offers services and consultancy aimed at training and supporting companies in the e-business, e-security, Central Access Management, Internetworking and Wireless. These sectors are in charge of the main Strategic Business Areas (SBU): the VAD SBU (Value Added Distribution) and the VAR SBU (Value Added Reseller) and the VAS SBU (Value Added Services). The VAD SBU also offers services for training, technical assistance and certification developed by Itway Academy, which is aimed at Value Added Resellers and System Integrators. The strong points of Itway are in its capability of offering, in a complementary manner, a broad array of software products and the consultancy support necessary to guarantee their use and integration. Furthermore, the Group has an excellent capability on focusing on and interacting with the client (accounting) and offers and excellent training that is tailor-made for the specific needs of each client. The VAR SBU manages all Value Added Reseller, System Integration and Engineering activities. The VAS SBU is in a start—up phase and handles the Value Added Services activities.

Net financial position

Following is the net financial position as of March 31, 2015 compared with that to March 31, 2014 and December 31, 2014:

	31/03/2015	**31/12/2014**	**31/03/2014**
Cash on hand	3,905	4,141	3,614
Bank overdrafts and loans	(18,430)	(19,562)	(19,137)
Net current financial position	**(14,525)**	**(15,421)**	**(15,523)**
Non-current financial liabilities	(5,379)	(2,494)	(2,509)
Total net financial position	**(19,904)**	**(17,915)**	**(18,032)**

The current net financial position improved compared with both December 31, 2014 and March 31, 2014 confirming the process to contain and improve working capital that has been carried out during past period and that has continued.

As part of a broader program aimed at diversifying the sources of liquidity procurement that brought the company to issue commercial papers, as subsequently described, the Group in the quarter obtained from certain banking institutions that companies of the Group use significant medium-terms funding that are reflected in the non current net financial position as is the medium term debt towards a leasing company for the rent of the Milan offices, The increase in the non-current net financial position is due to the payment of some 3 million Euro of financing during the quarter.

Performance by segment of business: Value Added Distribution

Through the Value Added Distribution sector, the Group operates in the distribution of specialized software and hardware products, certification products on the software technologies distributed, and pre- and post-sales technical assistance services.

The clients are “System Integrators” and “Value Added Resellers” who sell products to the end-user.

Following is the brief income statement of the VAD SBU, compared with the values the previous fiscal year:

(Thousands of €uro)	Quarter ended	
	31/03/15	31/03/14
Revenues	16.564	16.870
Ebitda	136	(61)
Ebit	51	(155)
Recurrent pre-tax result	(212)	(480)
Pre-tax result	(212)	(502)

While volumes were broadly stable during the period, profitability improved in the quarter. Following is the analysis by Country.

The Italian market, the most important one for the Group, is the one where the negative impact from the "Country situation" and from the reorganization of the distribution activities of some Vendors; however, the countermeasures taken by the Group allowed volumes to hold up.

The Turkish subsidiary achieved significant increases in volumes and margins, both in percentage terms and in absolute terms, maintaining a leadership in the IT security segment that, being out of the Euro area, confirms having significant development prospects.

The performance of the Greek subsidiary, after the reorganization that was completed in the past few months, broke even despite the difficult situation of the Country.

The French subsidiary, which was restructured in the past period, reduced losses significantly. All business lines were closed and to date the subsidiary only has one employee while all costs have been brought to zero so during 2015 it should not post further significant losses.

The Iberian subsidiary, after the completion of the reorganization in the past fiscal periods, ended the quarterly broadly breaking even with an EBITDA that is positive.

Performance by segment of business: Value Added Reseller SBU

Through the Value Added Reseller SBU, the Group operates in the following market segments:

- Professional services and production of solutions and software technologies for e-business;
- Distribution and integration of products and services for the logical security of information systems;
- Professional services as system integrators and centralization of applications.

Following is the brief income statement of the VAR SBU, compared with the values of the previous fiscal year:

(Thousands of €uro)	**Quarter ended**	
	31/03/15	**31/03/14**
Revenues	5,199	3,202
Ebitda	220	406
Ebit	205	389
Pre-tax result	82	296

At the start of 2015 the Group won contracts with higher volumes but lower profitability but it counts of recovering and increasing the contribution margin in subsequent quarters.

