Separate Financial Statements for the fiscal year ending December 31, 2015

Directors' report on operations for the fiscal year ending December 31, 2015

Board of Directors

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

Name last name	*Position*
Giovanni Andrea Farina	President and Chief Executive
Cesare Valenti	Managing director
Gabriele Brusa	Independent director
Giuseppe Parrello	Independent director
Claudia Palella	Independent director

Board of Statutory Auditors

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

Name last name	*Position*
Alessandro Antonelli	President
Daniele Chiari	Member
Silvia Caporali	Member

Manager mandated to draft corporate accounting documents

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

Auditing Firm

PricewaterhouseCoopers S.p.A.

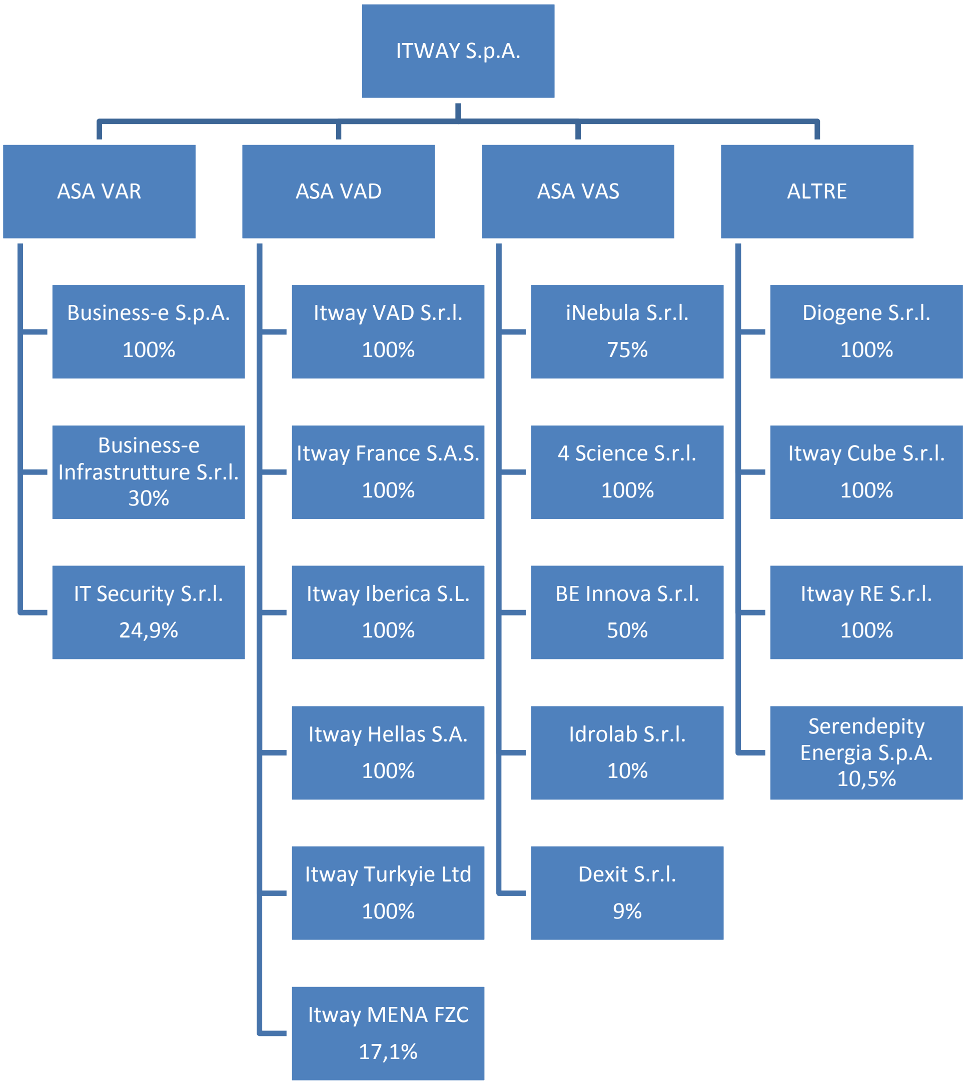
The mandate to the auditing company was given by the ordinary shareholders meeting of January 11, 2010 for the nine year period ending with the approval of December 31, 2017 Financial Statements and, pursuant to current regulations, it cannot be renewed.

Report on the ownership and on corporate governance

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

Activities and Structure of the Group

Following is the structure of the Itway Group at December 31 2015:



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

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

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

Performance of the Group and the reference market

The accounting principles, the evaluation principles referred to in preparing the Management Report and the attached Separate Financial Statements as of December 31, 2015 are, as in the previous fiscal year, the international accounting principles defined as IFRS. In particular, these principles require forward looking statements, as indicated in the continuation of the current report, in particular in the section "Foreseeable Evolution of operations" and in detail in the Explanatory Notes. In the context of the economic uncertainty illustrated below, please note that these forecasts have a component of risk and uncertainty. Therefore, it cannot be ruled out that in the near future the results achieved could be different from those forecast, therefore requiring revisions that today cannot be either estimated or forecasted

The context that characterized the fiscal period that ended December 31, 2015 is still not positive.

The forecasts for Italy are still of a slight growth (+0.8%), while in Greece, after the significant tension of the past months that prompted concerns of a Grexit, the situation seems to have eased significantly. However, not everyone thinks this is the case and some fear that possible unrest in the Country is still possible. Our activities in Greece continue with signs of improvement and with an increase in turnover and profitability. Turkey confirms to be once again a dynamic and expanding economy: following the elections won once again by Erdogan, GDP is seen up around 4%, however strongly held back by the tensions in European Union economies. It is worth underlining that migrants seeking asylum due to wars in Syria and other African nations prompted a slowdown in the economies most exposed to this trend. During 2015, over one million migrants reached Europe, of which 800,000 Greece and some 150,000 Italy (source: International Organization for Migration – IOM December 2015). Some flee wars, others poverty -- the so-called economic migrants. Overall they could potentially reach over 200 million people: it is obvious that this is the main systemic problem that the European Union today has to face. The funds take away from investments for growth to face this phenomenon are in the order of some tens of billions of euros.

