Separate Financial Statements for the fiscal year ending December 31, 2014

This document was issued originally in Italian, and it has been translated into English, solely for the convenience of international readers

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Directors' report on operation of the fiscal year ending December 31, 2014

Board of Directors

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

Name last name	***Position***
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)

Name Last name	***Position***
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.

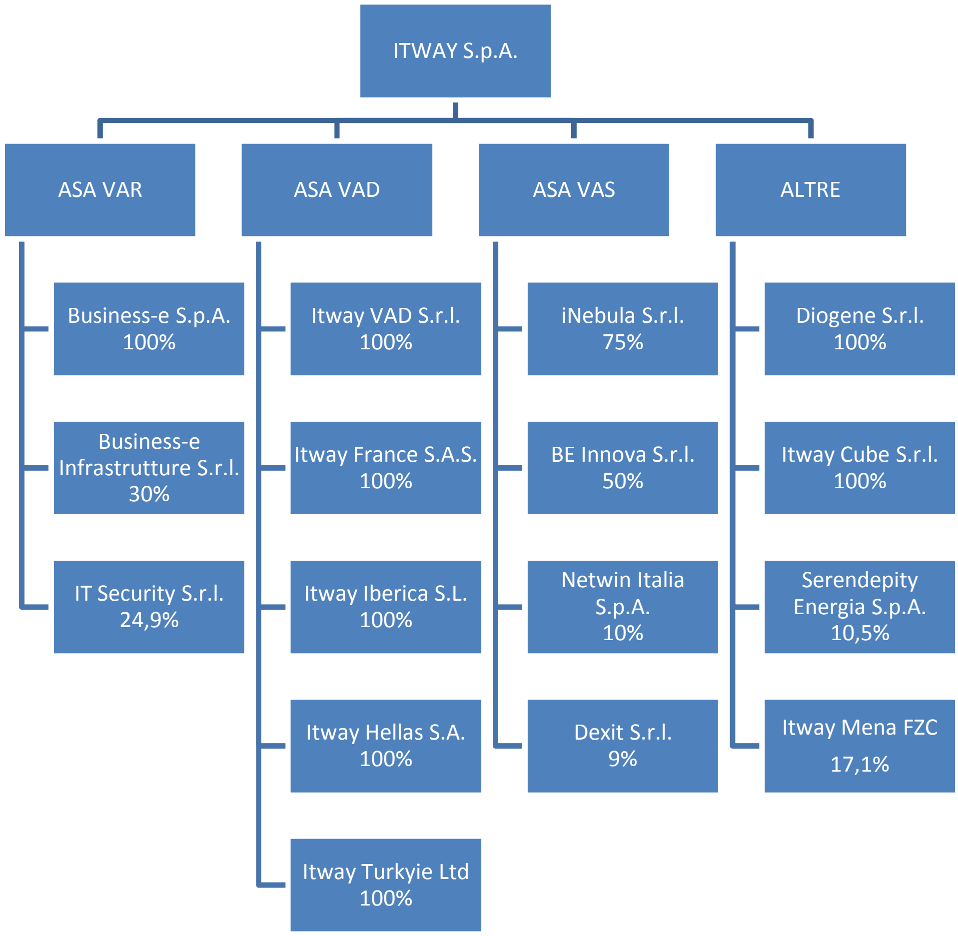
The mandate to the auditing company was given by the ordinary shareholders meeting of January 11, 2010 for the nine year period ending with the approval of December 31, 2017 Financial Statements and, pursuant to current regulations, it cannot be renewed.

Report on the ownership and on corporate governance

In accordance to current laws, please note the Report on Ownership and Corporate Governance, approved by the Board of Directors of Itway S.p.A, is available for the public at the headquarters in Ravenna, via Braille 15, and can be consulted on the Internet site www.itway.com at Investor Relation section.

Activities and Structure of the Company

Following is the structure of the Itway Group at December 31, 2014:



The Company does not have secondary headquarters but it is active with commercial offices in Milan, and Rome at the following addresses:

- Milan - Via A. Papa, 30
- Rome – Edoardo D'Onofrio 304.

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.

Performance of the Group and the reference market

The accounting principles and the evaluation principles referred to in preparing the Management Report and the attached Separate Financial Statements as of December 31, 2014 are, as in the previous fiscal year, the international accounting principles defined as IFRS. In particular, these principles require forward looking statements, as indicated in the continuation of the current report, in particular in the section "Foreseeable Evolution of operations" and in detail in the explanatory Notes. In the context of the 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 forecasted.

The context that characterized the fiscal period that ended December 31, 2014 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. Italy is one of the few Countries, if not the only one, where a company with a pre-tax profit risks posting a loss after taxes.

As we have seen, despite the still not positive outlook for the economies where the Group operates, with the exception of Turkey, having kept or increased the relative market share and having in any case improved industrial profitability has to be considered a symbol of vitality and perseverance.

Obviously, the above mentioned macroeconomic situation continues to impact the performance of financial markets with tension, especially in terms of funding costs, that 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.

General context, performance of the ICT Market: 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).

The tensions on the Euro and on sovereign debts are limiting the credit given to families and households with the Distributor needing to take on the burden to financially support the market. The management of working capital in this context, as noted above, is ever more strategic. The positive performance of the US economy compared with a euro area that is essentially stagnating (and in recession for some Countries) prompted a progressive weakening of the euro currency compared to the US one. During 2014 the €/USD exchange rate progressively went from 1.38 in January 2014 to 1.21 in December 2014 and this had a significant impact on the gross margin of the Company since the speed of feedback in the recovery is ever more delayed.

Group's industrial policy: 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),

Following is the condensed Income Statements at December 31, 2014 compared with those of the same periods a year earlier:

In thousand of Euro	**31/12/2014**	**31/12/2013**
Turnover		
Revenues	37,778	45,231
Other operating revenues	3,799	2,029
Total Turnover	**41,577**	**47,260**
Operating Costs		
Cost of products	(34,119)	(40,016)
Personnel costs	(1,432)	(1,482)
Other costs and operating charges	(4,948)	(4,764)
Total operating costs	**(40,499)**	**(46,262)**
Ebitda*	**1,078**	**998**
Amortizations	(310)	(344)
Ebit*	**768**	**654**
Net financial charges	(522)	(418)
Recurrent pre-tax result	**246**	**236**
Non-recurring charges	(127)	(307)
Pre-tax result	**119**	**(71)**
Taxes	37,778	45,231
Net result	**3,799**	**2,029**

**The definition of Ebitda and Ebit is given in the Notes of the Financial Statements attached to the current Report*

The table above clearly sums up the strong recovery in industrial profitability of Itway.

Summing up, in line with the management adopted in these last years of severe crisis, the Company at an industrial level positioned itself in the most effective way to contrast the macro-economic performance and to be ready for the pick-up in the economies of the Countries where it operates.

Comparing the data at December 31, 20143 and 2013, while revenues fell (-12%), there was an increase in Ebitda that reached 1,078 thousand Euro compared with 998 thousand Euro in the previous fiscal year (+8%). This improvement of Ebitda is reflected even more significantly on the Ebit line

(+17.4%) and on the result before taxes reached 246 thousand Euro from 236 thousand Euro in the earlier fiscal period.

Also, on July 30, 2014 CERVED Rating Agency S.p.a. assigned the Company a B1.2 (solvent) rating, equivalent to BBB- from S&P and Baa3 from Moody's.

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 of the companies 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:

In thousand of Euro	**31/12/2014**	**31/12/2013**
Total turnover	66,009	78,920
Ebitda*	1,230	1,107
Ebit*	866	602
Pretax result	(221)	(692)
Recurrent Net Result	(490)	(908)
Non-recurrent charges	(270)	-
Net result	(808)	(908)

**The definition of Ebitda and Ebit is given in the Notes of the consolidated Financial Statements attached to the current Report*

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 a recovery in the gross margin with a positive result before taxes, despite a slight decrease in volumes.

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, with a return to profit at the end of the fiscal period.

The French subsidiary, which was subject to a further restructuring that has now ended, reduced losses, but with a result that is still negative. 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 subsidary is currently reviewing the role the Group will have on the French market.
The Iberian subsidiary is the one that most was most subject to the worsening of the macroeconomic situation with a contraction both in volumes and margins that brought to a result that is still not positive. The subsidiary is undergoing a restructuring, in terms of focus on the lines being distributed and in terms of structure, the effects of which will be fully seen starting from 2015.

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:

In thousand of Euro	**31/12/2014**	**31/12/2013**
Total turnover	23,124	22,743
Ebitda*	1.424	1,399
Ebit*	1.346	1,303
Pretax result	903	920
Net result	283	373

**The definition of Ebitda and Ebit is given in the Notes of the consolidated Financial Statements attached to the current Report*

The 2014 fiscal year confirmed the positive trend that started in the past fiscal periods with the signing of some multi-year contracts that are important both in terms of volumes and in terms of the innovative technologies applied, consolidating therefore volumes and profitability. The current fiscal year, 2015, started with a strong order portfolio, double compared with the same period of 2014.

Sector performance: *Other sectors*

These sectors that are related to but do not coincide with the historical ones defined as VAD and VAR, in which the group entered in 2013 do not yet make a relevant contribution to the results of the fiscal year and therefore are not reported in the reporting by sector, but they are important in terms of strategy to strengthen and diversify 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.

Personnel

The average number of employees of the Company Group in the period was of 35 units, with a net decrease of 2 units.

	31/12/2014 *Avg Number*	31/12/2013 *Avg Number*	31/12/2014 *Actual*	31/12/2013 *Actual*
Managers	1	1	-	1
Mid-managers	4	5	(1)	4
Employees	30	31	(1)	30
Total	**35**	**37**	**(2)**	**35**

Net financial position

Following is the detailed consolidated net financial position toward the financial system:

	31/12/2014	31/12/2013
Cash on hands	1,764	2,034
Bank overdraft and loans	(11,196)	(10,206)
Net current financial position	**(9,432)**	**(8,172)**
Non current financial liabilities	(2,241)	(2,525)
Total net financial position	**(11,673)**	**(10,697)**

A detailed analysis of the movements that generated the change in the Net Financial Position can be found in the Cash Flow Statement. The punctual situation at the end of the year also reflects the working capital in use situation, which was affected by the significant concentration of volumes sand activity at the end of the fiscal period.

The non-current net financial position reflects the medium term debt towards a leasing company for the rent of the Milan offices, in addition to the debt related to the purchase of the stake in Dexit.

Risk management

The Company is exposed to financial risks deriving from the economic situation at a global level; the Company uses, as a reference currency and for its purchasing and sales activities mainly the Euro and in a minor way the US Dollar. In order to analyze the financial risk management we refer to the consolidated Financial Statements Explanatory Notes.

Subsequent events

There were no relevant events after the end of the fiscal period 2014 and up today.

Foreseeable evolution of operations

Despite some forecasts showed a timid recovery in 2014 in the Euro area, the latest estimates still indicate a substantial stagnation. Italy and Spain are expected to recover, even though modestly, already in 2015. For Turkey (GDP +4%) the estimates are very different: there we expect our subsidary to continue to grow at double digit rates and to consolidate its leadership in the sector in the Country. For Greece there is still uncertainty over how and when the Country will come out of the crisis, while France no longer represents a reference market for the Group.

