Separate Financial Statements for the fiscal year ending December 31, 2013

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, 2013

Board of Directors

(Until the approval of the December 31, 2013 Financial Statements)

Name last name	*Position*
Giovanni Andrea Farina	Chairman and Chief Executive Officer
Cesare Valenti	Managing director
Gabriele Brusa	Independent director
Toni Karam	Independent director
Giuseppe Parrello	Independent director

Board of Statutory Auditors

(Until the approval of the December 31, 2013 Financial Statements)

Name Last name	*Position*
Fabio Zambelli	Chairman
Alessandro Antonelli	Member
Daniele Chiari	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.

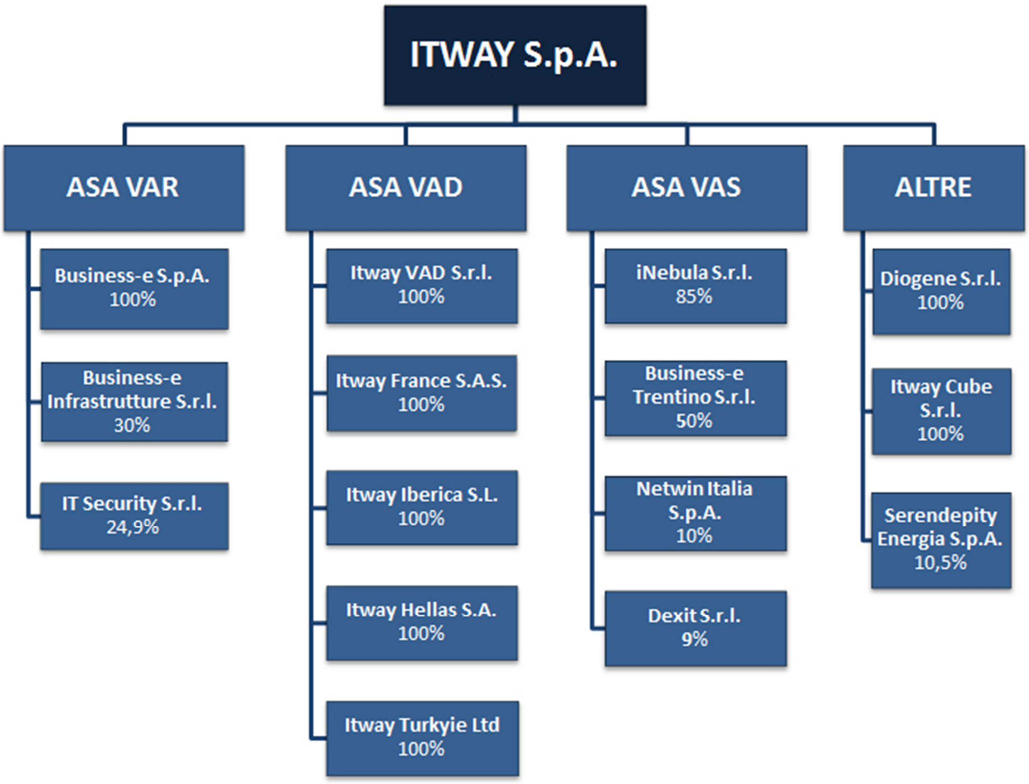
The mandate to the auditing company was given by the ordinary shareholders meeting of January 11, 2010 for the nine year period ending with the approval of December 31, 2017 Financial Statements and, pursuant to current regulations, it cannot be renewed.

Report on the ownership and on corporate governance

In accordance to current laws, please not 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 and Group

Following is the structure of the Itway Group at December 31, 2013:



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.

As already indicated in the half-year financial Statements to June 30, 2013, the proposal drafted by the Board on February 22, 2013 that, with a view to rationalize the corporate and operational structure of the Group, foresaw for Itway to become a Holding company with the activities of the VAD SBU included in the Itwayvad S.r.l sub-holding was, as suggested by the same Board of Directors, delayed in the April 8, 2013 extraordinary Shareholders' meeting just like the proposal of cancelling own shares without reducing share capital.

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, 2013 are, as in the previous fiscal year, the international accounting principles defined as IFRS. In particular, these principles require forward looking statements, as 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 analysis of the performance of the Company and of the Itway Group in the fiscal period that ended December 31, 2013, reflects the more severe crisis in all Western countries prompted by the financial crisis at the end of 2008 that hit the Euro area in general and in particular the Mediterranean countries where the Group operates; the austerity policies implemented by the EU to defend the Euro and the financial stability of the Union, with the fiscal compact and the reduction of the deficit of the single countries, in 2013 continued to have devastating effects on the real economies with still significant contractions in GDP in all Countries and increases in the unemployment rates and in the number of people living under the poverty threshold. 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.

Even though growth and employment have been brought, first timidly and then always more persistently, to the centre of Governments' attention, there are still no concrete policies to invert the trend. Meanwhile, the continued political instability in Italy does not allow to actively focus on the real economy of the Country.

Despite the still not positive outlook for the economies where the Group operates, with the exception of Turkey, having kept or increased 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 also impacted the performance of financial markets with banks on one hand having to manage corporate crises but on the other hand not inclined to give credit to companies deserving it. The situation is further aggravated by the fact that the banking system is preparing to introduce at different times and with different modalities the Basel 3 directive. This has resulted in tension, especially in terms of funding costs, again with significant spreads compared with the previous year. For the Itway Group this translated into the need to support clients in a credit crunch situation with a delay in payments while the main vendors are not inclined to take on the burden of the systemic situation, especially on the Italian and Spanish markets. In this situation the Group is taking measures to contain payment conditions and to use more non-recourse factoring transactions. These measures have already given some results and the company hopes they will give even more tangible results in the short term

General context, performance of the ICT Markets: The ICT market in Southern European countries suffered a further general slowdown, which was however less accentuated in those segments where the Group operates; this entailed an overall fall in IT demand in the different countries where the Group operates. In Countries like Spain and Italy the contraction is expected to be significant, estimated respectively at -2.5% and -4.6% (Source: IDC July 2013, Assinform October 2013). 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.

Market positioning: During the fiscal year the repositioning on new product distribution lines continued, with the aim of replacing lower-margin lines with higher value added ones that also allow a smaller use of working capital.

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, also in the difficult overall conditions, were achieved in Italy, Greece and Turkey.