The subject of growth and employment seem to have been brought, first timidly and then always more persistently, to the centre of Governments' attention, and one can catch a glimpse of concrete policies to invert the trend. In Italy the Government has started to produce some results that have not yet been completely structured with a plan for the future or industrial and economic policies for the Country. The measures like the one to add €80 in the pay check of 10 million workers that was confirmed also for 2015 and the recently approved Jobs Act give greater security and flexibility for workers and companies while the abolition of the IRAP tax on labour costs certainly represent a very important first step. However, decisive measures on unproductive public spending that generates tens of billions of euros of waste are needed as well as a serious restructuring of the Public Administration and acting on fiscal pressure that oppresses both households and companies: all this to say how much more work still needs to be done.

In this context, having kept or increased market share and industrial profitability has to be considered in a positive light. A last note has to be reserved to the financial sector in the hope it is quickly proactive and that it returns to concretely assist the real economy and the corporate world. Obviously the above mentioned macroeconomic situation continues to weigh on financial markets with tensions, related to an excess of non-performing loans, especially on the cost of funding and despite the strong injections of liquidity from the ECB

For the Itway Group this, already for some time now, has translated into the need to support clients incurring a contraction in credit with payments that are ever more delayed while the main vendors are not inclined to take on the burden of the systemic crisis, especially on the Italian and Spanish markets, and in some cases even demand advance payments. In this situation the Group is continuing to take measures to contain payment conditions and to use more non-recourse factoring transactions and a progressive recourse to medium-term financing transactions.

General context and performance of the ICT Market: In October 2015, Assinform published the updated data on the sector, on the basis of the first half that grew 1.5% compared with 2014 that saw a 1.4% contraction. The sectors in which the Group operates are those of Security, Virtualization and the newly created Cloud Computing, which are defined as "additional and innovative ICT components". While "traditional ICT components" are broadly steady, the "additional and innovative ICT component" sector is seen growing 4.8% (Assinform 10/2015 data for Italy and proportionally estimated for other Countries).

Market positioning: During the period the repositioning on new product distribution lines continued, with the aim of replacing lower-margin lines with higher value added ones that also allow a smaller use of working capital. The positive performance of the US economy while the euro area is essentially and overall stagnating (and in recession in some countries) has led to a progressive weakening of the European currency versus the US one.

Group’s industrial policy: In the general context indicated above, 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, which can influence also the volumes generated, are underway despite the difficult overall conditions.
The alliance with Libanica S.A. led the Group in October 2014 to take part in the constitution of Itway MENA with a 17.1% stake. The company is based in Dubai-Sharjah, in the United Arab Emirates. Exploiting its geopolitical and technical expertise of Libanica and the technical and specialized expertise of Itway, the newly constituted group will expand in markets in the Middle East and North Africa (MENA), Itway MENA started during 2015 to develop the market in the UAE, Iran and Nigeria with the expected results better described in the foreseeable evolution of operations.

Following is the condensed Income Statements at December 31, 2015 compared with those of the same periods a year earlier:

In thousands of Euro	**31/12/2015**	**31/12/2014**
Turnover		
Revenue from sale	46,322	37,778
Other operating revenue	2,222	3,799
Total Turnover	**48,544**	**41,577**
Operating costs		
Cost of products	(41,223)	(34,119)
Personnel costs	(1,439)	(1,432)
Other costs and operating charges	(5,025)	(4,948)
Total operating costs	**(47,687)**	**(40,499)**
Ebitda*	**857**	**1,078**
Amortizations	(284)	(310)
Ebit*	**573**	**768**
Net financial charges	201	(522)
Pre-tax result	**774**	**246**
Taxes	(192)	(127)
Result for the period	**582**	**119**

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

The table above clearly sums up the strong recovery in volumes of the Company.

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

Comparing the data at December 31, 2015 and 2014, revenues rose some 16% while Ebitda was of 857 thousand Euro compared with 1.078 thousand in 2014 ; the pre-tax was of 774 thousand Euros from 246 thousand Euro in the previous fiscal period.

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 thousands of Euro	31/12/2015	31/12/2014
Total revenues	76,301	66,009
Ebitda*	2,433	1,230
Ebit*	2,063	866
Pre-tax result	602	(221)
Non recurring charges	(158)	(270)
Recurrent net result	444	(490)
Net result	(35)	(808)

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

As in the previous quarter, volume growth continued, for the first time in six quarters. In the period there was also a pick-up in profitability.

Following is the analysis by Country.

The Italian market, the most important one for the Group, where there has been a significant recovery, revenues and margins posted solid growth thanks to the continued measures to reposition the VAD Italia business as well as the signing of some important contracts and the countermeasures put in place.

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 on the Turkish market that, being out of the Euro area, confirms having significant development prospects.

The Greek subsidiary continues on its growth path and its performance is in line with the budget forecast despite the Country's situation that is not easy.

The French subsidiary, which was restructured in the previous fiscal period, posted a profit in the period and started to generate new revenues that brought it to break-even. To date, no further costs were incurred beyond those already booked in the first semester as a series of charges are non-recurring and related to the significant restructuring carried out in 2014.

The Iberian subsidiary after the restructuring that was completed in the past fiscal years ended the period with an over 30% increase in revenues and a significant growth in Ebitda (up some 68%).

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 thousands of Euro	**31/12/2015**	**31/12/2014**
Total revenue	24,292	23,124
Ebitda*	923	1,424
Ebit*	849	1,346
Pre-tax result	401	903
Non-recurrent charges	(150)	-
Recurrent net result	251	903
Net result	60	283

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

Business-e continued to consolidate its acquired clients and added new significant partners to its portfolio. In 2015 it sealed contracts with a solid increase in volumes but with lower profitability. The recovery in the contribution margin continued and it is now in line with the previous year, while some orders were delayed to 2016 even though the costs were booked in 2015.

Sector performance: *Other sectors*

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

The new sectors are:

- **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;
- **Information Technology for Science:** On December 23, 2015 4Science S.r.l. was constituted with the objective of becoming a leader in the ICT for Cultural Heritage and Data Curation services. The reference market is worth 4 billion Euros and there are slightly more than 10 players specialized in this sector at a global level.

Personnel

The average number of employees of the Company in the period was of 36 units, compared with 35 units in the previous fiscal period.