As already mentioned, in the first months of 2015, a year after the coming into office of the Renzi Government, there is positive news coming out of Italy. In particular the news regarding investments in Innovation and Information Technology, finally, as other European Countries have already carried out or are carrying out. Investments in the Digital Agenda, which would be very important as it would bring significant savings to the Current Public Spending in favour of the efficiency of services

The Itway Group has been for some time now well positioned in value added markets like Security of information systems and Virtualization (VAD SBU, VAR SBU) and the new and emerging Cloud Computing (VAS SBU) and aims at continuing to operate in these sectors with a role of primary player in Southern Europe. Some markets like Cloud Computing are growing and the Group will act as a start-up player and as a concentrating element of initiatives underway through the growing VAS SBU.

In these markets we will work especially on increasing our market share also thanks to the introduction of new products and on recovering profitability. Along with these measures we will work on significantly containing net working capital.

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

During the fiscal year ending December 31, 2014, there were no transactions that can be defined as significant, non-recurrent, atypical and/or unusual with third parties or among companies of the Group, as defined in Consob Communication of July 28, 2006.

Relationship with related parties

During the 2014 fiscal period, the Company 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 thousand of €uro	**Receivables**	**Paybles**	**Costs**	**Revenues**
Itway S.p.A. vs Giovanni Andrea Farina & Co. S.r.l.	211	-	-	1
TOTAL	**211**	**-**	**-**	**1**

During the fiscal period the relationship between Itway and the companies of the Group comprised essentially ordinary commercial relationship, regulated at market terms. Further details are included in the “Infragroup Relationships” in the Notes to the separate Financial Statements.

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

During the period the Company did not carry out investments in research and development..

Own shares

The Company at December 31, 2014 owned No. 703,075 own shares (equal to 8.80% of share capital) for a nominal value of 351,537.50 Euro and a cost of purchase in the fiscal year of some 519 thousand Euro. During the period 327,281 own shares were purchased (equal to 4.14 % of share capital) for a nominal value of 163,640.50 Euro, as authorized by the Shareholders meeting of Itway S.p.A while no shares were sold .

Stakes held by the directors as per art. 79 and 126 reg. CONSOB 24/02/98

The following table sums up the information requested by the Consob regulation regarding the stakes in the company held by Directors, Auditors, Managing directors their spouses, minors, both directly or through controlling companies, trusts or delegated third parties. Please not that the data, are normally updated with communication carried out between the Shareholders and the Company.

	Numero azioni			
Cognome e nome	**possedute al 31/12/2013**	**acquistate**	**vendute**	**possedute al 31/12/2014**
Farina G.Andrea	2.573.787	0	0	2.573.787
Gavioli Anna Rita (*)	179.412	0	0	179.412
Valenti Cesare	1.090.284	0	55.000	1.035.284
Totale	**3.843.483**	**0**	**55.000**	**3.788.483**

*spouse of Farina G. Andrea

The only shareholder that exceeds 10% of share capital is G. Andrea Farina and Cesare Valenti.

Allocation of the Result of the fiscal period

In terms of the proposal for the allocation of profit of the fiscal year of Euro 119,324, shareholders will be asked to vote to allocate Euro 5,966 to the legal reserve ad Euro 113,358 to e voluntary reserve.

Ravenna, March 13, 2015
For the Board of Directors

Chairman and CEO
G.Andrea Farina

SEPARATE FINANCIAL STATEMENTS OF THE FISCAL YEAR ENDING DECEMBER 31, 2014

OF ITWAY S.p.A.

INCOME STATEMETS

Euro	Notes	31 Dec 2014	31 Dec 2013
Revenues	1	37,778,210	45,231,035
of which toward controller companies		*7,431,411*	*8,258,088*
Other operating revenues	2	3,799,311	2,029,494
of which toward controller companies		*1,681,834*	*1,366,891*
		41,577,521	**47,260,529**
Products	3	(34,118,713)	(40,015,723)
of which toward controller companies		*(225)*	*(23,449)*
Costs of services	4	(4,336,850)	(4,210,777)
of which toward controller companies		*(1,382,132)*	*(1,236,988)*
Costs of personnel	5	(1,431,993)	(1,481,727)
Other operating expenses	7	(611,051)	(553,622)
of which toward controller companies		*(25,770)*	-
EBITDA **		**1,078,914**	**998,680**
Amortisation	6	(310,502)	(344,402)
EBIT **		**768,412**	**654,278**
Financial proceeds *	8	392,856	570,206
of which toward controller companies		*346,946*	*508,081*
Financial charges	8	(914,659)	(988,675)
of which toward controller companies		*(41,665)*	-
Result before taxes		**246,609**	**235,809**
Taxes for the period	9	(127,285)	(306,783)
Result for the period from operations		**119,324**	**(70,974)**

There was not non current revenues and costs both in this fiscal year and in the previous one.

** For the relationship with "Related Parties" and "Companies of the Group", please see respectively Note 32 and 33.*
***the definition of Ebit and Ebitda is given in the Notes of the consolidated Financial Statements attached to the current Report*

STATEMENT OF COMPREHENSIVE INCOME

Thousand of Euro	31/12/14	31/12/13
Net result	119,324	(70,974)
Components that cannot bereclassified to the income statement:		
Actuarial gain (losses) on defined-benefit plans	(105,546)	-
Comprehensive result	**13,778**	**(70,974)**

FINANCIAL STATEMENT

Euro	Notes	31 Dec 2014	31 Dec 2013
ASSETS			
Non current assets			
Property, plants and equipment	10	3,065,793	3,130,504
Goodwill	11	169,440	169,440
Other intangibile assets	12	245,431	294,322
Investmens	13	17,209,622	15,760,622
Deferred tax assets	14	380,361	366,810
Intercompany financing M/L term		-	1,320,692
Other non current assets	15	90,734	34,232
Total		**21,161,381**	**21,076,621**
Current assets			
Inventories	16	1,858,472	2,082,159
Account receivables - Trade	17	14,444,339	13,848,890
Financing to subsidiaries	18	8,684,958	8,025,117
Account receivables from subsidiaries		10,724,106	7,878,955
Other current assets *	19	1,151,879	1,295,142
Cash on hand	20	1,764,122	2,034,392
Total		**38,627,876**	**35,164,655**
Total assets		**59,789,257**	**56,241,277**
NET EQUITY AND LIABILITIES			
Share Capital and other reserves			
Share capital		3,952,659	3,952,659
Reserve own shares		(1,131,141)	(611,680)
Share premium reserve		17,583,874	17,583,874
Retained earnings		(2,639,288)	(2,462,768)
Net result of the period		119,324	(70,974)
Total	21	**17,885,428**	**18,391,114**
Non current liabilities			
Severance indemnity	22	683,593	512,324
Provision for risks and charges	23	5,660,737	5,654,619
Deferred tax liabilities	24	80,026	80,026
Non current financial liabilities	25	2,241,418	2,524,747
Total		**8,665,774**	**8,771,716**
Current liabilities			
Financial current liabilities	26	11,195,980	10,206,580
Account payable - Trade	27	16,571,269	16,403,377
Account payable to subsidiaries		1,814,339	828,660
Financial to subsidiaries		190,449	356,875
Tax payable	28	3,032,541	906,286
Other current liabilities	29	433,477	376,672
Total		**33,238,055**	**29,078,450**
Total liabilities		**41,903,829**	**37,794,307**
Totale Net Equity and Liabilities		**59,789,257**	**56,185,421**

** For the relationship with “Related Parties” and “Companies of the Group”, please see respectively Note 32 and 33.*

Statement of changes in equity

Euro	Share capital	Own share reserve	Share premium reserve	Legal reserve	Earning (losses)/forward reserve [1]	Result for the period	Total Group Net equity
Balance as at January 1, 2013	**3,952,659**	**(900,817)**	**17,583,874**	**449,852**	**1,572,282**	**(4,484,902)**	**18,172,948**
Total operations with shareholders	-	289,137	-	-	-	-	289,137
Retained earnings	-	-	-	-	(4,484,902)	4,484,902	-
Result of the period	-	-	-	-	-	**(70,974)**	**(70,974)**
Other components of Comprehensive Result at 31 Dec 2013:							
Others	-	-	-	-	-	-	-
Comprehensive result	-	-		-	-	**(70,974)**	**(70,974)**
Balance as at December 31, 2013 (Note 22)	**3,952,659**	**(611,680)**	**17,583,874**	**449,852**	**(2,912,620)**	**(70,974)**	**18,391,111**

Euro	Share capital	Own share reserve	Share premium reserve	Legal reserve	Earning (losses)/forward reserve [2]	Result for the period	Total Group Net equity
Balance as at January 1, 2014	**3,952,659**	**(611,680)**	**17,583,874**	**449,852**	**(2,912,620)**	**(70,974)**	**18,391,111**
Total operations with shareholders	-	(519,461)	-	-	-	-	(519,461)
Retained earnings	-	-	-	-	(70,974)	70,974	-
Result of the period	-	-	-	-	-	**119,324**	**119,324**
Other components of Comprehensive Result at 31 Dec 2014:							
Actuarial gain (losses) on defined-benefit plans	-	-	-	-	(105,546)	-	(105,546)
Comprehensive result	-	-	-	-	**(105,546)**	**119,324**	**13,778**
Balance as at December 31, 2014 (Note 22)	**3,952,659**	**(1,131,141)**	**17,583,874**	**449,852**	**(3,089,140)**	**119,324**	**17,885,428**

[1] The earning (losses)/forward reserve includes the effects of the transition to the IAS/IFRS international accounting standards

STATEMENT OF CHANGES IN FINANCIAL POSITION

The following table summarizes the changes in cash flow of the Company:

Thousand of Euro

	Notes	Fiscal year of 12month at 31/12/2014	Fiscal year of 12month at 31/12/2013
Results for the period from assets in use		119	(71)
Adjustments of items not affecting liquidity:			
Write-off of immaterial assets	6-10	118	121
Depreciation of tangible assets	6-11	193	224
Allowance for doubtful accounts	7-18	125	135
Provision for severance indemnity, net of payments to social security bodies	23-24	89	78
Variation in non current assets/liabilities		-	-
Cash flow from operating activities, grosso f the variation in working capital		**644**	**487**
Payments of severance indemnity	23	(24)	(26)
Variation in trade receivable toward third parties and subsidiaries	18-19	(4,225)	8,242
Variation in inventories	17	224	397
Variazion in other current assets and liabilities	20-30	2,326	(251)
Variation in trade payables	28	1,852	(3,996)
Cash flow da attività operativa generato (assorbito) dalle variazioni di CCN		**153**	**4,364**
Cash flow from operations (A)		**797**	**4,851**
Change in non current financial liabilities	15-16-26	108	(271)
Additions in tangible assets	10	(53)	(59)
Additions in other intangibile assets	12	(1,593)	(161)
Cash flow from investing activities (B)		**(1,538)**	**(491)**
Purchase of own shares		(519)	289
Cash flow from financial activities (C)		**(519)**	**289**
Increase/(Decrease)of cash available and cash equivalents (A+B+C)		**(1,260)**	**4,649**
Short term Net Financial Position at the beginning of the period	21-27	(8,172)	(12,821)
Short term Net Financial Position at the end of the period	21-27	(9,432)	(8,172)

The taxes paid in the fiscal year totalled 259 thousand Euro (198 thousand Euro in the previous fiscal year).
The financial charges paid in the fiscal year totalled 915 thousand Euro (989 thousand Euro in the previous fiscal year).