Sector performance: Other sectors

In 2013 the Itway Group entered into other sectors that are related to but do not coincide with the historical ones (VAD and VAR). These sectors do not yet make a relevant contribution to the consolidated results and therefore are not reported in the reporting by sector, but they are important in terms of strategy to strengthen the business segments.

The new sectors are:

- Gaming through an investment in a company that holds the concession granted by the Autonomous Administration of the State Monopolies. The investment of the Itway Group focuses, as an industrial partner, only on the technological support in carrying out and managing the information network to connect the installed gaming machines with the Financial Administration;
- Cloud information services: Managed Services for SMEs in network and cloud environment in the areas of Security, Storage Management, Business Continuity, Green IT, Energy Recovery, intelligent analysis of video-surveillance flows, tracking of people and things;
- Assisted services in N+SOC and MSSP solutions to check networks

Subsequent events

On April 27 the placement of up to a cumulative 1 million Euro of commercial paper with a six month maturity began. It will be completed in the month of May. The transaction is part of a broader program aimed at diversifying the sources of liquidity procurement.

The commercial paper program foresees issuance of up to Euro 10 million over the next 3/5 years and will allow the Itway Group to raise short term capital from institutional and professional investors. The financial instruments will be traded on the Professional Segment ExtraMOT Pro, managed by Borsa Italiana.

The first commercial paper, regulated by Law No. 43/1994 “Regulations of Financial Bills” as modified in Law No. 134/2012, will be issued on April 29, 2015 for a nominal Euro 1 milion, an annual interest rate of 4.20% and maturing October 31, 2015. The commercial paper also foresees a call option for an anticipated repayment, with a simultaneous premium to the investor. Borsa Italiana admitted the listing of this commercial paper on the Professional Segment (ExtraMOT PRO) of the ExtraMOT Market managed by Borsa Italiana.

Foreseeable evolution of operations

Other than what has already been indicated please refer to the consolidated Financial Statements to December 31, 2014 for the foreseeable evolution of operations.

Significant, non-recurrent, atypical and/or unusual transactions

In the period ended March 31, 2015 there were no transactions that can be defined as significant, non-recurrent, atypical and/or unusual, as defined in Consob Communication of July 28, 2006.

Relationship with related parties

During the 2014 fiscal period, the Group had commercial and financial relationships with related parties. These relationships were part of normal management activity, regulated at market conditions that are established by contract by the parties in line with the standard procedures. Following is a synthesis:

In thousands of €uro	**Receivables**	**Payables**	**Costs**	**Revenues**
Itway S.p.A. vs Giovanni Andrea Farina & Co. S.r.l.	211	-	-	1
Business-e S.p.A. vs Be Innova S.r.l.	952	10	-	36
TOTAL	**1,163**	**10**	**-**	**37**

Itway directs and coordinates its subsidiaries in Italy. This activity consists in indicating the general strategic and operational direction of the Group, defining and adjusting the Organizational Model and elaborating the general policies to manage human and financial resources.

No company directs or controls Itway S.p.A.

Research and development activities sviluppi

During the period research and development activity were continued, especially in the VAR and VAS SBUs.

Own shares

The parent company at March 31, 2015 owned No. 730,942 own shares (equal to 9.25% of share capital) for a nominal value of 35,471 Euro and a cost of purchase of some 41 thousand Euro; During the period 27,867 own shares were purchased (equal to 0.35% of share capital) for a nominal value of 13,934 Euro, as authorized by the Shareholders meeting of Itway S.p.A.

Ravenna, May 15, 2015

For the BOARD OF DIRECTORS

Statement of the manager mandated to draft the accounting documents pursuant to art. 154-bis comma 2 of D.Lgs. No. 58/1998 (Testo Unico della Finanza – Consolidated Law on Financial Intermediation)

I, Sonia Passatempi, the manager mandated to draft the company's accounting documents, pursuant to comma 2 of art. 154-bis of D.Lgs. No.58/1998 (Testo Unico della Finanza), declares that the information contained in the current quarterly report of the management of the Group corresponds to the documented results, books and accounting of the Company.

Ravenna, May 15, 2015

The Mandated Manager
Sonia Passatempi