Following is the breakdown by category compared with the data of the previous fiscal period:

	31/12/2015 *Avg Number*	**31/12/2014** *Avg number*	**31/12/2015** *Actual*	**31/12/2014** *Actual*
Managers	1	1	-	1
Mid-managers	3	4	(1)	3
Employees	32	30	2	32
Total	**36**	**35**	**1**	**36**

Net financial position

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

	31/12/2015	**31/12/2014**
Cash on hands	1,567	1,764
Bank overdraft and loans	(15,537)	(11,196)
Net current financial position	**(13,970)**	**(9,432)**
Non current financial liabilities	(4,386)	(2,241)
Total net financial position	**(18,356)**	**(11,673)**

The change in the Net Financial Position at the end of the period, a more detailed analysis of which can be seen in the Cashflow Statement, reflects the net working capital used that is influenced in turn by the significant concentration of volumes at the end of the period. The net financial position reflects the use of non-recourse factoring of trade receivables for a total of Euro 4,438 thousand as of December 31, 2015 (Euro 3,950 thousand as of December 31, 2014).

The punctual level of debt at the end of the period is related to the to the working capital performance at the end of the period that is in turn impacted both by factors that do not directly depend on the Group (like the timing of payments) and by the degree of non recourse factoring.

As part of a broader program aimed at diversifying the sources of liquidity procurement that brought the company to issue of commercial papers, as subsequently commented, the Company during 2015 obtained from financial institutions significant medium-term funding that are included in the non current net financial position along with the medium-term debt towards a leasing company for the rent of the Milan offices of the Company.

The non-current net financial position increased by some Euro 6,7 million compared with December 31, 2014.

On September 10, 2015 Itway RE S.r.l. purchased 100% of the stakes owned by the current Crimar S.r.l., which owns the property of the legal headquarters of Itway S.p.A., by underwriting a 10 year Euro 800,000 financing.
In December Crimar S.r.l. was incorporated into Itway RE S.r.l. effective, on a statutory and fiscal basis, from January 1, 2015.

On April 27, 2015, the placement of up to a cumulative 1 million Euro of commercial paper with a six month maturity began. It was completed in May 2015; on October 31, 2015 the transaction was completed with the repayment of the financial instrument. This transaction is part of a broader plan to diversify the sources of liquidity procurement. The commercial paper program foresees issuance of up to Euro 10 million over the next 3/5 years and will allow the Itway Group to raise short term capital from institutional and professional investors. The financial instruments will be traded on the Professional Segment ExtraMOT Pro, managed by Borsa Italiana.

The first commercial paper of Itway, regulated by Law No. 43/1994 “Regulations of Financial Bills” as modified in Law No. 134/2012, was issued on April 29, 2015 for a nominal Euro 1 milion, an annual interest rate of 4.20% and maturing October 31, 2015, when it was repaid. The commercial paper also foresaw a call option for an anticipated repayment, with a simultaneous premium to the investor. Borsa Italiana S.p.A. admitted the listing of this commercial paper on the Professional Segment (ExtraMOT PRO) of the ExtraMOT Market managed by Borsa Italiana. BSI Merchant and Unicasim were the Arrangers of the transaction.

BSI Merchant was also the financial adviser of the issuer. During 2016 the Group will examine further commercial paper issues.

On August 5, 2015, rating agency CERVED Rating Agency S.p.a. renewed the Company's B1.2 (solvent) rating, equivalent to a BBB- by S&P and Baa3 by Moody's.

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 and the Turkish lira. In order to analyze the financial risk management we refer to the consolidated Financial Statements Explanatory Notes.

Subsequent events

There were no relevant events after the end of the 2015 fiscal period and up today.

Foreseeable evolution of operations

During 2015 there was a timid recovery in the Euro area, which was unfortunately weaker than expected. The latest forecasts for 2016 indicate a slight growth that is however strongly influenced by the international climate and the tensions in terms of financial policy present in the European Community.

In particular for Italy and Spain there are forecast of a timid recovery, even though with levels already from 2016 are below previous estimates -- 1.4% growth in Italy and 2.7% in Spain where the political instability however is destined to play an important role. In Turkey, on the other hand, where average GDP growth in the past years was at around +4%, the subsidiary is expected to continue posting double-digit growth consolidating ever more its leadership in the sector in the Country. In Greece, after the tensions with Europe last summer, uncertainty persists on how the Country will come out of the crisis with a recession expected again in 2016. France no longer represents a reference market for the Group.

In the area of interest of the recently constituted subsidiary Itway MENA forecasts are quite positive, with growth rates seen at around +3%. Itway MENA, which became operational during 2015, will deliver tangible results in 2016: it signed Security and Cloud collaboration contracts with the main telecommunications operator in the United Arab Emirates. In Iran, there is an in-depth study for important collaboration opportunities with the exclusive fibre optics operator while in Nigeria the Group is looking into Security and Cloud themes on which Itway could intervene immediately.

As already mentioned, in the first months of 2016, two years after the coming into office of the Renzi Government, for Italy there are forecasts of modest growth with some positive signals related to the expected investments in the IT sector and innovation, along the lines of other European Countries. Investments in the Digital Agenda would be very important as they would generate significant savings to current Public Spending in favour of efficiency of services. On the other hand, it should be underlined that the investments allocated for IT innovation by the central government are still decisively low even if there are important signs, with 150 million Euros of investments planned, of a strategic role given to Cybersecurity, a sector in which our group has a significant presence. The Itway Group has been for some time now well positioned in value added markets like Security of information systems and Virtualization (VAD SBU, VAR SBU) and the new and emerging Cloud Computing (VAS SBU) and aims at continuing to operate in these sectors with a role of primary player in Southern Europe. Some markets like Cloud Computing are growing and the Group will act as a start-up player and as a concentrating element of initiatives underway through the growing VAS SBU.

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

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

During the fiscal year ending December 31, 2015, 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 other than the non-recurring charges already mentioned.

Relationship with related parties

During the 2015 fiscal period, the Company had commercial and financial relationships with related parties. These relationships were part of normal management activity, regulated at market conditions that are established by contract by the parties in line with the standard procedures.

Following is a summary:

In thousands of €uro	**Receivables**	**Payables**	**Costs**	**Revenues**
Itway S.p.A. vs Giovanni Andrea Farina & Co. S.r.l.	414	-	-	3
Itway S.p.A. vs Be Innova S.r.l.	125	-	-	125
TOTAL	**539**	**-**	**-**	**128**

Itway directs and coordinates its subsidiaries in Italy. This activity consists in indicating the general strategic and operational direction of the Group, defining and adjusting the

Organizational Model and elaborating the general policies to manage human and financial resources.

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

Research and Development activities

During the period the Company has not made investments in research and development while at a Group level it invested a total of Euro 589 thousand in the VAR and VAS areas.