Following is the condensed Income Statements at December 31, 2013 compared with those of the same periods a year earlier:

In thousand of Euro	31/12/2013	31/12/2012
Turnover		
Revenues from sales and services	45,231	48,606
Other operating revenues	2,029	1,798
Total Turnover	**47,260**	**50,404**
Operating Costs		
Purchase of products	(40,016)	(43,335)
Personnel costs	(1,482)	(1,444)
Other costs and operating charges	(4,764)	(4,621)
Total operating costs	**(46,262)**	**(49,400)**
Ebitda*	**998**	**1,004**
Amortizations	(344)	(386)
Ebit*	**654**	**618**
Net financial charges	(418)	(250)
Pre-tax result	**236**	**368**
Taxes	(307)	(53)
Recurring net result	**(71)**	**315**
Write-off of intangible assets	-	(4,800)
Net result	**(71)**	**(4,485)**

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

While revenues fell 6.2%, Ebitda was broadly stable at 990 thousand Euro (1,004 thousand Euro at December 31, 2012) and Ebit rose to 654 thousand Euro compared with 618 thousand at December 31, 2012.
The result before taxes was impacted by the increase of financial charges due to the higher applied interest rates as a result of the turbulence on financial markets and despite the lower average use in the two fiscal period under exam.

Furthermore, comparing results from the 2013 fiscal period with those of the previous one, showed significant improvements with a rise in Ebitda at both the VAD SBU (+33.5%) and at the VAR SBU (+36.1%) and therefore also at a Group level (+34.9%), with an even greater recovery in Ebit (+64.4%).

Summing up, in line with the management adopted in these last years of severe crisis, the Itway Group 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.

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	**31/12/2013**	**31/12/2012**
Total turnover	78,920	85,105
Ebitda*	1,107	829
Ebit*	602	252
Pretax result	(692)	(896)
Recurrent Net Result	(908)	(800)
Write-off of intangible assets	-	(2,366)
Net result	(908)	(3,166)

**The definition of Ebit and Ebitda is given in the Notes of the separate 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 2013.

The French subsidiary, which was subject to a further restructuring and focus on higher value added lines, reduced losses, but ended the 2013 fiscal year with a result that was still negative.

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 2014.

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	**31/12/2013**	**31/12/2012**
Total turnover	22,743	20,376
Ebitda*	1,399	1,028
Ebit*	1,303	907
Pretax result	920	418
Net result	373	268

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

The 2013 fiscal year confirmed the trend that started at the end of 2011 and that continued in 2012 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, 2014, started with a strong order portfolio.

Sector performance: *Other sectors*

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

The new sectors are:

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

- Assisted services in N+SOC and MSSP solutions to check networks.

Personnel

The average number of employees of the Company in the period was of 37 units, with a net increase of 2 units; following is the breakdown by category compared with the data of the previous fiscal period.

	31/12/2013 *Avg Number*	**31/12/2012** *Avg Number*	**31/12/2013** *Actual*	**31/12/2012** *Actual*
Managers	1	1	1	1
Mid-managers	5	5	4	5
Employees	31	29	31	30
Total	**37**	**35**	**36**	**36**

Net financial position

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

	31/12/2013	**31/12/2012**
Cash on hands	2,034	766
Bank overdraft and loans	(10,206)	(13,587)
Net current financial position	**(8,172)**	**(12,821)**
Non current financial liabilities	(2,525)	(2,454)
Total net financial position	**(10,697)**	**(15,275)**

The current net financial Position improved from December 31, 2012, confirming the process to contain working capital that has been carried out during the period as well as the effects of the reduction of volumes at the end of the fiscal period and the use of non-recourse factoring of trade receivables.

A detailed analysis of the movements that generated the change in the Net Financial Position can be found in the Cash Flow Statement.

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 in the previous years of the stake in Dexit and is up by 174 thousand Euro as a result of a financing that can be refunded in 24 months.

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 separate Financial Statements Explanatory Notes.

Subsequent events

There were no relevant events after the end of the fiscal period ending at 2013 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. For Italy and Spain a de facto recession is expected with a recovery only and possibly starting from 2015. For Turkey 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.
In Italy, following the fall of the Letta government and the swearing in of the Renzi Government, the hoped for injection of liquidity in the system by the Public Administration has still not taken place. To date, considering the uncertain political situation, the Prime Minister has placed on top of the Government's agenda the payment of 60 billion Euro of debt out of a total of 120 billion that the Public Administration owes companies. Should this occur, it will certainly give a boost to the recovery. However, the Government continues not to invest in IT and innovation as they do in other European Countries. This 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 (Value Added Services) 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

On September 16, 2013 the sale of 661,765 own shares, equal to 8.37% of share capital to Sky-Nectics S.A., part of the Libanica S.A. group that is active in the IT security sector, was completed with the agreed payment of Euro 1,125,000.

In addition to this, during the fiscal year ending December 31, 2013, 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 period, the relationship between Itway and the Companies of the Group was essentially comprised of ordinary commercial relationships, regulated at market conditions. More details can be found in the sections “Intra-Group Transactions” and “Report of Related Parties” in the explanatory Notes of the separate Financial Statements that we refer to.

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 no research and development activity was brought forward.

Own shares

The company at December 31, 2013 owns No. 375,794 own shares (equal to 4.75% of share capital) for a nominal value of 187,897 Euro and a cost of purchase of some 612 thousand Euro; During the period 577,386 own shares were purchased (equal to 7.30% of share capital) for a nominal value of 288,693 Euro, as authorized by the Shareholders meeting of Itway S.p.A on January 16, 2012 and 709,350 own shares were sold (equal to 8.97% of share capital) for a nominal value of Euro 354,675.

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, unchanged from December 31, 2012, are normally updated with communication carried out between the Shareholders and the Company.

	Number of shares			
Last name and name	owned as of 30/09/2011	purchased	sold	owned as of 31/12/2011
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	0	1.090.284
Total	**3.843.483**	**0**	**0**	**3.843.483**

*spouse of Farina G. Andrea

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

Publication of the Financial Statements

Pursuant to article 8 of the Bylaws and pursuant to article 2364, II paragraph, of the civil code, the Company took advantage of the possibility of approving the Financial Statements within 180 days from the end of the fiscal period.

Proposal for allocation of the Result of the fiscal period

We propose to carry forward the losses of the fiscal period of 71 thousand Euro.

Ravenna, March 13, 2014
For the Board of Directors

Chairman and CEO
G.Andrea Farina

SEPARATE FINANCIAL STATEMENTS OF THE FISCAL YEAR ENDING DECEMBER 31, 2013

OF ITWAY S.p.A.