EXPLANATORY NOTES OF THE SEPARATE FINANCIAL STATEMENTS TO December 31, 2014

GENERAL INFORMATION

Itway S.p.A. (the Company) is a public limited company constituted in Italy. The addresses of the legal headquarters and of the locations where the main activities of the Group are carried out are indicated below.

The Company mainly operates in the distribution of information technology products (so-called Value Added Distribution Strategic Business Area – VAD SBU).

The accounting tables of the financial statements, of income statement and the statement on changes of net equity are drafted in Euro and the data inserted in the notes are expressed in thousands of Euro, for an easier reading, unless otherwise indicated.

The financial statements are drafted in the following way:

- In the financial statement, current and non-current assets and liabilities are expressed separately. The financial statement to December 31, 2014 was compared with the balances of the previous fiscal year which ended on December 31, 2013.

- In the income statement, the representation of costs is carried out on the basis of their own nature and there are no non-recurrent costs or proceeds. The balance of the income statement for the period ending December 31, 2014 was compared with that of the previous fiscal year that ended December 31, 2013.

- The indirect method was used for the cash flow statement.

- Ebitda (gross operating result) is an economic indicator not defined in the International Accounting Standards. Ebitda is used by the management of the Company to monitor and assess the operational performance of the Company and of the Group. Management considers Ebitda an important parameter to measure the performance of the Group as it is not impacted by the volatility generated by the different criteria used to determine taxable income, by the amount and the characteristics of employed capital as well as the related amortization and depreciation policies. Ebitda is defined as Profit/Loss before amortizations of material and immaterial assets, credit provisions and depreciation, depreciation of material and immaterial assets, accruals to cover losses of subsidiaries, financial charges and income and income taxes.

- EBIT (operating result) is an economic indicator not defined in the International Accounting Standards and is defined as the Profit/Loss before of depreciation of material and immaterial assets, accruals to cover losses of subsidiaries, financial charges and proceeds and income taxes.

SUMMARY OF THE MOST SIGNIFICANT ACCOUNTING PRINCIPLES

General principles

In the Financial Statements and in the comparative data the Company adopted the International Reporting Standards (IFRS) issued by IASB, the updates of those pre-existing (IAS) as well as the International Financial Reporting Interpretations Committee (IFRIC) and those issued by the Standing Interpretation Committee (SIC), that were deemed as applicable to the transactions carried out by the Company.

The Financial Statements items were assessed based on generally accrual basis, in the context of the going concern, as forecasted on the basis of the Plans approved by the Board of Directors.

For the purpose of book entries, we give prevalence to the economic substance of transactions rather than to their legal form.

The accounting principles adopted are consistent to those adopted in the drafting of the Financial Statements of the fiscal year as of December 31, 2012. These principles require forecasts that in the context of the current economic uncertainty have for their own nature 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.

Use of estimates

The drafting of the Financial Statements of the fiscal year, applying IFRS principles, requires making estimates and assumptions that have an effect on the value of assets and liabilities and on information regarding potential asset and liabilities to the reference date. The estimates and assumptions are based on historical experience and on other factors that are considered to be relevant; the estimates and assumptions are reviewed periodically and the effects of each variation are reflected in the income statement.

The Financial Statements item most subject to forecasts is Investments in subsidiaries.

In order to verify the possible impairment of goodwill and investments, the Discounted Cash Flow (DCF) method was used. This method requires discounting cash flows on the basis of an interest rate that represents the specific risk of any Cash Generating Units (CGU).

The expected cash flows are taken from the Budget of the next fiscal period, in the context of the five-year business plans to 2018 of the identified CGUs, approved by their respective Board of Directors.
In this context, the situation caused by the current economic and financial crisis entailed the need to make assumptions regarding the future performance that were characterized by significant uncertainty.

Main accounting principles

Property, plant and equipment

Tangible assets are recognized at cost including accessory charges net of the relative accumulated depreciation.

Ordinary maintenance expenses are fully charged to the income statement. Costs for improvements, modernization and transformations of an enhancing nature are accounted as assets.

The accounting value of tangible assets is subject to review in order to detect possible losses in value either annually or when events or changes in the situation indicate that the carrying value can no longer be recovered (for details please seen paragraph “loss of value – *impairment”).*

Leasing – Leasing contracts are classified as financial leasing when the terms of the contract are such as to substantially transfer all risks and benefits of ownership to the lessee. The assets that are subject to the lease contracts are recognized among property, plant, machinery and are posted as assets at their fair value at the date when they were purchased, or, if lower, to the current value of minimum payments owed for the lease contract, and are depreciated on the basis of their estimated useful life as for assets owned. The corresponding liability towards the lessor is included in the balance sheet. Payments for the lease are divided between the repayment of capital and interest, charged to the income statement of the fiscal period.

Depreciation begins when assets are ready to be used. Property, plants and equipment are systematically depreciated on a straight basis on economic-technical rates that are deemed as representative of the residual possibility of using the assets, with the following indicated rates. Goods made up of components, of significant amounts, with different useful lives are considered separately when determining depreciation.

Depreciation is calculated on a straight basis, as a function of the expected useful lives and of the relative assets, periodically reviewed if necessary, applying the following percentage rates:

Property	2%
Weighing equipment	7.5%
Office furniture	12%
Computers and electronic office equipment	20%
Vehicles	25%
Electronic telephone systems	20%

Profits and losses deriving from the sale or dismissal of assets are determined as a difference between revenue and the net book value of the asset and are booked in the income statement, respectively in other operating revenues and other operating expenses.

Goodwill

Goodwill deriving from acquisitions of companies represents the excess of the cost of an acquisition over the fair value of net identifiable assets and liabilities of the acquired company at the date of acquisition. Goodwill is booked as an asset and is not amortized, but it is reviewed at least once a year to check that it did not incur loss of value (*impairment test)*, as indicated in the subsequent paragraph "Impairment". Any impairment losses are booked to the income statement and cannot be reversed successively.

Should a negative goodwill emerge, it would immediately be recognized in the income statement.

Intangible assets

An intangible asset is booked only if it can be identified, if is is subjected to the control of Parent company and it is probable that it will generate future economic benefits and its cost can be determined in a reliable way. Intangible assets are registered at the cost determined according to criteria indicated for tangible assets. Should it be estimated that the assets have a defined useful life then they are amortized systematically during the estimated useful life and the amortization starts from the moment in which the assets are ready for use or in any case form when they start producing economic benefits for the company.

Following is the useful life generally attributed to the different asset categories:

- Software licenses and similar rights: on the basis of the duration of the license and/or right;
- Other intangible assets: 3 fiscal years.

Investments in subsidiaries, related parties and joint ventures

Stakes in subsidiaries, related parties and joint ventures are booked at their cost, adjusted if necessary for loss in value. The loss of value (impairment) of subsidiaries is determined with reference to cash flows that the subsidiary is capable of producing in the future.

Impairment

At least once per year, but at the end of each fiscal year, the company reviews the book value of its tangible and intangible assets and investments to determine if there are indications that these assets incurred in impairment. Should such indications emerge, the amount that can be recovered is estimated in order to determine the amount of impairment loss. Should it not be possible to determine the recoverable value of a single asset, the Company carries out an estimate of the recoverable value of the cash generating unit to which the asset belongs.

The recoverable value is the higher amongst the net selling price and the value in use. The value in use is defined based on the actualization of future cash flows expected from the use of the good or from cash generating unit to which the asset belongs, discounted using an interest rate, net of taxes, that reflects the current money market value and the specific risks of the assets. The cash generating units have been identified consistently with the organizational and business structure of the related parties, as homogeneous groupings that autonomously generate cash flows deriving from the constant use of assets.

If the recoverable amount of an asset (or of a cash generating unit) is estimated to be lower than the carrying value, the carrying value of the asset is reduced to the lower recoverable value. The loss of value is charged to the income statement.

When a devaluation no longer has reason to be maintained, the carrying value of the asset (or of the cash generating unit), with the exception of goodwill, is increased to the new value deriving from the estimate of its recoverable value, but not exceeding the net book value that the asset would have had if there had been no impairment, net of depreciation that would have had to be calculated before the previous impairment. The reversal of the value is booked to the income statement.

Assets for anticipated taxes

Assets for anticipated taxes are booked at the nominal value. They are booked to the financial statement when their recoverability is deemed probable. See also the item “Income taxes”.

Inventories

Inventories are recognized as the lower of cost and market. Cost is determined, where possible, at the specific purchasing cost or otherwise, using the average weighted cost method. The purchase costs include the additional charges incurred to bring the stock in the current place or in the current conditions. Market is determined based on current selling value of the inventory at the end of the fiscal year minus the estimated necessary costs to sell the asset.

The value of obsolete and slow moving stock is devalued in relation to the possibility of using or selling, through accrual of an *ad hoc* provision.

Account receivables

Trade receivables are recognized at the nominal value reduced by an adequate provision to reflect the estimate of the presumed losses on receivables, considering also a punctual analysis of the expired positions. When due to the allowed terms of payment there is a financial transaction, the receivables are discounted at the current value, booking the discount as an accrual basis in the income statement.
Sale of receivables without recourse for which all risks and benefits are substantially transferred to the factor, determines the elimination of the receivables from assets.

Cash on hand

Cash on hand includes petty cash, checks and current accounts and deposits that can be refunded upon request, which can easily be converted in cash and are subject to an insignificant risk of changes in value.

Own shares

Own shares are stated at cost and reported debiting net equity, including ancillary expenses in buying and selling. The financial effects deriving from possible subsequent sales are recognized in net equity.

Non-current financial liabilities

Financial liabilities are initially recognized at a cost basis, which corresponds to the fair value of the received amount, net of transaction costs that are directly attributed to the borrowing. Afterwards, borrowings are assessed with the criteria of the cost amortized using the effective interest rate method.

Employee benefits

Liabilities related to defined benefit plans (including severance pay for the quota matured before January 1, 2007) are calculated net of eventual assets serving the plan on the basis of actuarial hypothesis and on an accrual basis, coherently with the employment necessary to obtain the benefit; the liability is assessed by independent actuaries. The value of the actuarial profits and losses is booked in the other components of comprehensive income. Following Financial Law No. 296 of December 27, 2006, for companies with over 50 employees the severance indemnity accrued from January 1, 2007 is considered a defined benefit plan.

Accruals for risks and charges

Accruals are booked when the Company has a real obligation as a result of a past event and it is probable that it will be asked to uphold this obligation. Provisions are allocated on the basis of the best estimate of costs requested to fulfil the obligation at the end of the fiscal year and are actualized, when there is a significant impact. In this case, provisions are determined actualizing future expected cash flows at an interest rate before taxes that reflects the current money market over time; the increase of the accrual with the passing of time is booked to the income statement at the “interest charges” line.