Own shares

The Company at December 31, 2015 owned No, 838,514 own shares (equal to 10.61% of share capital) for a nominal value of 419,257 Euro and a cost of purchase in the fiscal year of some 214 thousand Euro. During the period a total of No. 135.439 own shares (equal to 1.71% of share capital) were purchased for a nominal value of 67,719.50 Euro, as authorized by the Shareholders meeting of Itway S.p.A. while no shares were sold.

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

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

		Number of shares		
Last name and name	**Owned as of 31/12/2014**	**Purchased**	**Sold**	**Owned as of 31/12/2015**
G. A. Farina & Co. S.r.l.	2,573,787	-	-	2,573,787
Gavioli Anna Rita (*)	179,412	-	-	179,412
Valenti Cesare	1,035,284	-	23,000	1,012,284
Total	**3,788,483**	**-**	**23,000**	**3,765,483**

(*) Spouse of Farina G. Andrea

The only shareholder that exceeds 10% of share capital is the company G. Andrea Farina & Co. S.r.l. and Cesare Valenti.

Allocation of the Result of the fiscal period

In terms of the proposal for the allocation of profit of the fiscal year of Euro 581,724 shareholders will be asked to vote to allocate Euro 29,086 to the legal reserve ad Euro 552,638 to voluntary reserve.

Ravenna, March 1, 2016

For the Board of Directors
Chairman and CEO
G.Andrea Farina

SEPARATE FINANCIAL STATEMENTS OF THE FISCAL YEAR ENDING DECEMBER 31, 2015

OF ITWAY S.p.A.

INCOME STATEMETS

Euro	Notes	31 Dec 2015	31 Dec 2014
Revenues*	1	46,322,365	37,778,210
of which toward controller companies		*11,125,456*	*7,431,411*
Other operating revenues*	2	2,221,515	3,799,311
of which toward controller companies		*1,564,166*	*1,681,834*
		48,543,880	**41,577,521**
Products*	3	(41,223,314)	(34,118,713)
of which toward controller companies		*(451,320)*	*(225)*
Costs of services*	4	(4,451,308)	(4,336,850)
of which toward controller companies		*(1,152,413)*	*(1,382,132)*
Costs of personnel	5	(1,439,177)	(1,431,993)
Other operating expenses*	7	(573,341)	(611,051)
of which toward controller companies		*(18,905)*	*(25,770)*
EBITDA **		**856,740**	**1,078,914**
Amortisation	6	(284,309)	(310,502)
EBIT **		**572,431**	**768,412**
Financial proceeds *	8	1,545,024	392,856
of which toward controller companies		*1,503,112*	*346,946*
Financial charges	8	(1,343,966)	(914,659)
of which toward controller companies		-	*(41,665)*
Result before taxes		**773,489**	**246,609**
Taxes for the period	9	(191,766)	(127,285)
Result for the period from operations		**581,724**	**119,324**

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

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

STATEMENT OF COMPREHENSIVE INCOME

Thousand of Euro	31/12/15	31/12/14
Net result	581,724	119,324
Components that cannot be reclassified to the income statement:		
Actuarial gain (losses) on defined-benefit plans	18,778	(105,546)
Comprehensive result	**600,502**	**13,778**

FINANCIAL STATEMENT

Euro	Notes	31 Dec 2015	31 Dec 2014
ASSETS			
Non current assets			
Property, plants and equipment	10	2,982,131	3,065,793
Goodwill	11	169,440	169,440
Other intangibile assets	12	231,761	245,431
Investments	13	17,621,730	17,209,622
Deferred tax assets	14	444,769	380,361
Other non current assets	15	**21,490,565**	90,734
Total			**21,161,381**
		1,406,247	
Current assets			
Inventories	16	1,406,247	1,858,472
Account receivables - Trade	17	17,635,966	14,444,339
Financing to subsidiaries	18	13,996,181	8,684,958
Account receivables from subsidiaries	32	10,036,571	10,724,106
Other current assets	19	1,748,133	1,151,879
Cash on hand	20	1,566,569	1,764,122
Total		**46,389,667**	**38,627,876**
Total assets		**67,880,232**	**59,789,257**
NET EQUITY AND LIABILITIES			
Share Capital and other reserves		3,952,659	
Share capital		(1,345,130)	3,952,659
Reserve own shares		17,583,874	(1,131,141)
Share premium reserve		455,818	17,583,874
Retained earnings		(2,957,005)	(2,639,288)
Net result of the period		581,724	119,324
Total	21	**18,271,941**	**17,885,428**
Non current liabilities			
Severance indemnity	22	663,277	683,593
Provision for risks and charges	23	5,667,360	5,660,737
Deferred tax liabilities	24	70,802	80,026
Non current financial liabilities	25	4,386,189	2,241,418
Total		**10,787,628**	**8,665,774**
Current liabilities			
Financial current liabilities	26	15,537,050	11,195,980
Account payable - Trade	27	17,230,050	16,571,269
Account payable to subsidiaries	32	1,146,043	1,814,339
Financial to subsidiaries	32	-	190,449
Tax payable	28	4,286,872	3,032,541
Other current liabilities	29	620,648	433,477
Total		**38,820,663**	**33,238,055**
Total liabilities		**49.608.291**	**41,903,829**
Total Net Equity and Liabilities		**67,880,232**	**59,789,257**

Statement of changes in equity

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

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, 2015	**3,952,659**	**(1,131,141)**	**17,583,874**	**449,852**	**(3,089,140)**	**119,324**	**17,885,428**
Changes in own shares	-	(213,989)	-	-	-	-	(213,989)
Total operations with Shareholders	**-**	**(213,989)**	**-**	**-**	**-**	**-**	**(213,989)**
Retained earnings	-	-	-	5,966	113,358	(119,324)	-
Result of the period	**-**	**-**	**-**	**-**	**-**	**581,724**	**581,724**
Other components of Comprehensive Result at 31 Dec 2015:							
Actuarial gain (losses) on defined-benefit plans	-	-	-	-	18,778	-	18,778
Comprehensive result	**-**	**-**	**-**	**-**	**18,778**	**581,724**	**600,502**
Balance as at December 31, 2015 (Note 22)	**3,952,659**	**(1,345,130)**	**17,583,874**	**455,818**	**(2,957,005)**	**581,724**	**18,271,940**