INCOME STATEMETS

Euro	Notes	31 Dec 2013	31 Dec 2012 (12 months) Recurrent	Non recurrent	Total
Revenues *	1	45,231,035	48,605,939		48,605,939
of which toward controller companies		*8,258,088*	*9,291,959*		*9,291,959*
Other operating revenues *	2	2,029,494	1,797,673		1,797,673
of which toward controller companies		*1,366,891*	*1,211,039*		*1,211,039*
		47,260,529	**50,403,611**	**0**	**50,403,611**
Products *	3	(40,015,723)	(43,335,017)		(43,335,017)
of which toward controller companies		*(23,449)*	*(8,071)*		*(8,071)*
Costs of services *	4	(4,210,777)	(3,958,299)		(3,958,299)
of which toward controller companies		*(1,236,988)*	*(1,017,927)*		*(1,017,927)*
Costs of personnel	5	(1,481,727)	(1,444,220)		(1,444,220)
Other operating expenses *	7	(553,622)	(662,286)		(662,286)
of which toward controller companies		*0*	*(121)*		*(121)*
EBITDA		**998,680**	**1,003,789**	**0**	**1,003,789**
Amortisation	6	(344,402)	(385,644)		(385,644)
EBIT		**654,278**	**618,145**	**0**	**618,145**
Write-off of immaterial assets	13	-		(4,800,000)	(4,800,000)
Financial proceeds *	8	570,206	625,195		625,195
of which toward controller companies	8	*508,081*	*558,198*		*558,198*
Financial charges	8	(988,675)	(874,938)		(874,938)
Result before taxes		**235,809**	**368,402**	**(4,800,000)**	**(4,431,598)**
Taxes for the period	9	(306,783)	(53,303)		(53,303)
Result for the period from operations		**(70,974)**	**315,099**	**(4,800,000)**	**(4,484,901)**

** 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*

The statement of comprehensive income is not disclosed as it does not correspond to the Result for the period.

In 2013 no non-recurrent transactions took place. Therefore, the two columns presented for the comparison with the fiscal period that ended December 31, 2012, are not exposed.

FINANCIAL STATEMENT

Euro	Notes	31 Dec 2013	31 Dec 2012
ASSETS			
Non current assets			
Property, plants and equipment	10	3,130,504	3,192,943
Goodwill	11	169,440	169,440
Other intangibile assets	12	294,322	357,019
Investmens	13	15,760,622	14,282,247
Deferred tax assets	14	366,810	393,682
Intercompany financing M/L term *	15	1,320,692	2,424,905
Other non current assets	16	34,232	33,732
Total		**21,076,622**	**20,853,968**
Current assets			
Inventories	17	2,082,159	2,478,668
Account receivables - Trade	18	13,848,890	22,183,606
Financing to subsidiaries *	19	8,025,117	8,470,105
Account receivables from subsidiaries *		7,878,955	7,475,533
Other current assets	20	1,295,142	1,744,688
Cash on hand	21	2,034,392	765,917
Total		**35,164,655**	**43,118,516**
Total assets		**56,241,277**	**63,972,484**
NET EQUITY AND LIABILITIES			
Share Capital and other reserves			
Share capital	22	3,952,659	3,952,659
Reserve own shares		(611,680)	(900,817)
Share premium reserve	22	17,583,874	17,583,874
Retained earnings/(losses) forward	22	(2,462,768)	2,022,134
Net result of the period		(70,974)	(4,484,902)
Total		**18,391,111**	**18,172,950**
Non current liabilities			
Severance indemnity	23	512,324	459,656
Provision for risks and charges	24	5,654,619	5,648,770
Deferred tax liabilities	25	80,026	80,026
Non current financial liabilities	26	2,524,747	2,454,187
Total		**8,771,716**	**8,642,639**
Current liabilities			
Financial current liabilities	27	10,206,580	13,587,149
Account payable - Trade	28	16,403,377	20,850,014
Account payable to subsidiaries *		828,660	735,837
Financial to subsidiaries		356,875	-
Tax payable	29	906,286	1,538,073
Other current liabilities	30	376,672	445,821
Total		**29,078,450**	**37,156,894**
Total liabilities		**37,850,166**	**45,799,533**
Totale Net Equity and Liabilities		**56,241,277**	**63,972,484**

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

Statement of changes in equity

The following table summarizes the changes in net equity of the Company:

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, 2012	**3,952,659**	**(391,207)**	**17,583,874**	**449,852**	**4,041,536**	**(2,469,254)**	**23,167,461**
Changes in own shares	-	(509,610)	-	-	-	-	(509,610)
Retained earnings	-	-	-	-	(2,469,254)	2,469,254	-
Result	-	-	-	-	-	(4,484,902)	(4,484,902)
Balance as at December 31, 2012 (Note 22)	**3,952,659**	**(900,817)**	**17,583,874**	**449,852**	**1,572,282**	**(4,484,902)**	**18,172,948**

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, 2013	**3,952,659**	**(900,817)**	**17,583,874**	**449,852**	**1,572,282**	**(4,484,902)**	**18,172,948**
Changes in own shares		289,137					289,137
Retained earnings					(4,484,902)	4,484,902	-
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**

[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

	Fiscal year of 12month at 31/12/2013	Fiscal year of 12month at 31/12/2012
Results for the period from assets in use	(71)	(4,485)
Adjustments of items not affecting liquidity:		
Write-off of immaterial assets	121	122
Depreciation of tangible assets	224	264
Allowance for doubtful accounts	135	150
Provision for severance indemnity, net of payments to social security bodies	78	84
Variation in non current assets/liabilities	-	4,800
Cash flow from operating activities, grosso f the variation in working capital	**487**	**935**
Payments of severance indemnity	(26)	(55)
Variation in trade receivable	8,200	(4,143)
Variation in trade receivable toward subsidiaries	42	(1,884)
Variation in inventories	397	(369)
Variazion in other current assets and liabilities	(251)	(65)
Variation in trade payables	(3,996)	3,778
Cash flow da attività operativa generato (assorbito) dalle variazioni di CCN	**4,364**	**(2,739)**
Cash flow from operations (A)	**4,851**	**(1,804)**
Change in non current financial liabilities	(271)	494
Additions in tangible assets (net of assets sold)	(59)	(45)
Additions in other intangibile assets(net of dismessa and reclassification)	(161)	(229)
Cash flow from investing activities (B)	**(491)**	**220**
Trade of own shares	289	(510)
Cash flow from financial activities (C)	**289**	**(510)**
Increase/(Decrease)of cash available and cash equivalents (A+B+C)	**4,649**	**(2,095)**
Short term Net Financial Position at the beginning of the period	(12,821)	(10,725)
Short term Net Financial Position at the end of the period	(8,172)	(12,821)

EXPLANATORY NOTES OF THE SEPARATE FINANCIAL STATEMENTS

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, 2013 was compared with the balances of the previous fiscal year which ended on December 31, 2012.