Accounts payable - Trade

Payables are recognized at a nominal value. When, owing to the agreed payment terms there is a financial transaction, debts are booked at their current value, attributing the discount as financial cost on an accrual basis.

Other current liabilities

Refers to reports of different nature and are recognized at their nominal value.

Derivatives

Derivatives are solely used to cover exchange rate risk and relating liabilities are booked at fair value. Derivatives are classified as hedging instruments since formally documented and their effectiveness, periodically verified, is high.

The variations in fair value of hedging derivatives, formally not satisfying the accounting conditions for hedge accounting, are booked to the income statement.

Revenue recognition

Revenues are booked for the amount of the benefits that the Group will probably gain and for the amount that can be reliably determined. Following are the specific criteria that have to be respected before booking revenues to the income statement:

Sale of goods – pursuant to IAS 18, the revenue is recognized when all related significant risks and benefits associated with the ownership of the good are transferred to the buyer. In the specific case of the sale of licenses with activation keys, revenue is recognized when activation code is transmitted to the client. For tangible goods, the revenue is normally recognized at shipping of the good.

Services – Revenues are booked at the moment in which they are effectively given. -.

Interest – are posted on an accrual basis.

Dividends – dividends are booked when the right to receive payment is established.

Costs

Costs and other operating charges are booked in the income statement when they are incurred, on an accrual basis and in correlation to revenues, when they do not produce future economic benefits or they do not have the prerequisites to be booked as assets in the balance sheet. Financial charges are booked on an accrual basis as a function of time using the effective interest rate

Income Taxes

Itway S.p.A. (the “consolidating company”) and its Italian subsidiaries exercised the option for the so-called domestic tax consolidation scheme as per articles 117 and following of the DPR 917/86 (TUIR) that allows determining the income tax on the basis of taxable income that is the algebraic sum of the single companies. The economic relationship, the responsibility and the reciprocal obligations, between the consolidating company and the subsidiaries are defined in the “regulation of the consolidation for the companies of the Itway Group”.

The current income taxes are calculated based on the best estimate of the taxable income, in relation to current fiscal legislation.

Deferred taxes

Deferred and prepaid taxes are calculated using the liability method, based on the time differences resulting, at the Financial Statements closing date, on the timing differences from the value of assets and liabilities posted in the balance sheet and the corresponding values recognized for tax purposes.

Active deferred taxes are posted against all timing deductible differences, and for the possible tax losses carried forward, in the amount they are recoverable by future taxable income. The value of deferred tax assets is reviewed at the closing of each fiscal year and reduced if not recoverable. The non-recognized active deferred taxes are reviewed annually at the closing of the financial statement and are posted in the amount in which it has become probable that the fiscal profit is enough to allow such deferred taxes to be recouped.
Deferred and prepaid taxes are calculated based on the tax rates that are forecast to be used in the fiscal year in which such activities will be reversed for tax purposes, taking into account existing tax rates in force at the date of the Financial Statements.

Foreign currency transactions

The functional currency of Itway S.p.A. is the Euro, which is also used for presentation purposes. Foreign exchange transactions, initially, are booked at the exchange rate at the date of the transaction. Assets and liabilities in foreign exchange, except for capital assets, are posted at the reference exchange rate at the date of the closing of the fiscal year and the relative profits and losses are booked in the Income Statement.

Recently issued accounting principles

The separate Financial Statements were drafted using the principles and criteria used to draft the separate Financial Statements at December 31, 2013, since they are compatible, except in terms of what is detailed below.

Accounting principles, amendments and interpretations applicable from January 1, 2014

The accounting principles in drafting the consolidated financial statements are coherent with those adopted for the drafting of the annual balance sheet for the fiscal period that ended December 31, 2013 with the exception of the adoption of new principles and interpretations that were applicable from January 1, 2014 and are as follows:

IFRS 10 - Consolidated Financial Statements: IASB issued the principle on May 12, 2011 supplying a guide to assess the existence of control, a determining factor to consolidate an entity, in those cases where it is not immediately obvious. The adoption of the principle has not entailed changes in the consolidation perimeter of the Group.

IFRS 11 – Joint Arrangements. IASB issued the principle on May 12, 2011. The new principle in addition to governing joint arrangements, establishes the criteria to identify them based on the rights and duties that derive from the contract and not just the legal aspects of the agreement. IFRS 11 rules out the possibility of using the proportional method to consolidate joint arrangements. The adoption of this principle did not entail significant impact on the consolidated financial statements of the Group.

IFRS 12 - Disclosure of interest in other entities. IASB issued the principle on May 12, 2011. The new standard establishes a series of information that the company has to disclose related to interests in other entities, subsidiaries, special purpose vehicles and other special purpose companies (off-balance sheet vehicles). The adoption of the new principle is not expected to have had significant impact on the consolidated financial statements of the Group.

IAS 27 - Separate financial statements. IASB issued the principle on May 12, 2011. It governs the accounting treatment of investments in separate financial statements. The new IAS 27 confirms that investments in subsidiaries, associates or joint ventures are booked at a cost basis or pursuant to IFRS 9; the entity will have to apply a principle that is homogeneous for each category of investment. Furthermore, if an entity decides to value the interest in an associate or joint venture at fair value (applying IFRS 9) in its consolidated financial statements, it will have to use the same principle also in the separate financial statements. The principle has to be applied retroactively. The adoption of the new principle is not expected to have had significant impact on the separate financial statements.

IAS 28 - Investments in associates and joint ventures. Following the issuing of IFRS 11, IASB on May 2011 issued IAS 28 to make it include, for the date in which the new principle came into force, also investments in joint arrangements. The adoption of the new principle is not expected to have had significant effects on the consolidated financial statements of the Group.

Amendments of IFRS 10, IFRS 12 and IAS 27 – Investment entities. IASB in October 2012 issued a set of amendments introducing the concept of investment entity. With this term, IASB aims to identify those subjects that invest their funds exclusively for returns on capital appreciation or investment income or both. IAS 10 was amended to make investees assess their subsidiaries at fair value instead of consolidating them in order to better reflect their business model. IFRS 12 was amended to impose the presentation of specific information regarding subsidiaries of investment entities. The amendments to IAS 27 also eliminated the possibility for the investment entity to choose to value the investments in some subsidiaries on a cost basis or at fair value in the separate financial statements. The adoption of the new principle is not expected to have had significant effects on the Group’s consolidated financial statements.

Amendments to IAS 32 – Financial Instruments – Presentation. IASB on December 16, 2011 clarified the necessary requirements to offset active financial instruments with passive ones publishing an amendment to IAS 32 called “Offsetting Financial Assets and Financial Liabilities”. The new amendments are retroactive and are not expected to have had a significant impact on the Group’s consolidated financial statements.

Amendments to IAS 36 – additional disclosure on the value of recoverable value of non financial activities. In October 2012 IASB issued this principle in a bid to clarify the disclosure on the recoverable value of assets when this value is based on fair value net of sale costs only with regard to activities that have incurred a loss of value. The adoption of this new principle is not expected to have had significant impact on the Group's consolidated financial statements.

Amendments to IAS 39 – Novation of derivatives and continuation of hedge accounting. The amendments aim to address situations in which a derivative used as a hedging instrument is required to be novated to a central counterparty as a result of laws or regulations. The booking of the hedge can therefore continue notwithstanding the novation, something that without the amendment would not have been allowed. The adoption of the new principle is not expected to have had a significant effect on the Group's consolidated financial statements.

The adoption of the above mentioned principles did not have a significant impact on the Group's financial statements.

Accounting principles, amendments not yet effective and that the Group di not adopt in a pre-emptive manner

The following table lists the International accounting principles or amendments of already existing principles that come into force in a mandatory way from January 1, 2015 or subsequently (should the financial statements coincide with the calendar year). The group chose not to adopt these principles in a pre-emptive manner.

EU endorsement regulations	Title	In force from the fiscal period starting
(EU) Regulation 2015/29	**EU Regulation 2015/29 of the EU Commission dated December, 2014 published in the Official Journal L5 on January 9, adopts Amendments to IAS 19 – *Defined benefits plans – employee contribution.*** The changes aim to simplify and clarify the accounting of employee or third party benefits. related to defined benefit	Companies apply the amendments, at the latest, starting from the beginning of their first fiscal period that starts on February 1, 2015 or subsequently.
EU Regulation 2015/28	**EU Regulation 2015/28 dated December 17, 2014 of the EU Commission published in the Official Journal L5 on January 9 adopts the Annual improvements cycle to IFRS 2010-2012** The aim of the annual improvements is to address non-urgent but necessary issues discussed by IASB during the project cycle that began in 2011 on areas of inconsistency found in IFRS or where clarification of the wording was required. The amendments to IFRS 8 and IAS 16, 24, and 38 are clarifications or corrections to the respective standards. The amendments to IFRS 2 and 3 involve changes to the existing requirements and further indications on their application.	Companies must apply the amendments at the latest starting from the beginning of their first fiscal period that starts February 1, 2015 or subsequently.
EU Regulation 1361/2014	**EU Regulation 1361/2014 dated December 18, 2014 of the EU Commission published on the Official Journal L365 of December 19, 2014 adopts the annual improvement cycle to IFRS for *2011-2013*.** The objective of the annual improvements is to address non-urgent, but necessary issues discussed by the IASB during the project cycle that	Companies apply the amendments starting from the beginning of their first fiscal period that starts the first day of the month following

	began in 2011 on areas of inconsistency in IFRS or where clarification of wording is required. The amendments to IFRS 3 and 13 are clarifications or corrections to their respective standards. The amendments to IAS 40 involve changes to the existing requirements or additional guidance on the implementation of those requirements	the entry into force of the current regulation or subsequently
EU Regulation 634/2014	**EU Regulation 634/2014 dated June 13, 2014 of the EU Commission, published in the Official Journal L 175 on June 14, 2014 adopts the IFRIC 21 interpretation: *Levies*** The interpretation addresses the accounting for a liability to pay a levy if that liability is within the scope of IAS 37. It also addresses the accounting for a liability to pay a levy whose timing and amount is certain.	Starting from the fiscal periods that start from June 17, 2014

During the fiscal period, IASB amended some IAS/IFRS principles that were previously issued and published new International accounting principles. None of these updates were used to draft the consolidated financial statements since the EU Commission still did not endorse them.

Other information

With regards to the Consob information request regarding significant transactions and balances with related parties, please note that, in addition to being highlighted in an *ad hoc* Note if significant they are indicated separately in the financial statements sheets

1. Revenues

Revenues for the fiscal period ending December 31, 2014 totalled Euro 37,778 thousand and are comprised by:

Thousand of Euro	Fiscal year ending 31/12/2014	31/12/2013	Variation
Revenues from sale of products	37,253	44,699	(7,446)
Revenues from services	525	532	(7)
Total	**37,778**	**45,231**	**(7,453)**

Itway mainly operates in the information products distribution segment (hardware and software) and offers a complete portfolio of services and technological solutions for security of information and to manage IT infrastructures.