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

STATEMENT OF CHANGES IN FINANCIAL POSITION

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

Thousand of Euro

	Notes	Fiscal year at 31/12/2015	Fiscal year at 31/12/2014
Results for the period from assets in use		119	(71)
Adjustments of items not affecting liquidity:			
Write-off of immaterial assets	6-10	118	121
Depreciation of tangible assets	6-11	193	224
Allowance for doubtful accounts	7-17	125	135
Provision for severance indemnity, net of payments to social security bodies	22	89	78
Variation in non current assets/liabilities		-	-
Cash flow from operating activities, gross f the variation in working capital		**644**	**487**
Payments of severance indemnity	22	(24)	(26)
Variation in trade receivable toward third parties and subsidiaries	17-18	(4,225)	8,242
Variation in inventories	16	224	397
Variation in other current assets and liabilities	18-28-29	2,326	(251)
Variation in trade payables	26-27	1,852	(3,996)
Cash flow from operating activities generated (absorbed) by the variation in the net working capital		**153**	**4,364**
Cash flow from operations (A)		**797**	**4,851**
Change in non current financial liabilities	14-15-23-24-25	108	(271)
Additions in tangible assets	10	(53)	(59)
Additions in other intangibile assets	12	(1,593)	(161)
Cash flow from investing activities (B)		**(1,538)**	**(491)**
Purchase of own shares		(519)	289
Cash flow from financial activities (C)		**(519)**	**289**
Increase/(Decrease)of cash available and cash equivalents (A+B+C)		**(1,260)**	**4,649**
Short term Net Financial Position at the beginning of the period	20-26	(8,172)	(12,821)
Short term Net Financial Position at the end of the period	20-26	(9,432)	(8,172)

The taxes paid in the fiscal year totalled Euro 906 thousand (Euro 259 thousand in the previous fiscal year).
The financial charges paid in the fiscal year totalled 1,344 thousand Euro (915 thousand Euro in the previous fiscal year).

EXPLANATORY NOTES OF THE SEPARATE FINANCIAL STATEMENTS TO December 31, 2015

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 Parent Company does not have secondary offices but it is active with commercial offices in Milan and Rome at the following addresses
Milan - Via A. Papa, 30
Rome - Via Edoardo D'Onofrio 304.

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, 2015 was compared with the balances of the previous fiscal year which ended on December 31, 2014.

- In the income statement, the representation of costs is carried out on the basis of their own nature and there are no non-recurrent costs or proceeds. The balance of the income statement for the period ending December 31, 2015 was compared with that of the previous fiscal year that ended December 31, 2014.

- 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 and does not have to be considered an alternative measure to assess the performance of the operating results. 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. Since the composition of Ebitda is not regulated by the reference accounting principles, the criteria to determine here applied may not be homogeneous with that adopted by other entities and therefore not be comparable.

- EBIT (operating result) is an economic indicator not defined in the International Accounting Standards and does not have to be considered an alternative measure to assess the performance of the operating results. It 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. Since the composition of Ebitda is not regulated by the reference accounting principles, the criteria to determine here applied may not be homogeneous with that adopted by other entities and therefore not be comparable.

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, 20144. 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 2020 of the identified CGUs, approved by their respective Board of Directors.
In this context, the situation caused by the current economic and financial crisis entailed the need to make assumptions regarding the future performance that were characterized by significant uncertainty.

Main accounting principles

Property, plant and equipment

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

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

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

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

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

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

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

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

Goodwill

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

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

Intangible assets

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

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

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

Investments in subsidiaries, related parties and joint ventures

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

Impairment

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

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

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

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

Assets for anticipated taxes

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

Inventories

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

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

Account receivables

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

Cash on hand

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

Own shares

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

Non-current financial liabilities

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

Employee benefits

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

Accruals for risks and charges

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

Accounts payable - Trade

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

Other current liabilities

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

Derivatives

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

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

Revenue recognition

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

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

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

Interest – are posted on an accrual basis.

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

Costs

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

Income Taxes

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

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

Deferred taxes

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

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

Foreign currency transactions

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

Recently issued accounting principles

The separate Financial Statements were drafted using the principles and criteria used to draft the separate Financial Statements at December 31, 2014, since they are compatible, except in terms of what is detailed below.

Accounting principles, amendments and interpretations applicable from January 1, 2015

The accounting principles in drafting the financial statements are coherent with those adopted for the drafting of the annual balance sheet for the fiscal period that ended December 31, 2015 with the exception of the adoption of new principles and interpretations that were applicable from January 1, 2015 and are as follows:

EU endorsement regulation	Title
(EU) Regulation 1361/2014	EU Commission Regulation 1361/2014 dated December 18, 2014, published in the Official Journal No. 365 on December 19, 2014, adopts an annual improvement cycle to IFRS for 2011-2013... The objective of the annual improvements is to address non-urgent, but necessary issues discussed by the IASB during the project cycle that began in 2011 on areas of inconsistency in IFRS or where clarification of wording is required. Amendments to IFRS 3 and 13 are clarifications or corrections to the respective standards. Amendments to IAS 40 involve changes to the existing requirements or additional guidance on the implementation of those requirements

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

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

EU endorsement regulations	Title	In force from the fiscal period starting
(EU) Regulation 2015/2441	**EU Regulation 2015/2441 of the EU Commission dated December 18, 2015 published in the Official Journal L336 on December 23 adopts Amendments to IAS 27 Separate Financial Statements: equity method in the separate financial statements.** The objective is to permit entities to use the equity method, as described in IAS 28 Investments in Associates and Joint Ventures, to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.	Companies apply the amendments, at the latest, starting from the beginning of their first fiscal period that begins on January 1 or subsequently
EU Regulation 2015/2406	**EU Regulation 2015/2406 of the EU Commission dated December 18, 2015, published on the Official Journal L333 on December 19 adopts Amendments to IAS 1: Presentation of financial statements: disclosure initiative.** The amendments aim to improve the effectiveness of disclosure and to encourage companies to apply professional judgement in determining what information to disclose in their financial statements when applying IAS 1.	Companies apply the amendments, at the latest, starting from the beginning of their first fiscal period that begins on January 1, 2016 or subsequently
EU Regulation 2015/2343	**EU Regulation 2015/2343 of the EU Commission dated December 15, 2015, published on the Official Journal L330 on December 16** adopts the Annual Improvements to International Financial Reporting Standards 2012-2014 Cycle in the framework of its regular improvement process which aims at streamlining	Companies apply the amendments, at the latest, starting from the beginning