- 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, except for what is reported in the income statement 2012 under the 'non-recurrent' column. The balance of the income statement for the period ending December 31, 2013 was compared with that of the previous fiscal year that ended December 31, 2012.

- 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 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, 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

Following the complementary pensions reform, only liabilities relating to employee benefits (TFR) remaining within the company are determined based on actuarial hypothesis founded on demographic and financial hypothesis. The annual provision is booked on an accrual basis coherently with the employment necessary to obtain the benefit.

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 – 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, 2012, since they are compatible, except in terms of what is detailed below.

Accounting principles, amendments and interpretations applicable from January 1, 2013

In June 2012 EC regulation No. 475/2012 was issued recognizing at a EU level the revised version of IAS 19 (employee benefits) mandatorily applicable, in a retrospective manner, from January 1, 2013, as foreseen by IAS 8 (accounting principles, changes in accounting estimates and errors).
The amendment to IAS 19 requires to express the deficit or surplus of the fund in its entirety in the economic and financial statement, to recognize separately in the balance sheet the costs related to employment and net financial charges and to book actuarial profits and losses that derive from the re-calculation of liabilities or assets with other comprehensive income/(losses). Furthermore the return of assets included in net financial charges will be calculated based on the discount rate of the liabilities rather than their expected rate of return. The first application of the above-mentioned principle therefore entailed the need to reclassify in Net Equity as part of accumulated Profits (Losses) and the effect of the reclassification in the Income Statement is not very significant

- On June 16, 2011 IASB issued an amendment to IAS 1 – Presentation of Financial Statements to ask companies to group together the components of other comprehensive income/(losses) depending on whether they can be recycled or not subsequently in the income statement. The amendment has to be applied from the fiscal periods commencing after July 1, 2012. The adoption of this amendment has not produced any result in terms of the assessments of the items in the Financial Statements.

- IFRS 7 amendments "Financial Instruments: disclosures" published by IASB on December 16, 2011 and applicable from January 1, 2013 requires additional disclosure on the effects of netting arrangements of financial assets and liabilities on an entity's financial position;

- IFRS 13 "Fair value measurement" issued by IASB on May 12, 2011 and applicable from January 1, 2013 gives an unequivocal definition to the concept of fair value clarifying the ways to determine it in financial statements

Please note some amendments to IFRS issued in May 2012, also in force from the annual fiscal years starting from January 1, 2013:

IAS 1 Presentation of Financial Statements that clarifies the difference between voluntary additional comparative information and minimum required comparative information

• IAS 16 Property, Plant and Equipment: the amendment clarifies that major spare parts and servicing equipment have to be capitalized only if they meet the definition of property, plant and equipment otherwise they are to be classified as inventory;

• IAS 32 Financial instruments: this amendment clarifies that income taxes arising from distributions to equity holds are booked pursuant to IAS 12.

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

- IFRS 10 "Consolidated financial statements" and parts of IAS 27, published by IASB on May 12, 2011 and applicable by January 1, 2014. It establishes new principles to draft consolidated financial statements;

- IFRS 11 "Joint Arrangements" published by IASB on May 12, 2011 and applicable by January 1, 2014 redefines the ways of reporting joint arrangements in consolidated financial statements;

- IFRS 12 "Disclosure of interest in other entities" issued by IASB on May 12, 2011 and applicable by January 1, 2014 broadens the disclosure required on the different types of investments;

Amendments to IAS 32, “Financial instruments presentation on asset and liability offsetting clarifies some of the requirements to offset financial assets and liabilities applicable by January 1, 2014.

Amendments to IAS 36 – Disclosure on the recoverable value of non-financial assets. It regulates the disclosure that has to be supplied on the recoverable value of assets that incurred a loss in value, if this value is based on the fair value less costs of sale. The amendments have to be applied retroactively from the fiscal periods that start from January 1, 2014.

Minor amendments to IAS 39 – Financial instruments; recognition and measurements entitled “Novation of Derivatives and Continuation of Hedge Accounting”.

Lastly, the effects of the Principles and Interpretations approved but not yet endorsed by the European Union were considered, noting that these could have a potential impact, but not material on the balance sheet, financial and economic situation.

Accounting principles, amendments and interpretations that have still not been endorsed by the European Union

To the date of the writing of the current Financial Statements, the competent bodies of the European Union have still not finalized the endorsement process necessary to adopt the following accounting principles and amendments:

On November 12, 2009, IASB published IFRS 9 – Financial instruments. The same standard was re-issued in October 2010 and was amended in November 2013. The principle addresses the classification, the recognition and measurement of assets financial assets and liabilities and hedge accounting. It replaces for these parts IAS 39 – Financial Instruments: recognition and measurement. As part of the November 2013 amendments, among other, IASB removed the standard’s mandatory effective date, previously set on January 1, 2015. This date will be reintroduced once the full standard is published, at the conclusion of the IFRS 9 project.

On May 20, 2013, IASB issued IFRIC 21 – Levies, an interpretation of IAS 37 – Provisions, potential assets and liabilities. The interpretation clarifies the accounting on how to measure liabilities for the payment of levies that are not income taxes. IFRIC 21 has to be applied for the fiscal periods starting from January 1, 2014. An earlier application is allowed.

On November 21, IASB published some minor amendments to IAS 19 –Employee benefits entitled “Defined benefit plans: Employee contributions”. These amendments regard the simplification of the accounting .on contributions for benefit plans from employees or third parties in specific cases. The amendments are effective, retrospectively, for the fiscal periods that begin July 1, 2014. An earlier application is allowed.

On December 12, 2013, IASB issued a series of amendments to the IFRS standards (Annual Improvements to IFRSs – 2010-2012 Cycle and Annual Improvements to IFRSs – 2011-2013 Cycle. The most important topics are, among others, the definition of vesting conditions to IFRS 2 – Share based payments, the aggregation of operating segments in IFRS 8 – Operating Segments and the definition of key management personnel with strategic responsibility in IAS 24 – Related party disclosures, the exclusion in the scope of IFRS 3 – Business Combinations to all types of joint arrangements (as defined by IFRS 11 – Joint Arrangements) and some clarifications on the application of certain exceptions to the application of IFRS 13 – Fair value Measurement.