Information on the revenue drop is included in the Management Report.

2. Other operating revenues

Other operating revenues for the fiscal period ending December 31, 2014 total Euro 3,799 thousand and are comprised by:

Thousand of Euro	Fiscal year ending 31/12/2013	31/12/2012	Variation
Advertising and Marketing Contributions	354	508	(154)
Refund of transportation and collection costs	37	29	8
Other revenues and proceeds	3,408	1,492	1,916
Total	**3,799**	**2,029**	**1,770**

The advertising and marketing contributions refer to contribution by vendors for marketing and co-marketing activities carried out during the fiscal period. These fees are provided in the main distribution agreements.

The item Other income also includes recharged services to subsidiaries, under specific agreements. The increase compared to the previous year is mainly caused by the sale of an asset to the Turkish subsidiary.

3. Products (net of the change in raw material inventories and stock)

Following is the breakdown:

Thousand of Euro	Fiscal year ending 31/12/2014	31/12/2013	Variation
Purchase of products and services	33,883	39,724	(5,841)
Cost for resold services	18	60	(42)
Other purchases of consumption material and miscellaneous	121	126	(5)
Additional purchasing charges (transportation)	97	106	(9)
Total	**34,119**	**40,016**	**(5,897)**

In the Purchase of Products item the drop is related in a more than proportional manner to the fall in sales volumes with a resulting recovery in margins as indicated in the management report

4. Costs of services

Following is the breakdown:

Thousand of Euro	Fiscal year ending 31/12/2014	31/12/2013	Variation
Consultancy and collaborators	1,655	1,827	(172)
Advertising and trade expositions	230	182	48
Travel and representation	424	340	84
Directors' remunerations and social charges	694	686	8
Agents	175	164	11
Telecom expenses	78	63	15
Services, courses and client assistance	330	291	39
Insurance	133	110	23
Specialist costs, IR and securities service	137	97	40
Auditing company fees	84	84	-
Compensation for statutory auditors	85	86	(1)
Electricity, water and gas	36	45	(9)
Other expenses and services	276	236	40
Total	**4,337**	**4,211**	**126**

Please note that:

- The "consultancy" item includes consultancies for services from the other companies of the Group for Euro 725 thousand (Euro 815 thousand to December 31, 2013), technical consultancies for Euro 156 thousand, consultancies and commercial collaborations and marketing of 556 thousand Euro, administrative, fiscal and financial consultancies for 160 thousand Euro, legal or notary consultancy for 130 thousand Euro and various consultancies for 28 thousand Euro. Among the consultancy included are the collaborations for specific projects and the relative social charges.

- The table indicates emoluments for the corporate entities deliberated by the General Shareholders' meeting including the relative social charges.

5. Cost of Personnel

Following is the breakdown, compared with the previous period:

Thousand of Euro	Fiscal year ending 31/12/2014	31/12/2013	Variation
Salaries	1,026	1,056	(30)
Social Charges	329	338	(9)
Severance indemnity	77	85	(8)
Other costs	-	3	(3)
Total	**1,432**	**1,482**	**(50)**

The average and punctual number of employees is indicated in the following table:

	31/12/2014 *Avg figure*	31/12/2013 *Avg figure*	Variation	31/12/2014 *Actual figure*
Managers	1	1	-	1
Mid-managers	4	5	(1)	4
Employees	30	31	(1)	30
Total	**35**	**37**	**(2)**	**35**

6. Depreciation and Amortization

Thousand of Euro	Fiscal year ending 31/12/2014	31/12/2013	Variation
Depreciation of tangible assets	118	121	(3)
Amortization of intangible assets	193	224	(31)
Total	**311**	**345**	**(34)**

7. Other operating expenses

Following is the breakdown of the other operating expenses compared with the previous fiscal period:

Thousand of Euro	Fiscal year ending 31/12/2014	31/12/2013	Variation
Rent for lease, offices and vehicles	285	259	26
Net Provisions for risks and charges	6	6	-
Allowance for doubtful accounts	124	135	(11)
Other extraordinary	196	154	42
Other charges	**611**	**554**	**57**

8. Interest income and expenses

Following is the breakdown of item:

Thousand Euro	Fiscal year ending 31/12/2014	31/12/2013	Variation
Income from intercompany receivables	347	508	(161)
Other income	46	62	(16)
Total financial income	**393**	**570**	**(177)**
Interest charges from banks	(732)	(769)	37
Bank commissions	(183)	(220)	37
Total	**(915)**	**(989)**	**74**

The income mainly refers to interest on financing granted to subsidiaries.

9. Income taxes

Following is the breakdown of income taxes:

Thousand of Euro	Fiscal year ending 31/12/2014	31/12/2013	Variation
Current income Taxes (IRES)	2	6	(4)
Irap	88	86	2
Taxes (pre-paid) and deferred	(32)	27	(59)
Other income taxes	69	188	(119)
Total	**127**	**307**	**(180)**

The following table highlights the reconciliation of the theoretical fiscal charge and the effective fiscal charge relating to income taxes (IRES):

Thousand of Euro	**Fiscal year ending**			
	31/12/2014		**31/12/2013**	
	Taxable income	**Tax**	**Taxable income**	**Tax**
Pre-tax result	**232**		**236**	
Theoretical fiscal charge 27.5%		65		65
Temporary differences deductible in subsequent fiscal years	138		131	
Differences that will not be carried over into subsequent fiscal years	(387)		(251)	
Carry-over of temporary differences from previous fiscal years	19		(95)	
Taxable income at 27.5%	2	2	20	6
Current taxes (IRES) of the fiscal		**2**		**6**
Deferred taxes, net of the use of taxes allocated in previous fiscal years		(27)		(28)
Anticipated taxes, net of the use of anticipated taxes allocated in previous fiscal years				
Net IRES of the fiscal year		**(26)**		**(22)**

The following table highlights the reconciliation between accounting tax charges relating to the Irap tax and the relative theoretical tax charge

	Fiscal year ending			
Thousand of Euro	**31/12/2014**		**31/12/2013**	
	Taxable income	**Tax**	**Taxable income**	**Tax**
Pre-tax profit	**232**		**236**	
Costs that are not relevant for IRAP purposes	2.042		1.914	
Total	2.274		2.149	
Theoretical fiscal charge 3.9%		88		84
Temporary differences deductible in subsequent fiscal years			129	
Differences that will not be carried over in subsequent fiscal years			21	
Carry over of the temporary differences from previous fiscal years			(93)	
Taxable income Taxable at 3.9%	2.274		2.206	
Current IRAP of the fiscal year		**88**		**86**
Deferred taxes net of the use of taxes allocated in previous fiscal years		(5)		1
Anticipated taxes net of the use of anticipated taxes allocated in the previous fiscal years				
Net IRAP of the fiscal year		**84**		**87**

10. Property, plant and equipment

Property, plants and equipment are expressed net of accumulated depreciation and have the following composition and variation in the last two fiscal years

Thousand of Euro	Property and offices	Other assets	Total
Purchase cost	3,321	1,310	4,631
Balance at 31.12.2012	**3,321**	**1,310**	**4,631**
Increases		59	59
Balance at 31.12.2013	**-**	**59**	**59**
Decreases	-	-	-
Balance at 31.12.2013	**-**	**-**	**-**
Accrued amortizations	259	1,179	1,438
Balance at 31.12.2012	**259**	**1,179**	**1,438**
Accumulated depreciation	62	59	121
Balance at 31.12.2013	**62**	**59**	**121**
Net book value			
December 30, 2012	3,062	131	3,193
December 31, 2013	**3,000**	**131**	**3,131**

Thousand of Euro	Property and offices	Other assets	Total
Purchase cost	3,321	1,369	4,690
Balance at 31.12.2013	**3,321**	**1,369**	**4,690**
Increases	1	52	53
Balance at 31.12.2014	**1**	**52**	**53**
Decreases	-	-	-
Balance at 31.12.2014	**-**	**-**	**-**
Accrued amortizations	321	1,238	1,559
Balance at 31.12.2013	**321**	**1,238**	**1,559**
Accumulated depreciation	69	48	118
Balance at 31.12.2014	**69**	**48**	**118**
Net book value			
December 31, 2013	3,000	131	3,131
December 31, 2014	**2,932**	**134**	**3,066**

The item property and offices reflects the value of the Milan office, bought in October 2008 through an 18-year leasing agreement, booked including directly attributable accessory charges. The related residual debt is booked in the non-current financing liabilities line (Note 25 and 26).

Investments booked during the period refer to the purchase of computers, network servers.

11. Goodwill

Goodwill as of December 31, 2014 totalled Euro 169 thousand, and was unchanged from December 31, 2013 since from the impairment test no need to write-off emerged.

12. Other intangible assets

Following is the breakdown and variation of other intangible assets in the last two fiscal years:

Thousand of Euro	**Software Licences and Patent rights**	**Others**	**Total**
Purchase cost	1,023	1,367	2,390
Balance at 31.12.2012	**1,023**	**1,367**	**2,390**
Increases	83	78	161
Balance at 31.12.2013	**83**	**78**	**161**
Decreases	-	-	-
Balance at 31.12.2012	**-**	**-**	**-**
Accrued amortizations	862	1,171	2,033
Balance at 31.12.2012	**862**	**1,171**	**2,033**
Amortizations for the fiscal period	134	90	224
Balance at 31.12.2013	**134**	**90**	**224**
Net value			
December 30, 2012	161	196	357
December 31, 2013	**110**	**184**	**294**

Thousand of Euro	**Software Licences and Patent rights**	**Others**	**Total**
Purchase cost	1,106	1,445	2,551
Balance at 31.12.2013	**1,106**	**1,445**	**2,551**
Increases	82	62	144
Balance at 31.12.2014	**82**	**62**	**144**
Decreases	-	-	-
Balance at 31.12.2014	**-**	**-**	**-**
Accrued amortizations	996	1,261	2,257
Balance at 31.12.2013	**996**	**1,261**	**2,257**
Amortizations for the fiscal period	109	84	193
Balance at 31.12.2014	**109**	**84**	**193**
Net value			
December 31, 2013	110	184	294
December 31, 2014	**83**	**162**	**245**

As of December 31, 2014:

The increase in software licence and patent rights totals Euro 82 thousand and mainly represents the value of investments for the corporate web-site and e-commerce;

The increase in other intangible fixed assets totals Euro 62 thousand and represents the value of investments for corporate information system.