	and clarifying the standards.	of their first fiscal period that begins on January 1, 2016 or subsequently
EU Regulation 2015/2231	**EU Regulation 2015/2231 of the EU Commission dated December 2, 2015, published on the Official Journal L317 on December 3** adopts Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets entitled Clarification of Acceptable Methods of Depreciation and Amortisation.	Companies apply the amendments, at the latest, starting from the beginning of their first fiscal period that begins on January 1, 2016 or subsequently
EU Regulation 2015/2173	**EU Regulation 2015/2173 of the EU Commission dated November 24, 2015 published on the Official Journal L307 on November 25 adopts Amendments to IFRS 11*Accounting for Acquisitions of Interests in Joint Operations.*** The amendments provide new guidance on the accounting treatment of an acquisition of an interest in a joint operation in which the activity of the joint operation constitutes a business.	Companies apply the amendments, at the latest, starting from the beginning of their first fiscal period that begins on January 1, 2016 or subsequently
(EU) Regulation 2015/29	**EU Regulation 2015/29 of the EU Commission dated December, 2014 published in the Official Journal L5 on January 9, adopts Amendments to IAS 19 – *Defined benefits plans – employee contribution.*** The changes aim to simplify and clarify the accounting of employee or third party benefits. related to defined benefit	Companies apply the amendments, at the latest, starting from the beginning of their first fiscal period that starts on February 1, 2015 or subsequently.
EU Regulation 2015/28	**EU Regulation 2015/28 dated December 17, 2014 of the EU Commission published in the Official Journal L5 on January 9 adopts the Annual improvements cycle to IFRS 2010-2012** The aim of the annual improvements is to address non-urgent but necessary issues discussed by IASB during the project cycle that began in 2011 on areas of inconsistency found in IFRS or where clarification of the wording was required. The amendments to IFRS 8 and IAS 16, 24, and 38 are clarifications or corrections to the respective standards. The amendments to IFRS 2 and 3 involve changes to the existing requirements and further indications on their application.	Companies must apply the amendments at the latest starting from the beginning of their first fiscal period that starts February 1, 2015 or subsequently.

During the fiscal period, IASB amended some IAS/IFRS principles that were previously issued and published new International accounting principles.

In particular, on May 19, 2015 IASB published ED –Effective date of IFRS 15 – Revenue from contracts with customers, which proposes to defer by one year the entry into force of the principle. The new principle replaces IAS 11 and 18, IFRIC 13, 15 and 18, SIC 31 starting from January 1, 2018. It introduces new rules for Revenue Recognition (with a potential impact on the share of revenues to book to the Financial Statements, on the processes of revenue recognition and the related procedures, on commercial offers, internal control processes, tax, etc), as well as new and more detailed disclosure obligations. Furthermore, the application of the principle will require, in the case of a fully retrospective approach, to expose at least one comparative period and in any case a preliminary detailed analysis of the structure of one's sales contracts

None of these updates were used to draft the financial statements to December 31, 2015 since the EU Commission still did not endorse them.

Other information

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

1. Revenues

Revenues for the fiscal period ending December 31, 2015 totalled Euro 46,322 thousand and are comprised by:

Thousand of Euro	Fiscal year ending 31/12/2015	31/12/2014	Variation
Revenues from sale of products	45,839	37,253	8,586
Revenues from services	483	525	(42)
Total	46,322	37,778	8,544

Itway mainly operates in the information products distribution segment (hardware and software) and offers a complete portfolio of services and technological solutions for security of information and to manage IT infrastructures.
Information on the revenue increase is included in the Management Report.

2. Other operating revenues

Other operating revenues for the fiscal period ending December 31, 2015 total Euro 2,2223 thousand and are comprised by:

Thousand of Euro	Fiscal year ending 31/12/2015	31/12/2014	Variation
Advertising and Marketing Contributions	385	354	31
Refund of transportation and collection costs	25	37	(12)
Other revenues and proceeds	1,812	3,408	(1,596)
Total	**2,222**	**3,799**	**(1,577)**

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

The Other Revenues item includes chargeback of services to subsidiaries regulated by specific contracts.

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

Following is the breakdown:

Thousand of Euro	Fiscal year ending 31/12/2015	31/12/2014	Variation
Purchase of products and services	40,990	33,883	7,107
Cost for resold services	28	18	10
Other purchases of consumption material and miscellaneous	110	121	(11)
Additional purchasing charges (transportation)	95	97	(2)
Total	**41,223**	**34,119**	**7,104**

In the Purchase of products item the increase is related in a more than proportional manner to the rise in sales volumes with a resulting recovery in margins as indicated in the management report.

The costs of products for the 2015 fiscal year were presented net of non-operating income of Euro 1,532 thousand achieved by some vendors following agreements stipulated among the parties to reduce debt for the purchase, in past fiscal periods, of raw materials.

4. Costs of services

Following is the breakdown:

Thousand of Euro	Fiscal year ending 31/12/2015	31/12/2014	Variation
Consultancy and collaborators	1,845	1,655	190
Advertising and trade expositions	294	230	64
Travel and representation	333	424	(91)
Directors' remunerations and social charges	749	694	55
Agents	208	175	33
Telecom expenses	43	78	(35)
Services, courses and client assistance	227	330	(103)
Insurance	144	133	11
Specialist costs, IR and securities service	122	137	(15)
Auditing company fees	88	84	4
Compensation for statutory auditors	84	85	(1)
Electricity, water and gas	36	36	-
Other expenses and services	278	276	2
Total	**4,451**	**4,337**	**114**

Please note that:

The "consultancy" item includes consultancies for services from the other companies of the Group for Euro 656 thousand (Euro 725 thousand to December 31, 2014), technical consultancies for Euro 106 thousand, consultancies and commercial collaborations and marketing of 678 thousand Euro, administrative, fiscal and financial consultancies for 122 thousand Euro, legal or notary consultancy for 231 thousand Euro and various consultancies for 52 thousand Euro.