The Group will comply with these new standards and amendments based on their relevant effective dates when endorsed by the European Union and it will evaluate their potential impacts on the Consolidated financial statements.

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, 2013 totalled Euro 45,231 thousand and are comprised by:

Thousand of Euro	Fiscal year ending 31/12/2013	31/12/2012	Variation
Revenues from sale of products	44,699	47,916	(3,217)
Revenues from services	532	690	(158)
Total	**45,231**	**48,606**	**(3,375)**

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.

2. Other operating revenues

Other operating revenues for the fiscal period ending December 31, 2013 total Euro 2,029 thousand and are comprised by:

Thousand of Euro	Fiscal year ending 31/12/2013	31/12/2012	Variation
Advertising and Marketing Contributions	508	432	76
Refund of transportation and collection costs	29	50	(21)
Other revenues and proceeds	1,492	1,316	176
Total	**2,029**	**1,798**	**231**

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.

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

Following is the breakdown:

Thousand of Euro	Fiscal year ending 31/12/2013	31/12/2012	Variation
Purchase of products and services	39,724	43,025	(3,301)
Cost for resold services	60	-	60
Other purchases of consumption material and miscellaneous	126	155	(29)
Additional purchasing charges (transportation)	106	155	(49)
Total	**40,016**	**43,335**	**(3,319)**

4. Costs of services

Following is the breakdown:

Thousand of Euro	Fiscal year ending 31/12/2013	31/12/2012	Variation
Consultancy and collaborators	1,827	1,687	140
Advertising and trade expositions	182	225	(43)
Travel and representation	340	221	119
Directors' remunerations and social charges	686	671	15
Agents	164	141	23
Telecom expenses	63	67	(4)
Services, courses and client assistance	291	294	(3)
Insurance	110	105	5
Specialist costs, IR and securities service	97	141	(44)
Auditing company fees	84	99	(15)
Compensation for statutory auditors	86	86	-
Electricity, water and gas	45	49	(4)
Other expenses and services	236	172	64
Total	**4,211**	**3,958**	**253**

Please note that:

- The "consultancy" item includes consultancies for services from the other companies of the Group for Euro 815 thousand (Euro 683 thousand to December 31, 2012), technical consultancies for Euro 15 thousand, consultancies and commercial collaborations and marketing of 722 thousand Euro, administrative, fiscal and financial consultancies for 31 thousand Euro, legal or notary consultancy for 191 thousand Euro and various consultancies for 53 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 31/12/2013	31/12/2012	Variation
Salaries	1,056	1,027	29
Social Charges	338	324	14
Severance indemnity	85	90	(5)
Other costs	3	3	-
Total	**1,482**	**1,444**	**38**

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

	31/12/2013 *Avg figure*	**31/12/2012** *Avg figure*	**Variation**	**31/12/2013** *Actual figure*
Managers	1	1	-	1
Mid-managers	5	5	-	4
Employees	31	29	(2)	31
Total	**37**	**35**	**(2)**	**36**

6. Depreciation and Amortization

Thousand of Euro	Fiscal year ending 31/12/2013	31/12/2012	Variation
Depreciation of tangible assets	121	122	(1)
Amortization of intangible assets	224	264	(40)
Total	**345**	**386**	**(41)**

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 31/12/2013	31/12/2012	Variation
Rent for lease, offices and vehicles	259	277	(18)
Net Provisions for risks and charges	6	4	2
Allowance for doubtful accounts	135	150	(15)
Other extraordinary	154	231	(77)
Other charges	**554**	**662**	**(108)**

8. Interest income and expenses

Following is the breakdown of item:

Thousand Euro	Fiscal year ending 31/12/2013	31/12/201	Variation
Income from intercompany receivables	508	558	(50)
Other income	62	67	(5)
Total financial income	**570**	**625**	**(55)**
Interest charges from banks	(888)	(783)	(105)
Bank commissions	(101)	(92)	(9)
Total	**(989)**	**(875)**	**(114)**

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 31/12/2013	31/12/2012	Variation
Current income Taxes (IRES)	6	71	(65)
Irap	86	100	(14)
Taxes (pre-paid) and deferred	27	(11)	38
Other income taxes	188	(106)	294
Total	**307**	**54**	**253**

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**			
	31/12/2013		**31/12/2012**	
	Taxable income	**Tax**	**Taxable income**	**Tax**
Pre-tax result	**236**		**(4,432)**	
Theoretical fiscal charge 27.5%		65		(1,219)
Temporary differences deductible in subsequent fiscal years	131		328	
Differences that will not be carried over into subsequent fiscal years	(251)		4,625	
Carry-over of temporary differences from previous fiscal years	(95)		(262)	
Taxable income at 27.5%	20	6	259	71
Current taxes (IRES) of the fiscal		**6**		**71**
Deferred taxes, net of the use of taxes allocated in previous fiscal years		(28)		(19)
Anticipated taxes, net of the use of anticipated taxes allocated in previous fiscal years				
Net IRES of the fiscal year		**(22)**		**52**

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	31/12/2013		31/12/2012	
	Taxable income	**Tax**	**Taxable income**	**Tax**
Pre-tax profit	**236**		**(4,432)**	
Costs that are not relevant for IRAP purposes	1,914		2,328	
Total	2,149		(2,104)	
Theoretical fiscal charge 3.9%		84		(82)
Temporary differences deductible in subsequent fiscal years	129		97	
Differences that will not be carried over in subsequent fiscal years	21		4,869	
Carry over of the temporary differences from previous fiscal years	(93)		(303)	
Taxable income Taxable at 3.9%	2,206		2,559	
Current IRAP of the fiscal year		**86**		**100**
Deferred taxes net of the use of taxes allocated in previous fiscal years		1		8
Anticipated taxes net of the use of anticipated taxes allocated in the previous fiscal years				
Net IRAP of the fiscal year		**87**		**108**

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	1,264	4,585
Balance at 31.12.2011	**3,321**	**1,264**	**4,585**
Increases	-	46	46
Balance at 31.12.2012	**-**	**46**	**46**
Decreases	-	-	-
Balance at 31.12.2011	**-**	**-**	**-**
Accrued amortizations	190	1,126	1,316
Balance at 31.12.2011	**190**	**1,126**	**1,316**
Accumulated depreciation	69	53	122
Balance at 31.12.2012	**69**	**53**	**122**
Net book value			
December 31, 2011	3,131	138	3,269
December 31, 2012	**3,062**	**131**	**3,193**

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 31.12.2012	**-**	**-**	**-**
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**

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 26 and 27).