13. Investments in minority interests

Following is some information regarding investments of the Company:

Subsidiaries	Headquarters	Share capital in Euro	% Direct ownership	% Indirect ownership	Value as of December 31 , 2014	Value as of December 31, 2013
Business-e S.p.A.	Via L. Braille 15, Ravenna	1.001.084	100%		9,298	9,298
Itway Iberica S.L.	Argenters 2, Cerdanyola del Vallès, Barcelona	560.040	100%		2,554	2,544
Itway France SAS	76, rue Thiers Paris	100.000	100%			
Itway Turkiye Ltd.	Eski Uscudar Yolu 8/18, Istanbul	1.500.000 *	100%		1,450	0,5
Itway Cube S.r.l.	Via L. Braille 15, Ravenna	10.000	100%		10	10
Itwayvad S.r.l.	Via L. Braille 15, Ravenna	10.000	100%		10	10
Itway Hellas S.A.	Ag. Ioannu Str. 10, Athens	846.368	100%		3,409	3,409
Diogene S.r.l.	Via V. Mazzola 66, Rome	78.000	100%		88	88
iNebula S.r.l.	Via L. Braille 15, Ravenna	10.000	75%		7.5	8.5
iNebula Tech S.r.l.	Via L. Braille 15, Ravenna	10.000	100%		10	10
Other companies						
Dexit S.r.l.	Via G. Gilli 2, Trento	700.000	9%		374	374
Total					**17,210**	**15,761**

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

The data on Net Equity and the Net Result of the subsidiaries, detailed in the following table, are taken from the financial statements for the fiscal year ending December 31, 2014approved by the respective Board of Directors and rectified, where necessary, to adjust them to the accounting principles adopted by the Company.

		At 31st December 2014			
Name (Euro)	**%**	**Capital and Reserves**	**Profit/Loss**	**Share of Net Equity**	**Book Value**
Business-e S.p.A.	100%	3,641,932	641,197	3,641,932	9,297,606
Diogene S.r.l.	100%	107,594	4,641	107,594	87,967
It Way Cube S.r.l	100%	64,447	5,837	64,447	10,000
Itwayvad S.r.l.	100%	1,243,236	1,217,464	1,243,236	10,000
Itway Iberica S.L.	100%	430,807	(921,038)	430,807	2,553,925
Itway France S.A.S.	100%	(7,120,492)	(454,306)	(7,120,492)	-
Itway Hellas S.A.	100%	265,026	47,884	265,026	3,408,566
Itway Turkiye Ltd.	100%	1,865,313	613,173	1,865,313	1,450,498
iNebula S.r.l.	75%	(47,137)	(56,247)	(35,353)	7,500
iNebula Tech S.r.l. (*)	100%	8,741	(1,259)	8,741	10,000
Dexit S.r.l. (*)	9,00%	2,069,162	609,479	186,225	373,544
Total Investments					**17,209,605**

**As of December 31, 2013 financial statements*

For a better understanding of the activities carried out by subsidiaries, please see the Group's consolidated financial statements drafted by the Board of Directors contextually with the current financial statements.

Subsidiary Business-e S.p.a. ended the fiscal year with a net profit of Euro 641 thousand. The 2014 fiscal year confirmed the positive trend that started in the past fiscal periods with the signing of some multi-year contracts that were important both in terms of volumes and of the innovative technologies applied, consolidating therefore both volumes and profitability.

Itway Iberica S.L is the subsidiary that most was most subject to the worsening of the macroeconomic situation with a contraction both in volumes and margins that brought to a result that is still not positive. The subsidiary during the fiscal period underwent a restructuring that started in the previous fiscal period, in terms of focus on the lines being distributed and in terms of structure, the effects of which will be fully seen starting from 2015.

The French subsidary, after a further restructuring that has now come to an end, reduced losses but still finished 2014 with negative results. The business lines were closed, to date it only has one employee, and all costs have been brought to zero so during 2015 it should not post significant losses. It was not deemed necessary to carry out further allocations to the fund to cover losses of foreign subsidiaries (Note 24) . The subsidiary is currently reviewing the role that the Group will choose to have on the French market.

Itwayvad Yazilim Ve Donanim Dagitim Ticaret Limeted Sirketi (in short “Itway Turkiye”), l. maintains a positive trend and a leadership position in the IT security segment that, being outside from the Euro area, it established itself with significant development possibilities. The subsidiary achieved significant increases in volumes and margins, both in percentage terms and in absolute terms and ended the fiscal period with a net profit of Euro 613 thousand. On December 23, 2014, in a bid to rationalize the investment of Itway S.p.A., the Company acquired from Itwayvad S.r.l 99.93% of the Turkish subsidiary so that it now owns 100% of Itwayvad Yazilim Ce Donanim Dagitim Ticaret Limited Sirketi.

Itway Hellas S.A, after the reorganization that was completed in the past few fiscal periods, broke even despite the difficult situation of the Country, ending the second consecutive fiscal period with a profit that in 2014 totalled almost 48 thousand Euro.

Diogene S.r.l. and Itway Cube S.r.l. during the 2014 fiscal year supplied services to other companies of the Group.

iNebula Tech S.r.l was constituted towards the end of the fiscal year and is not yet operational.

iNebula S.r.l. during the period started supplying “in the cloud” information services, but did not yet reach significant volumes.

Dexit continued operating mainly in the Autonomous Province of Trento ending the fiscal period to December 31, 2013 with a net profit of Euro 609 thousand. The financial statements to December 31, 2013 are still not available and will be approved according to the terms set by law.

The book value of investments was subject to *impairment tests* on December 31, 2014 confirming the book value expressed without the need to make any write-off.
In order to verify the possible impairment of goodwill, the Discounted Cash Flow (DCF) method was used. This method requires discounting cash flows on the basis of an interest rate that represents the specific risk of the different Cash Generating Units (CGU) that coincides with the legal entities

The expected cash flows are taken from the five-year business plans to December 31, 2019 of the identified CGUs, approved by their respective Board of Directors, based on the performance expected, forecasted by independent Institutions, of the markets where the single CGU operate and acknowledged on the basis of the single historical trends and the expected specificity. In addition to the expected flows expected for 2015-2019 period, it has to be added the so-called Perpetuity, which represents the Terminal Value. The medium/long term growth rate is equal to the expected value of inflativo in the reference country.

The discounted interest rate used (WACC – Weighted Average Cost of Capital) is between 6.3% and 15.7%, depending essentially on the Country risk of the where the single C.G.U operates.

In this context, the situation caused by the current economic and financial crisis entailed the need to make assumptions regarding a future performance that is characterized by significant uncertainty. Therefore it cannot be ruled out that in the near future there could be results that are different from those forecast and that may require adjustments, which obviously to date cannot be estimated nor forecast, to the book value of the relative investments.

The following sheet highlights the financial data of the Subsidiaries:

	Current assets	Non current assets	Current liabilities	Non current liabilities	Revenues	Profit/ Loss of the period	Minus/Plus from discontinued operations	Other components of comprehensive statement	Total comprehensive statement
Dexit S.r.l.	4,982	200	2,921	191	9,030	609	-	-	609

**As of December 31, 2013 financial statements*

14. Deferred tax assets

Prepaid taxes of Euro 380 thousand (Euro 367 thousand as of December 31, 2013) mainly represent active deferred taxes for the most part deriving from funds taxed that the Company expects to recover in future fiscal years on the basis of the expectable taxable income.

The following sheet highlights the changes in the period:

	31st December 2014			**31st December 2013**			
Thousand of euro	**Amount**	**Rate**	**Deferred taxes**	**Amount**	**Rate**	**Deferred taxes**	**Variation**
Allowance for stock depreciation	123	31,40%	39	129	31,40%	40	(1)
Allowance for doubtful account	1,075	27,50%	295	1,092	27,50%	299	(4)
Others	167	27.50%	46	98	27.50%	27	19
Total	**1,365**		**380**	**1,319**		**366**	**14**

15. Other non-recurring assets

Other non-current assets, as of December 31, 2014 mainly refer to caution deposits.

16. Inventories

Inventories, represented essentially by software and hardware, as of December 31, 2014 totalled Euro 1,858 thousand (Euro 2,082 thousand as of December 31, 2013); this amount is net of the allowance for obsolescence (Euro 123 thousand and Euro 93 thousand respectively, unchanged from December 31, 2013). In the quarter the stock had a rotation index of some 21 times.

17. Account receivables-Trade

Trade receivables as of December 31, 2014, all short-term, total Euro 14,444 thousand (Euro 13,849 thousand as of December 31, 2013). The value is net of the allowance for doubtful accounts, which as of December 31, 2014 stood at Euro 1,244 thousand (Euro 1,326 thousand at December 31, 2013). Such allowances are considered congruous with the insolvency risks of the existing receivables.

Following are the movements of the allowance for doubtful accounts:

	Fiscal year ending	
Thousand of Euro	**December 31, 2014**	**December 31, 2013**
Beginning balance	1,326	1,220
Provisions for the period	125	135
Uses	(207)	(29)
Ending balance	**1,244**	**1,326**

Following is the breakdown of account receivables as at December 31, 2014 classified by expiration:

	Fiscal year ending	
Thousand of Euro	**31/12/2013**	**31/12/2012**
Expiring	11,772	9,411
Expired up to 30 days	973	2,192
Expired from 30 to 60 days	164	237
Expired over 60 days	2,779	3,335
Total gross receivables	**15,688**	**15,175**
Provision	(1,244)	(1,326)
Total	**14,444**	**13,849**

18. Financing towards subsidiaries

The company, in order to centralize and optimize its Treasury operations, has current financial relationships, regulated at market rates, with its subsidiaries for an overall Euro 8,685 thousand (Euro 8,025 thousand as of December 31, 2013).

19. Other current assets

Following is the breakdown of the other current assets:

	Fiscal year ending		
Thousand of Euro	31/12/2014	31/12/2013	Variation
Tax receivables	419	431	(12)
Advance payments to suppliers and other receivables	544	779	(235)
Accruals and Deferrals	189	85	104
Total	**1,152**	**1,295**	**(143)**

20. Cash on hand

Following is the breakdown:

	Fiscal year ending		
Thousand of Euro	31/12/2014	31/12/2013	Variation
Bank and Postal deposits in Euro	1,709	1,856	(147)
Bank Deposits in US Dollars	50	176	(126)
Money and petty cash	5	2	3
Total	**1,764**	**2,034**	**(270)**

21. Net Equity

Shares Capital

The paid-in share capital as of December 31, 2014 is represented by No.7,905,318 ordinary shares with a nominal value of 0.5 Euro each, equal to Euro 3,951,659.

Own shares reserve

This reserve recognizes the value of the own shares at the date of the current Financial Statements.

The Company at December 31, 2014 owned No. 703,075 own shares (equal to 8.80% of share capital) for a nominal value of 351,537.50 Euro and a cost of purchase in the fiscal year of some 519 thousand Euro. During the period 327,281 own shares were purchased (equal to

4.14 % of share capital) for a nominal value of 163,640.50 Euro, as authorized by the Shareholders meeting of Itway S.p.A while no shares were sold .

Share premium

As of December 31, 2014, it totals Euro 17,584 thousand, unchanged from the previous fiscal period.
Pursuant to article 2431 of the Civil code, the share premium reserve can be distributed just in case of the legal reserve has reached one fifth of share capital.

Legal Reserve

As of December 31, 2014 it is equal to 450 thousand Euro and has not changed compared with the previous fiscal year.

Earning/(losses) forward reserve

As of December 31, 2014 it amounts to Euro 3,089thousand (Euro 2,913 thousand as of December 31, 2013), down Euro 71 thousand after the postpone of the loss from the previous fiscal year, as per the May 9, 2014deliberation of the shareholders' meeting and due to the bringing to present value of employee benefits

The voluntary reserve includes the effects on net equity deriving from the transition to the international accounting standards carried out to September 30, 2004.