- 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 31/12/2015	31/12/2014	Variation
Salaries	1,038	1,026	12
Social Charges	330	329	1
Severance indemnity	71	77	(6)
Total	**1,439**	**1,432**	**7**

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

	31/12/2015 *Avg figure*	31/12/2014 *Avg figure*	Variation	31/12/2015 *Actual figure*	31/12/2014 *Actual figure*	Variation
Managers	1	1	-	1	1	-
Mid-managers	3	4	(1)	3	4	(1)
Employees	32	30	2	32	30	2
Total	**36**	**35**	**1**	**36**	**35**	**1**

6. Depreciation and Amortization

Thousand of Euro	Fiscal year ending 31/12/20145	31/12/2014	Variation
Depreciation of tangible assets	117	118	(1)
Amortization of intangible assets	167	193	(26)
Total	**284**	**311**	**(27)**

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 31/12/2015	31/12/2014	Variation
Rent for lease, offices and vehicles	271	285	(14)
Net Provisions for risks and charges	7	6	1
Allowance for doubtful accounts	150	124	26
Other extraordinary	145	196	(51)
Other charges	**573**	**611**	**(38)**

8. Interest income and expenses

Following is the breakdown of item:

Thousand Euro	Fiscal year ending 31/12/2015	31/12/2014	Variation
Income from intercompany receivables	287	347	(60)
Other income	1,258	46	1,212
Total financial income	**1,545**	**393**	**1,152**
Interest charges from banks	(1,111)	(732)	(379)
Bank commissions	(233)	(183)	(50)
Total	**(1,344)**	**(915)**	**(429)**

The financial income mainly refers to interest on financing granted to subsidiaries and dividends collected by the Itwayvad S.r.l. subsidiary

9. Income taxes

Following is the breakdown of income taxes:

Thousand of Euro	Fiscal year ending 31/12/2015	31/12/2014	Variation
Current income Taxes (IRES)	30	2	28
Irap	66	88	(22)
Taxes (pre-paid) and deferred	(80)	(32)	(48)
Other income taxes	176	69	107
Total	**192**	**127**	**65**

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

	Fiscal year ending			
Thousand of Euro	**31/12/2015**		**31/12/2014**	
	Taxable income	**Tax**	**Taxable income**	**Tax**
Pre-tax result	**773**		**232**	
Theoretical fiscal charge 27.5%		213		65
Temporary differences deductible in subsequent fiscal years	660		138	
Differences that will not be carried over into subsequent fiscal years	(1.223)		(387)	
Carry-over of temporary differences from previous fiscal years	(100)		19	
Taxable income at 27.5%	110	30	2	2
Current taxes (IRES) of the fiscal		**30**		**2**
Deferred taxes, net of the use of taxes allocated in previous fiscal years		(71)		(27)
Anticipated taxes, net of the use of anticipated taxes allocated in previous fiscal years		(9)		
Net IRES of the fiscal year		**(50)**		**(26)**

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	**31/12/2015**		**31/12/2014**	
	Taxable income	**Tax**	**Taxable income**	**Tax**
Pre-tax profit	**773**		**232**	
Costs that are not relevant for IRAP purposes	909		2.042	
Total	1.682		2.274	
Theoretical fiscal charge 3.9%		66		88
Temporary differences deductible in subsequent fiscal years	43			
Differences that will not be carried over in subsequent fiscal years				
Carryover of the temporary differences from previous fiscal years	(38)			
Taxable income	1.687			
Taxable at 4.82%	70			
Taxable at 3.90%	1.617		2.274	
Current IRAP of the fiscal year		**66**		**88**
Deferred taxes net of the use of taxes allocated in previous fiscal years				(5)
Anticipated taxes net of the use of anticipated taxes allocated in the previous fiscal years				
Net IRAP of the fiscal year		**66**		**84**

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	1,369	4,690
Balance at 31.12.2013	**3,321**	**1,369**	**4,690**
Increases	1	52	53
Balance at 31.12.2014	**1**	**52**	**53**
Decreases	-	-	-
Balance at 31.12.2013	**-**	**-**	**-**
Accrued amortizations	321	1,238	1,559
Balance at 31.12.2013	**321**	**1,238**	**1,559**
Accumulated depreciation	69	48	118
Balance at 31.12.2014	**69**	**48**	**118**
Net book value			
December 31, 2013	3,000	131	3,131
December 31, 2014	**2,932**	**134**	**3,066**

Thousand of Euro	Property and offices	Other assets	Total
Purchase cost	3,322	1,421	4,743
Balance at 31.12.2014	**3,322**	**1,421**	**4,743**
Increases	-	33	33
Balance at 31.12.20153	**-**	**33**	**33**
Decreases	-	-	-
Balance at 31.12.2015	**-**	**-**	**-**
Accrued amortizations	390	1,287	1,677
Balance at 31.12.2014	**390**	**1,287**	**1,677**
Accumulated depreciation	69	48	117
Balance at 31.12.2015	**69**	**48**	**117**
Net book value			
December 31, 2014	2,932	134	3,066
December 31, 2015	**2,863**	**119**	**2,982**

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

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

11. Goodwill

Goodwill as of December 31, 2015 totalled Euro 169 thousand, and was unchanged from December 31, 2014 since from the impairment test no need to write-off emerged.

12. Other intangible assets

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

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

Thousand of Euro	**Software Licences and Patent rights**	**Others**	**Total**
Purchase cost	1,188	1,507	2,695
Balance at 31.12.2014	**1,188**	**1,507**	**2,695**
Increases	75	78	153
Balance at 31.12.2015	**75**	**78**	**153**
Decreases	-	-	-
Balance at 31.12.2015	**-**	**-**	**-**
Accrued amortizations	1,105	1,345	2,450
Balance at 31.12.2014	**1,105**	**1,345**	**2,450**
Amortizations for the fiscal period	80	87	167
Balance at 31.12.2015	**80**	**87**	**167**
Net value			
December 30, 2014	83	162	245
December 31, 2015	**78**	**153**	**231**

As of December 31, 2015:

The increase in software licence and patent rights totals Euro 75 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:

Subsidiaries	Headquarters	Share capital in Euro	% Direct ownership	% Indirect ownership	Value as of December 31 , 2015	Value as of December 31, 2014
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%		2,891	2,544
Itway France SAS	4, Avenue Cely – Asniere Sur Seine, Cedex	100,000	100%			
Itway Turkiye Ltd.	Eski Uscudar Yolu 8/18, Istanbul	1,500,000 *	100%		1,450	1,450
Itway Cube S.r.l.	Via L. Braille 15, Ravenna	10,000	100%		10	10
Itwayvad S.r.l.	Via L. Braille 15, Ravenna	10,000	100%		10	10
Itway Hellas S.A.	Ag. Ioannu Str. 10, Athens	846,368	100%		3,409	3,409
Diogene S.r.l.	Via V. Mazzola 66, Rome	78,000	100%		88	88
iNebula S.r.l.	Via L. Braille 15, Ravenna	10,000	75%		67	7,5
Itway RE S.r.l.	Via L. Braille 15, Ravenna	10,000	100%		10	-
4Science S.r.l.	Via L. Braille 15, Ravenna	10,000	100%		10	10
Other companies						
Dexit S.r.l.	Via G. Gilli 2, Trento	700,.000	9%		374	374
Other minor					5	-
	TOTAL				**17,622**	**17,210**

**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, 2015 approved by the respective Board of Directors and rectified, where necessary, to adjust them to the accounting principles adopted by the Company.