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

11. Goodwill

Goodwill as of December 31, 2013 totalled Euro 169 thousand, and was unchanged from December 31, 2012 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	904	1,269	2,173
Balance at 31.12.2011	**904**	**1,269**	**2,173**
Increases	119	98	217
Balance at 31.12.2012	**119**	**98**	**217**
Decreases	-	-	-
Balance at 31.12.2012	**-**	**-**	**-**
Accrued amortizations	715	1,054	1,769
Balance at 31.12.2011	**715**	**1,054**	**1,769**
Amortizations for the fiscal period	147	117	264
Balance at 31.12.2012	**147**	**117**	**264**
Net value			
December 31, 2011	189	125	286
December 31, 2012	**161**	**196**	**357**

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**

As of December 31, 2013:

The increase in software licence and patent rights totals Euro 83 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 78 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

Name	Headquarters	Share capital in Euro	% Direct ownership	% Indirect ownership	Value as of December 31 , 2012	Value as of December 31, 2011
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	1,082
Itway France SAS	76, rue Thiers Paris	100.000	100%			
Itway Turkiye Ltd.	Eski Uscudar Yolu 8/18, Istanbul	1.500.000 *	0,07%	99,93%	0,5	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	3,408
Diogene S.r.l.	Via V. Mazzola 66, Rome	78.000	100%		88	88
Dexit S.r.l.	Via G. Gilli 2, Trento	700.000	9%		374	374
Inebula S.r.l.	Via L. Braille 15, Ravenna	10.000	85%	15%	8.5	2
Inebula Tech S.r.l.	Via L. Braille 15, Ravenna	10.000	100%		10	10
Total					**15,761**	**14.282**

**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, 2013 approved by the respective Board of Directors and rectified, where necessary, to adjust them to the accounting principles adopted by the Company.

Name (Euro)	%	Capital and Reserves	Profit/Loss	Share of Net Equity	Book Value
Business-e S.p.A.	100%	3,131,159	498,348	3,131,159	9,297,606
Diogene S.r.l.	100%	102,953	1,075	102,953	87,967
It Way Cube S.r.l	100%	58,611	2,432	58,611	10,000
Itwayvad S.r.l.	100%	25,772	3,389	25,772	10,000
Itway Iberica S.L.	100%	1,351,845	(594,609)	1,351,845	2,553,925
Itway France S.A.S.	100%	(6,666,186)	(1,099,666)	(6,666,186)	-
Itway Hellas S.A.	100%	217,141	113,678	217,141	3,408,566
Itway Turkiye Ltd.	0,07%	1,785,841	610,866	1,250	498
Inebula S.r.l.	85%	9,110	(890)	7,744	8,500
Inebula Tech S.r.l.	100%	8,741	(1,259)	8,741	10,000
Dexit S.r.l. (*)	9,00%	1,916,907	762,039	172,522	373,544
Total Investments					**15,760,605**

**As of December 31, 2012 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 498 thousand. The 2013 fiscal year confirmed the trend that started at the end of 2011 and that continued in 2012 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. The current fiscal year, 2014, started with a strong order portfolio.

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 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 2014. The value of the investment increate from 1,082 thousand Euro to 2,554 thousand Euro, through the conversion of a pre-existing long-term loan.

Also in 2013 the result of Itway France was negative despite the program to focus on higher value added lines and the further cost rationalization. During the year the company deemed it necessary to carry out further allocations to the fund to cover losses of foreign subsidiaries (Note 24) as a series of operational measures, also of extraordinary nature, are currently being evaluated to allow the Company to no longer sustain significant losses.

Itwayvad Yazilim Ve Donanim Dagitim Ticaret Limeted Sirketi (in short “Itway Turkiye”), controlled by Itway VAD S.r.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 611 thousand.

Itway Hellas S.A, after the reorganization that was completed in the past few months, broke even despite the difficult situation of the Country, with a return to a profit 2013 of 114 thousand Euro at the end of 2013.

Dexit continued operating mainly in the Autonomous Province of Trento ending the fiscal period to December 31, 2012 with a net profit of Euro 762 thousand. The financial statements to December 31, 2013 are still not available and will be approved according to the terms set by law.

Diogene S.r.l. and Itway Cube S.r.l. during the 2013 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.

The book value of investments was subject to *impairment tests* on December 31, 2013 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, 2018 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 2014-2018 period, it has to be added the so-called Perpetuity, which represents the Terminal Value. The medium/long term growth rate is of 1%.

The discounted interest rate used (WACC – Weighted Average Cost of Capital) is between 5.3% and 14%, 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.

14. Deferred tax assets

Prepaid taxes of Euro 367 thousand (Euro 394 thousand as of December 31, 2012) 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 2012			31st December 2012			
Thousand of euro	**Amount**	**Rate**	**Deferred taxes**	**Amount**	**Rate**	**Deferred taxes**	**Variation**
Allowance for stock depreciation	129	31,40%	40	990	31,40%	31	8
Allowance for doubtful account	1,092	27,50%	299	1,064	27,50%	293	7
Others	98	27.50%	27	253	27.50%	72	(45)
Total	**1,319**		**366**	**1,416**		**395**	**(29)**

15. M/l term financial credits towards subsidiaries

M/L term financial credits towards subsidiaries totalled Euro 1,321 thousand and they regard the financing given to Itway VAD in the preious years for the purchase of customized software for the Turkish market, regulated at market rates.

16. Other non current assets

Other non-current assets, as of December 31, 2013 mainly refer to caution deposits.

17. Inventories

Inventories, represented essentially by software and hardware, as of December 31, 2013 totalled Euro 2,082 thousand (Euro 2,479 thousand as of December 31, 2012); this amount is net of the allowance for obsolescence (Euro 123 thousand and Euro 93 thousand respectively as at December 31, 2013 and December 31, 2012). In the quarter the stock had a rotation index of some 19 times.