22. Employee benefits

This item highlights the provisions for personnel for the severance indemnity due pursuant to the law, net of the advances given to employees and transfers to pension funds that during the fiscal period totalled Euro 12 thousand. Following are the changes posted in the past two fiscal years:

Thousand of Euro	31/12/2013	Increases	Use	31/12/2014
Severance indemnity	512	16	65	106
Total	**512**	**16**	**65**	**106**

Following are the main assumptions used in the actuarial estimates of employee benefits:

Calculation date	**31/12/2014**
Mortality rate	IPS55 Tables
Invalidity rate	INP Tables -2000
Personnel rotation rate	3.00%
Discount rate	1.49%
Salary increase rate	3.00%
Rate of advances	2.00%
Inflation rate	1.50%

The actuarial hypothesis include:

a) Demographic hypothesis on the future characteristics of employees that are entitled to benefits include:
   - Mortality: mortality rate of employees (the death probability are those every-day tables used by insurers);
   - Inability of the active population: the probability of becoming invalid during work activity (the probabilities are those every-day tables used by insurers and reinsurers);
   - Turnover: is the probability of elimination due to reasons other than death, of inability and of retirement (the hypothesis used reflect the reality of the Group);
   - Annual probability of requests for advances on the severance pay: the propensity to ask for an advanced payment of a part of the total accrued severance pay.

b) Financial hypothesis
   - Discount rate: the interest rate used to bring to present value the liabilities related to after the end of the work relationship has to be calculated with reference to market returns at the reference date of the balance sheet; the medium/long-term average yield of high-quality corporate securities (those with at least an AA rating) is used, in line with the average duration of the services rendered;
   - Salary increase rate: it is an estimate of future salary lines; it considers inflation and professional title;
   - Expected inflation rate: the ISTAT long-term inflation rate is used.

Assuming a 50 basis point increase in the technical actuarial rate compared with the one effectively applied for assessments to December 31, 2014 and all other actuarial hypothesis being equal, the potential loss of current value of liabilities for defined benefit plans underway would total some Euro 51 thousand. At the same time, assuming a 50 basis point drop in the same interest rate, there would be a potential increase in the current value of the liability of some Euro 55 thousand.

The changes to the remaining actuarial hypothesis would generate a significantly lower impact on the current value of the liabilities for defined benefit plans booked in the balance sheet.

23. Accruals for risks and charges

Following are the changes posted in the past two fiscal years:

Thousand of Euro	**31/12/2013**	**Increases**	**Use**	**31/12/2014**
Sales agent indemnity provision	35	6	-	41
Fund to cover losses on investments	5,620	-	-	5,620
Total	**5,655**	**6**	**-**	**5,661**

The fund to cover losses on investments was allocated in the previous years in view of the need to recapitalize Itway France.

24. Deferred tax liabilities

Deferred tax liabilities are booked against temporary differences that will be taxable in future fiscal periods and amount to, as of December 31, 2014, Euro 80 thousand, unchanged from the previous fiscal year and are for Euro 61 thousand represented by deferred taxes on the lower amortization of goodwill booked in the financial statement of the Company and for Euro 19 thousand on the actualization of the severance indemnity.

25. Non current financial liabilities

Thousand of Euro	Fiscal year ending 31/12/2014	31/12/2013	Variation
Non-current debt for leasing	2,163	2,240	(77)
Special purpose financing for Dexit participation purchase	77	110	(33)
24-month financing from BPER	-	172	(172)
Others	1	3	(2)
Total	**2,241**	**2,525**	**(284)**

This item represents for Euro 2,163 thousand the non-current quota of the debt towards the leasing institute for the Milan offices as cited earlier (Note 10), expiring in 2026. The main details of the leasing transaction are: cost of the property: 2,995 thousand Euro; variable interest rate (3-month Euribor plus spread 160 bp) convertible into a fixed rate chosen by the lessee.

Following are the details of the residual non-current leasing debt divided by expiry:

Thousand of Euro	31/12/2014	31/12/2013
Non-current residual debt for leasing, including the interest quota:		
from 1 to 5 years	900	900
Over 5 years	1,572	1,766
Total	**2,472**	**2,666**
Interests	(309)	(426)
Residual leasing debt, net of interest	**2,163**	**2,240**

Thousand of Euro	31/12/2014	31/12/2013
Residual leasing debt, net of interest:		
from 1 to 5 years	365	341
Over 5 years	1,798	1,899
Residual leasing debt, net of interest	**2,163**	**2,240**

Furthermore, non-current financing liabilities reflect for Euro 77 thousand a special purpose financing for the purchase in previous years of the stake in Dexit S.r.l.

26. Bank overdrafts and Loans

As of December 31, 2014 they total Euro 11,196 thousand (Euro 10,207 thousand as of December 31 2013), and debts towards banks for advance payments on short-term account receivables , regulated at a 1-3 month Euribor plus an average spread of 425 bp (480bp for the previous fiscal year) and are not covered by other guarantees. Furthermore, this item includes, for some Euro 731 thousand, the short-term quota of the leasing and the financial debts reported in Note 26.

27. Trade payables

Trade payables, including invoices not yet received, amount to Euro 16,571thousand as of December 31, 2014 and Euro 16,403 as of December 31, 2013.
Trade payables are all short-term.

28. Tax payables

Tax payables as of December 31, 2014 amount to Euro 3,033 thousand (Euro 906 thousand as of December 31, 2013) with the following breakdown:

	Fiscal year ending		
Thousand of Euro	**31/12/2014**	**31/12/2013**	**Variation**
Debt for income tax	2,946	805	2,141
VAT	77	101	(24)
Withholding on personnel compensations	10	-	10
Total	**3,033**	**906**	**2,127**

The Company closed the fiscal year until September 30, 2007 without further charges compared to those declared.

In the fiscal period ending September 30, 2011 the Company was subject to a review by the Ravenna Province Tax Agency for the 2008 fiscal year. The review ended up with the official tax audit report followed, to date, by notices of investigation. The company, supported by its tax consultants, does not feel that these checks can bring to significant liabilities; as a result, no tax allowance fund was posted.

In January 2014 the company was subject to a tax audit from the Ravenna Province Tax Agency for the 2009, 2010 and for 2014. The reviews ended up with an official tax audit report that was followed by tax settlement for the 2009 fiscal period for which liabilities of 14 thousand Euro are included in the current financial statements while for the 2010 fiscal period, to date, there still has not been a notice of investigation. The Company does not feel that any significant liability can arise from this audit.

29. Other current liabilities

As of December 31, 2014, the other current liabilities total Euro 433 thousand (Euro 377 thousand as of December 31, 2013) with the following breakdown:

	Fiscal year ending		
Thousand of Euro	**31/12/2014**	**31/12/2013**	**Variation**
Debt towards personnel for remuneration	39	47	(8)
Other debt towards personnel	173	105	68
Debt towards directors and collaborators	14	38	(24)
Debt towards social institutions	115	103	12
Accruals and deferrals	89	79	10
Advanced payments received and others liabilities	3	5	(2)
Total	**433**	**377**	**56**

The other debt towards personnel includes provisions for deferred remuneration (regular vacation and additional yearly payroll).

30. Obligations and guarantees

Following are the existing obligations and guarantees as of December 31, 2014:

- Obligations towards banks for the purchase of foreign currency for Euro 6,519 thousand to hedge exchange rates for specific commercial transactions to buy products;

- Goods, owned by the Group, held by third parties for Euro 566 thousand in the warehouse of third parties;

- Third party guarantees in our favour for Euro 1,462 thousand relative to bank guarantees on behalf of the Company in favour of landlords of the property of the Company headquarters, and other suppliers;

- Company guarantees for Euro 18,260 thousand in favour of subsidiaries in order to obtain credit lines to unfreeze account receivables, with Euro 5,296 thousand used to the financial statements date.

31. Information on related parties transactions

During the 2014 fiscal year, the Company had commercial and financial relationships with related companies. These are normal business activities, regulated with contractual conditions established by the parities at fair value, consistent with the ordinary market procedures showing as follows:

In thousand of Euro	Receivables	Payables	Costs	Revenues
Itway S.p.A. vs Giovanni Andrea Farina & Co. S.r.l.	211	-	-	1
TOTAL	**211**	**-**	**-**	**1**

The Group's relationship with its managers are summed up in the Remuneration Report of the Board of Directors.

32. Infra-group relationships

The following table sums up the relationship with the companies of the Itway Group at the market value:

Thousand of Euro	Account receivables	Financial credits	M/L term loans	Financial debt	Operatin g costs	Revenues and other revenues
Business- e S.p.A.	7,358	4,151	-	281	403	7,700
Diogene S.r.l.	-	104	-	140	273	203
Itway Iberica S.L.	182	-	190	-	42	171
Itway France S.A.S.	408	3,709	-	-	-	6
Itway Cube S.r.l.	-	347	-	43	458	16
Itwayvad S.r.l.	-	-	-	1,350	274	56
iNebula S.r.l.	459	374	-	-	-	51
Itway Hellas S.A.	1,033	-	-	-	-	521
Itway Turkiye Ltd.	1,285	-	-	-	-	735
Total	**10,725**	**8,685**	**190**	**1,814**	**1,450**	**9,459**

Commercial relationships

The company is not in a situation of being dependent or controlled by other companies. Itway S.p.A carries out commercial sales and purchase transactions of products and services with subsidiaries, within the normal management of the Company.

Financial relationships

The Company, in order to centralize and optimise Treasury services, has current account financial relationships, regulated at market rates with subsidiaries, highlighted in the previous table, for an overall Euro 8,685 thousand as of December 31, 2014.

33. Remuneration to Directors, Auditors, Managing directors and Managers with strategic responsibility

Following the introduction of article 123 ter of the TUF, the data on these remunerations are reported analytically on the report on remuneration that will be made available to the public within the terms foreseen by law at the legal headquarters. It will also be possible to consult them on the Internet site www.itway.com in the Investor Relation section

34. Net financial position

Pursuant to Consob Communication No. 6064293 of July 28 2006, following is the breakdown of the Company's net financial position not inclusive of intercompany loans:

Thousand of Euro	31/12/2014	31/12/2013
Cash on hand	1,764	2,034
Bank overdrafts and Loans	(11,196)	(10,206)
Net current financial position	**(9,432)**	**(8,172)**
Non-current financial liabilities	(2,241)	(2,525)
Non-current net financial position	**(2,241)**	**(2,525)**
Total net financial position	**(11,673)**	**(10,697)**

A detailed analysis of the movements that generated the changes in the Net Financial Position is deferred to the Cash Flow Statement. The punctual situation at the end of the year reflects the situation of the working capital employed that is impacted by the heavy concentration of volumes at the end of the fiscal period. The Net Financial Position includes the use of non-recourse factoring of trade receivables that amounted to Euro 3,950 thousand as of December 31, 2013 (Euro 4,199 thousand at December 31, 2013).

The non-current net financial position mainly reflects the medium term debt towards a leasing company, for the rent of the Milan offices, the debt related to the purchase of the stake in Dexit.