18. Account receivables-Trade

Trade receivables as of December 31, 2013, all short-term, total Euro 13,849 thousand (Euro 22,184 thousand as of December 31, 2012). The value is net of the allowance for doubtful accounts, which as of December 31, 2013 stood at Euro 1,326 thousand (Euro 1,220 thousand at December 31, 2012). 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, 2013	December 31, 2012
Beginning balance	1,220	1,281
Provisions for the period	135	150
Uses	(29)	(211)
Ending balance	**1,326**	**1,220**

Following is the breakdown of account receivables as at December 31, 2013 classified by expiration:

	Fiscal year ending	
Thousand of Euro	31/12/2013	31/12/2012
Expiring	9,411	17,128
Expired up to 30 days	2,192	2,978
Expired from 30 to 60 days	237	472
Expired over 60 days	3,335	2,826
Total gross receivables	**15,175**	**23,404**
Provision	(1,326)	(1,220)
Total	**13,849**	**22,184**

19. 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 8,025 thousand (Euro 8,470 thousand as of December 31, 2012).

20. Other current assets

Following is the breakdown of the other current assets:

	Fiscal year ending		
Thousand of Euro	31/12/2013	31/12/2012	Variation
Tax receivables	431	959	(528)
Advance payments to suppliers and other receivables	779	721	58
Accruals and Deferrals	85	65	20
Total	**1,295**	**1,745**	**(450)**

The increase of other receivables mainly derives from the advance payment to a new supplier as a result of a new exclusive distribution contract in some Countries where the Group operates.

21. Cash on hand

Following is the breakdown:

	Fiscal year ending		
Thousand of Euro	**31/12/2013**	**31/12/2012**	**Variation**
Bank and Postal deposits in Euro	1,856	648	1,208
Bank Deposits in US Dollars	176	116	60
Money and petty cash	2	2	-
Total	**2,034**	**766**	**1,268**

22. Net Equity

Shares Capital

The paid-in share capital as of December 31, 2013 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.

Share premium

As of December 31, 2013, 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.

Retained earnings

In addition to the reserves indicated below, this item is also comprised of the reserve generated from the adoption by the company of IFRS.

Legal Reserve

As of December 31, 2013 it is equal to 450 thousand Euro and has not changed compared with the previous fiscal year.

Earning/(losses) farward reserve

As of December 31, 2013 it amounts to Euro 2,913 thousand (Euro 1,572 thousand as of December 31, 2012), down Euro 4,485 thousand after the postpone of the loss from the previous fiscal year, as per the April 20, 2013 deliberation of the shareholders' meeting.

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

23. 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 14 thousand. Following are the changes posted in the past two fiscal years:

Thousand of Euro	31/12/2011	Increases	Use	31/12/2012
Severance indemnity	431	84	(55)	460
Total	**431**	**84**	**(55)**	**460**

Thousand of Euro	31/12/2012	Increases	Use	31/12/2013
Severance indemnity	460	78	(26)	512
Total	**460**	**78**	**(26)**	**512**

24. Accruals for risks and charges

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

Thousand of Euro	31/12/2011	Increases	Use	31/12/2012
Sales agent indemnity provision	25	4	-	29
Fund to cover losses on investments	820	4,800	-	5,620
Total	**845**	**4,804**	**-**	**5,649**

Thousand of Euro	**31/12/2012**	**Increases**	**Use**	**31/12/2013**
Sales agent indemnity provision	29	6	-	35
Fund to cover losses on investments	5,620	-	-	5,620
Total	**5,649**	**6**	**-**	**5,655**

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

25. 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, 2013, 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.

26. Non current financial liabilities

	Fiscal year ending		
Thousand of Euro	**31/12/2013**	**31/12/2012**	**Variation**
Non-current debt for leasing	2,240	2,312	(72)
Special purpose financing for Dexit participation purchase	110	142	(32)
24-month financing from BPER	172	-	172
Others	3	-	3
Total	**2,525**	**2,454**	**71**

This item represents for Euro 2,240 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	31/12/2013	31/12/2012
Non-current residual debt for leasing, including the interest quota:		
from 1 to 5 years	900	900
Over 5 years	2,660	2,885
Total	**3,560**	**3,785**
Interests	(1,320)	(1,473)
Residual leasing debt, net of interest	**2,240**	**2,312**

Thousand of Euro	31/12/2013	31/12/2012
Residual leasing debt, net of interest:		
from 1 to 5 years	341	319
Over 5 years	1,899	1,993
Residual leasing debt, net of interest	**2,240**	**2,312**

Furthermore, non-current financing liabilities reflect for Euro 110 thousand a special purpose financing for the purchase in previous years of the stake in Dexit S.r.l. and a 24-momth financing with Banca Popolare dell'Emilia Romagna and other minor.

27. Bank overdrafts and Loans

As of December 31, 2013 they total Euro 10,207 thousand (Euro 13,587 thousand as of December 31 2012), and debts towards banks for advance payments on short-term account receivables , regulated at a 1-3 month Euribor plus an average spread of 380 bp and are not covered by other guarantees. Furthermore, this item includes, for some Euro 72 thousand, the short-term quota of the leasing and the financial debts reported in Note 26.

28. Trade payables

Trade payables, including invoices not yet received, amount to Euro 16,403 thousand as of December 31, 2013 and Euro 20,850 thousand as of December 31, 2012.
Trade payables are all short-term. The significant decrease refers to the volumes of assets sold during the fourth calendar quarter of the year.

29. Tax payables

Tax payables as of December 31, 2013 amount to Euro 906 thousand (Euro 1,538 thousand as of December 31, 2012) with the following breakdown:

	Fiscal year ending		
Thousand of Euro	31/12/2013	31/12/2012	Variation
Debt for income tax	-	116	(116)
VAT	805	1,295	(490)
Withholding on personnel compensations	101	127	(26)
Total	**906**	**1,538**	**(632)**

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.

30. Other current liabilities

As of December 31, 2013, the other current liabilities total Euro 377 thousand (Euro 446 thousand as of December 31, 2012) with the following breakdown:

	Fiscal year ending		
Thousand of Euro	31/12/2013	31/12/2012	Variation
Debt towards personnel for remuneration	47	21	26
Other debt towards personnel	105	152	(47)
Debt towards directors and collaborators	38	126	(88)
Debt towards social institutions	103	112	(9)
Accruals and deferrals	79	30	49
Advanced payments received and others liabilities	5	5	-
Total	**377**	**446**	**(69)**

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

The accruals and deferrals mainly include services invoiced, relevant in the subsequent fiscal year.

31. Obligations and guarantees

Following are the existing obligations and guarantees as of December 31, 2013:

- Obligations towards banks for the purchase of foreign currency for Euro 5,085 thousand to hedge exchange rates for specific commercial transactions to buy products;

- Goods, owned by the Group, held by third parties for Euro 780 thousand in the warehouse of third parties;

- Third party guarantees in our favour for Euro 136 thousand relative to bank guarantees on behalf of the Company in favour of landlords of the property of the Company headquarters, in favour of landlords of other goods and in favour of suppliers;

- Company guarantees for Euro 17,330 thousand in favour of subsidiaries in order to obtain credit lines to unfreeze account receivables, with Euro 5,691 thousand used to the financial statements date.

32. Information on related parties transactions

During the fiscal year, the Company did not have relevant commercial relationships with related companies.

33. Infra-group relationships

The following table sums up the relationship between the companies of the Itway Group:

Thousand of Euro	**Account receivables**	**Financial credits**	**M/L term loans**	**Financial debt**	**Account payables**	**Operating costs**	**Revenues and other revenues**
Business- e S.p.A.	5,393	4,604	-	-	439	156	7,788
Diogene S.r.l.	-	47	-	-	51	253	224
Itway Iberica S.L.	29	-	-	357	-	-	165
Itway France S.A.S.	408	3,054	-	-	-	-	143
Itway Cube S.r.l.	-	320	-	-	197	472	15
Itwayvad S.r.l.	-	-	1,321	-	133	371	64
iNebula S.r.l.	261	-	-	-	8	23	15
Itway Hellas S.A.	1,384	-	-	-	-	-	936
Itway Turkiye Ltd.	405	-	-	-	-	-	784
Total	**7,880**	**8,025**	**1,321**	**357**	**828**	**1,275**	**10,134**

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 8,025 thousand as of December 31, 2013. In previous financial periods a loan was given to Itway VAD S.r.l. to buy customized software for the Turkish market.

34. 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

35. Net financial position

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

Thousand of Euro	31/12/2013	31/12/2012
Cash on hand	2,034	766
Bank overdrafts and Loans	(10,206)	(13,587)
Net current financial position	**(8,172)**	**(12,821)**
Non-current financial liabilities	(2,525)	(2,454)
Non-current net financial position	**(2,525)**	**(2,454)**
Total net financial position	**(10,697)**	**(15,275)**

The current Net Financial Position improved compared with December 31, 2012 confirming the process to contain and improve working capital that has been carried out during the period as well as the effects of the reduction of volumes at the end of the fiscal period and the use of non-recourse factoring of trade receivables for Euro 4,254 thousand as of December 31, 2013 (Euro 1,844 thousand as of December 31, 2012).

A detailed analysis of the movements that generated the changes in the Net Financial Position is deferred to the Cash Flow Statement.

The non-current net financial position 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 and is up Euro 174 thousand for a financing that is refundable in 24 months.

36. Subsequent events

There were no relevant events after the end of the fiscal period ending at 2013 and up today.

37. Non recurrent, atypical and/or unusual transactions

During the fiscal year that ended on December 31, 2013, 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.

38. 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	**December 31, 2013**				
Thousand of Euro	***Carrying amount***	***Assets for derivatives at FVTPL (*)***	***Loan and receivables***	***Hedging derivatives***	***Assets available for sale***
Investments	15,761	-	-	-	15,761
Inter-company financing M/L term	1,321	-	1,321	-	-
Other non-current assets	34	-	34	-	-
Non-current assets	**17,116**	**-**	**1,355**	**-**	**15,761**
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**	**-**	**-**

ASSETS		**December 31, 2012**			
Thousand of Euro	***Carrying amount***	***Assets for derivatives at FVTPL (*)***	***Loan and receivables***	***Hedging derivatives***	***Assets available for sale***
Investments	14,282				14,282
Inter-company financing M/L term	2,425		2,425		
Other non-current assets	34		34		
Non-current assets	**16,741**	**-**	**2,459**	**-**	**14,282**
Account receivable – Trade	22,184		22,184		
Financing to subsidiaries	8,470		8,470		
Account receivable from subsidiaries	7,476		7,476		
Other current assets	1,745		1,745		
Cash on hand	766		766		
Current assets	**40,641**		**40,641**		

LIABILITIES		**December 31, 2013**		
Thousand of Euro	***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**	**-**

LIABILITIES	**December 31, 2012**			
Thousand of Euro	***Carrying value***	***Liabilities for derivatives at FVTPL (*)***	***Other financial liabilities***	*Hedging derivatives*
Non-current financial liabilities	2,454	-	2,525	-
Non-current liabilities	**2,454**	**-**	**2,525**	**-**
Current financial liabilities	13,587	-	13,587	-
Trade payables	20,850	-	20,850	-
Account payables to subsidiaries	736	-	736	-
Tax payables	1,538	-	1,538	-
Other current liabilities	446	-	446	-
Current liabilities	**37,157**	**-**	**37,157**	**-**

**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 25 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	***31/12/2013***	***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**

Thousand of Euro	***31/12/2012***	***Contractual cash flows***	***1-2 years***	***2-5 years***	***Over***
Non-current liabilities	2,454	2,454	104	348	2,002
Non-current liabilities	**2,454**	**2,454**	**104**	**348**	**2,002**

The Company, to the date of the Financial Statements had approved credit lines not used for some Euro 9 million in addition to cash and cash on hand for Euro 2.034 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.

39. 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.

40. 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.

41. 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	61,5
Compensation for PWC for periodical reviews	5,51
Compensation for PWC for other services	-
Total	67,01

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

42. Publication of the Financial Statements

The Board of Directors of Itway approved the Financial Statements at the March 13, 2014 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.

43. 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
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 *	99.93%	Itwayvad S.r.l.
iNebula S.r.l.	Ravenna	10,000	85%	Itway S.p.A.
			15%	Inebula Tech S.rl.

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

NON-CONSOLIDATED CONTROLLED COMPANIES	HEADQUARTERS-	SHARE CAPITAL	% STAKE IN CAPITAL	CONTROLLING COMPANY
iNebula Tech S.r.l.	Ravenna	10,000	100%	Itway S.p.A.
Inebula Tech S.r.l.	Ravenna	10.000	100%	Itway S.p.A

PARENT COMPANY	HEADQUARTERS	SHARE CAPITAL €
Business-e S.p.A.	Ravenna	1,001,084

E.business services and Security Management

RELATED COMPANIES VALUED WITH THE EQUITY METHOD	HEADQUARTERS	SHARE CAPITAL €	% STAKE	CONTROLLING COMPANY
Itsecurity	Bari	20,000	24.9%	Business-e S.p.A.
BE Infrastrutture S.r.l.	Ravenna	100,000	30%	Business-e S.p.A.
Business-e Trentino S.r.l.	Trento	20,000	50%	Business-e S.p.A.