35. Subsequent events

There were no relevant events after the end of the fiscal period ending at 2014 and up today.

36. Non recurrent, atypical and/or unusual transactions

During the fiscal year that ended on December 31, 2014, no significant and/or non recurrent and/or atypical and/or unusual transactions were carried out with third parties or between the companies of the Group as defined by Consob Communication of July 28, 2006.

37. Financial risk management: objectives and criteria

The international accounting principle IFRS 7 requires providing disclosures in their financial statements that enable users to evaluate:

- The significance of financial instruments for the financial position and performances;

- The nature and entity of risks arising from financial instruments to which the Company is exposed during the fiscal year and as at the reporting date, and how the entity managed those risks.

The accounting principles regarding financial instruments applied in drafting the separate balance sheet are described in the section Accounting Principles and Main Assessment Criteria, while the definition of financial risks and the analysis of the degree of significance of the exposure of the Company to the different categories of risks identified are reported hereinafter.

The main financial activities of the Company are represented by account receivables, and cash and cash on hand that directly derive from the operating activity. Financial liabilities are made up of short-term debt towards major credit institutes and also medium- and long-term debt towards leasing companies.

ASSETS *Thousand of Euro*	**December 31, 2014** *Carrying amount*	*Assets for derivatives at FVTPL (*)*	*Loan and receivables*	*Hedging derivatives*	*Assets available for sale*
Inter-company financing M/L term	-	-	-	-	-
Other non-current assets	91	-	91	-	-
Non-current assets	**91**	**-**	**91**	**-**	**-**
Account receivable – Trade	14,444	-	14,444	-	-
Financing to subsidiaries	8,685	-	8,685	-	-
Account receivable from subsidiaries	10,724	-	10,724	-	-
Other current assets	1,152	-	1,152	-	-
Cash on hand	1,764	-	1,764	-	-
Current assets	**36,769**	**-**	**36,769**	**-**	**-**

ASSETS *Thousand of Euro*	**December 31, 2013** *Carrying amount*	*Assets for derivatives at FVTPL (*)*	*Loan and receivables*	*Hedging derivatives*	*Assets available for sale*
Inter-company financing M/L term	1,321	-	1,321	-	-
Other non-current assets	34	-	34	-	-
Non-current assets	**1,355**	**-**	**1,355**	**-**	**-**
Account receivable – Trade	13,849	-	13,849	-	-
Financing to subsidiaries	8,025	-	8,025	-	-
Account receivable from subsidiaries	7,879	-	7,879	-	-
Other current assets	1,295	-	1,295	-	-
Cash on hand	2,034	-	2,034	-	-
Current assets	**33,082**	**-**	**33,082**	**-**	**-**

LIABILITIES *Thousand of Euro*	**December 31, 2014** ***Carrying value***	***Liabilities for derivatives at FVTPL (*)***	***Other financial liabilities***	*Hedging derivatives*
Non-current financial liabilities	2,241	-	2,241	-
Non-current liabilities	**2,241**	**-**	**2,241**	**-**
Current financial liabilities	11,196	-	11,196	-
Trade payables	16,571	-	16,571	-
Account payables to subsidiaries	2,005	-	2,005	-
Tax payables	3,033	-	3,033	-
Other current liabilities	433	-	433	-
Current liabilities	**33,238**	**-**	**33,238**	**-**

LIABILITIES *Thousand of Euro*	**December 31, 2013** ***Carrying value***	***Liabilities for derivatives at FVTPL (*)***	***Other financial liabilities***	*Hedging derivatives*
Non-current financial liabilities	2,525	-	2,525	-
Non-current liabilities	**2,525**	**-**	**2,525**	**-**
Current financial liabilities	10,207	-	10,207	-
Trade payables	16,403	-	16,403	-
Account payables to subsidiaries	829	-	829	-
Tax payables	906	-	906	-
Other current liabilities	377	-	377	-
Current liabilities	**28,722**	**-**	**28,722**	**-**

**Fair Value Trough Profit and Loss*

Financial assets and liabilities are booked at a value that is not different from the fair value.

Following are the main risks for the activities of the company:

Interest rate risk

The financial instruments of the Company include anticipated credits by banking institutes and bank deposits refundable upon request. Such instruments finance the Company's activities.

All loans obtained by the company foresee variable interest rates (generally 1-3 month Euribor). Therefore the interest rate risk is represented by the exposure of cash flows to interest rate fluctuations. The current policy of the company is not to hedge interest rate fluctuations. On the basis of the short-term average exposure in the period, a fluctuation of 1 percentage point of interest rates would entail a change in interest payments of some Euro 100 thousand. On non-current financial liabilities a 1 percentage point fluctuation in interest rates would entail a variation of +/- of interests of some Euro 22 thousand per fiscal year.

Foreign exchange risk

The Company uses as its main currency for its purchases and sales mainly the Euro and on an exceptional basis the US Dollar.
In order to reduce the foreign exchange risk deriving from expected assets, liabilities cash flows in foreign currency the group uses hedging contracts.

Credit risk

The credit risk represents the Company's potential exposure to losses deriving from counter-parties not fulfilling their obligations. The Company does not have significant concentrations of credit risk therefore it does not deem it opportune to highlight quantitative and detailed information, except for the details regarding account receivables per expiration breakdown in Note 18. In order to check such risk the company implemented procedures and measures to assess the clientele and the possible recovery measures. Regarding other financial activities, including cash available and cash equivalents, financial counter-parties are exclusively highly solvable financial institutions and pertinent policies were adopted to limit credit risk exposure to a single credit institution.

Liquidity risk

The liquidity risk represents the risk that the financial resources available to the company are not enough to face the financial obligations in the preset terms and maturities. A punctual management of the optimization of financing of commercial activities at a central level by the parent company limits the liquidity risk of the Group. Utilization of credit lines and liquidity management is centrally managed in a bid to optimize the management of the Group's financial resources.

A prudent management of the liquidity risk is pursued maintaining sufficient resources in cash or easily convertible into cash and an adequate availability of credit lines. In addition to what has been already reported, in the other statements of the Financial Statements and in the notes regarding current financial liabilities, expiring within the end of next fiscal year , the following table analyzes the company's non-current liabilities, grouped together on the basis of the contract expiration compared with the balance sheet date.

Thousand of Euro	***31/12/2014***	***Contractual cash flows***	***1-2 years***	***2-5 years***	***Over***
Non-current liabilities	2,241	2,241	117	326	1,798
Non-current liabilities	**2,241**	**2,241**	**117**	**326**	**1,798**

Thousand of Euro	***31/12/2013***	***Contractual cash flows***	***1-2 years***	***2-5 years***	***Over***
Non current financial liabilities	2,525	2,525	284	341	1,900
Non current liabilities	**2,525**	**2,525**	**284**	**341**	**1,900**

The Company, to the date of the Financial Statements had approved credit lines not used for some Euro 8 million in addition to cash and cash on hand for Euro 1,764 thousand. With these amounts, along with those deriving from the collection of account receivables, the Group is able to face its commitments in the short and medium term.

Capital management

The main objective of capital management of the company is to maintain adequate levels of capital indicators so as to support activities and to make the most value for shareholders. We feel the best assessment of capital indicators can be seen in the previous financial prospectus above.

38. Other information

Regarding the information Consob requested regarding transactions and significant balances with related parties and infra group, it should be underlined that these, in addition to being commented in an ad hoc Note, were separately indicated in the financial statement only where significant.

39. Seasonality of activities

Even though the sales trend is more intense towards the end of the calendar year, the IT sector is not significantly influenced by seasonal activities.

40. Art. 149 duodecies of Issuers Regulations - Prospectus

Description	*Thousand Euro*
Compensation for PwC for auditing activity of the separate and consolidated financial statement of Itway SpA	61,56
Compensation for PwC for periodical reviews	5,51
Compensation for PwC for other services	-
Total	67,07

In addition to the compensation mentioned above, no other mandates were given to the auditing firm.

41. Publication of the Financial Statements

The Board of Directors of Itway approved the Financial Statements at the March 13, 2015 meeting and also approved its publication, giving the Chairman the mandate to make changes or formal integrations should they be necessary or opportune to better draft and to make the text more complete.

42. Companies of the Itway S.p.A. Group

Following is the list of companies and relevant stake holdings of the Group, pursuant to Consob deliberation No. 11971 of May 14 1999 and successive modification and Consob communication No. DEM/6064293 of July 28 2006.

Below is the list of companies broke down by type of control, type of consolidation and type of activity. For each company the following is highlighted: name, headquarters, country affiliation, share capital in the original currency. Furthermore, also listed are the shareholdings, voting rights in ordinary shareholders meeting, if different from the stake of the capital and the controlling companies

PARENT COMPANY	HEADQUARTER	SHARE CAPITAL €uro
Itway S.p.A.	Ravenna	3,952,659

CONTROLLED COMPANIES CONSOLIDATED WITH THE FULL METHOD	HEADQUARTERS	SHARE CAPITAL €	%STAKE IN CAPITAL	CONTROLLING COMPANY
Itwayvad S.r.l.	Ravenna	10,000	100%	Itway S.p.A.
Itway Iberica S.L.	Barcelona	560,040	100%	Itway S.p.A
Itway France S.A.S.	Paris	100,000	100%	Itway S.p.A
Itway Hellas S.A.	Athens	846,368	100%	Itway S.p.A
Itway Cube S.r.l.	Ravenna	10,000	100%	Itway S.p.A
Diogene S.r.l.	Roma	78,000	100%	Itway S.p.A
Itway Turkiye Ltd.	Istanbul	1.,500,000 *	100%	Itway S.p.A.
iNebula S.r.l.	Ravenna	10,000	75%	Itway S.p.A.

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

RELATED COMPANIES CONSOLIDATED WITH THE FULL METHOD	HEADQUARTERS	SHARE CAPITAL €	%STAKE IN CAPITAL	CONTROLLING COMPANY
Itsecurity Srl	Bari	20.000	24,9%	Business-e S.p.A.
BE Infrastrutture S.r.l.	Ravenna	100.000	30%	Business-e S.p.A.
BE Innova S.r.l.	Trento	20.000	50%	Business-e S.p.A.

NON-CONSOLIDATED CONTROLLED COMPANIES	HEADQUARTERS	SHARE CAPITAL €uro	% STAKE IN CAPITAL	CONTROLLING COMPANY
iNebula Tech S.r.l.	Ravenna	10.000	100%	Itway S.p.A

OTHER COMPANIES	HEADQUARTERS	SHARE CAPITAL €uro	% STAKE IN CAPITAL	CONTROLLING COMPANY
Netwin Italia S.p.A.	Sant'Agata sul Santerno	5.000.000	10%	Business-e S.p.A.
Dexit S.r.l.	Trento Ravenna	700.000 100.000	9%	Itway S.p.A Business-e S.p.A.
Itway MENA FZC	Arabia Saudita	35.000*	17,1%	Itway S.p.A.
Serendipity Energia SpA	Ravenna	1.117.758	10,5%	Business-e S.p.A.

** the value is expressed in Dirham of Arabian United Emirates (AED)*