		At 31st December 2015			
Name (Euro)	**%**	**Capital and Reserves**	**Profit/Loss**	**Share of Net Equity**	**Book Value**
Business-e S.p.A.	100%	3,719,192	60,208	3,719,192	9,297,606
Diogene S.r.l.	100%	108,708	1,115	108,708	87,967
It Way Cube S.r.l	100%	77,163	12,715	77,163	10,000
Itwayvad S.r.l.	100%	39,194	12,210	39,194	10,000
Itway Iberica S.L.	100%	394,115	(373,738)	394,115	2,890,972
Itway France S.A.S.	100%	(7,117,388)	3,104	(7,117,388)	-
Itway Hellas S.A.	100%	314,070	49,044	314,070	3,408,566
Itway Turkiye Ltd.	100%	2,500,928	872,316	2,500,928	1,450,498
iNebula S.r.l.	75%	11,619	(1,243)	8,714	67,500
4Science S.r.l. (*)	100%	7,470	(1,270)	7,470	10,000
Itway RE S.r.l.	100%	35,779	25,779	35,779	10,000
Dexit S.r.l. (*)	9,00%	2,069,162	609,479	186,225	373,544
Others					5,078
Total Investments					**17,621,730**

**As of December 31, 2043 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 60 thousand.
It continued to consolidate its acquired clients and added new significant partners to its portfolio. In 2015 it sealed contracts with a solid increase in volumes but with lower profitability. The recovery in the contribution margin continued and it is now in line with the previous year, while some orders were delayed to 2016 even though costs were booked i 2015.

Itway Iberica S.L., after the restructuring that was completed in the past fiscal years ended the period with an over 30% increase in revenues and a significant growth in Ebitda (up some 68%).

The French subsidiary, which was restructured in the previous fiscal period, posted a profit in the period and started to generate new revenues that brought it to break-even. To date, no further costs were incurred beyond those already booked in the first semester as a series of charges are non-recurring and related to the significant restructuring carried out in 2014. To date all costs have been brought to zero and no further significant losses are expected to be booked in 2016 so it was not deemed necessary to carry out further allocations to the fund to cover losses of subsidiaries (Note 24). The subsidiary is currently reviewing the role that the Group will choose to have on the French market.

Itwayvad Yazilim Ve Donanim Dagitim Ticaret Limeted Sirketi (in short “Itway Turkiye) achieved significant increases in volumes and margins, both in percentage terms and in absolute terms, maintaining a leadership in the IT security segment on the Turkish market that, being out of the Euro area, confirms having significant development prospects. The subsidiary ended the fiscal period with a net profit of Euro 872 thousand.

Itway Hellas S.A continues on its growth path and its performance is in line with the budget forecast despite the Country’s situation that is not easy ending the fiscal year with a profit that in 2015 totalled 49 thousand Euros.

Dexit continued operating mainly in the Autonomous Province of Trento ending the fiscal period to December 31, 20143 with a net profit of Euro 570 thousand. The financial statements to December 31, 2015 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 2015 fiscal year supplied services to other companies of the Group.

4Science is not operative at the moment. It has the objective of becoming a leader in the ICT sector for Cultural Heritage and Data Curation.

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

The expected cash flows are taken from the five-year business plans to December 31, 2020 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 2016-2020 period it has to be added the so-called Perpetuity, which represents the Terminal Value. The medium/long term growth rate is equal to the expected value of inflation in the reference country.

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

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

The following sheet highlights the financial data of the Subsidiaries:

	Current assets	Non current assets	Current liabilities	Non current liabilities	Revenues	Profit/ Loss of the period	Minus/Plus from discontinued operations	Other components of comprehensive statement	Total comprehensive statement
Dexit S.r.l.*	4,196	191	1,957	217	8,158	570	-	-	570

**As of December 31, 2014 financial statements*

14. Deferred tax assets

Prepaid taxes are Euro 445 thousand as of December 31, 2015 (Euro 380 thousand as of December 31, 2014) mainly refers to funds taxed; the Company expects to recover in future fiscal years on the basis of the expectable taxable income and the use of the relative funds taxed..

The following sheet highlights the changes in the period:

	31st December 2015		**31st December 2014**		
Thousand of euro	**Amount**	**Deferred taxes**	**Amount**	**Deferred taxes**	**Variation**
Allowance for stock depreciation	127	35	123	39	(4)
Allowance for doubtful account	1,125	270	1,075	295	(25)
Others	600	139	167	46	93
Total	**1,852**	**445**	**1,365**	**380**	**64**

15. Other non-recurring assets

Other non-current assets, as of December 31, 2015 mainly refer to caution deposits.

16. Inventories

Inventories, represented essentially by software and hardware, as of December 31, 2015 totalled Euro 1.406 thousand (Euro 1,858 thousand as of December 31, 2014); this amount is net of the allowance for obsolescence Euro 127 thousand (Euro 123 as of December 31, 2014). In the quarter the stock had a rotation index of some 29 times.

17. Account receivables-Trade

Trade receivables as of December 31, 2015, all short-term, total Euro 17.636 thousand (Euro 14,444 thousand as of December 31, 2014). The value is net of the allowance for doubtful accounts, which as of December 31, 2015 stood at Euro 1.394 (Euro 1,244 thousand at December 31, 2014). 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, 2015**	**December 31, 2014**
Beginning balance	1,244	1,326
Provisions for the period	150	125
Uses	-	(207)
Ending balance	**1,394**	**1,244**

Following is the breakdown of account receivables classified by expiration:

	Fiscal year ending	
Thousand of Euro	**31/12/2015**	**31/12/2014**
Expiring	13,714	11,772
Expired up to 30 days	1,213	973
Expired from 30 to 60 days	1,017	164
Expired over 60 days	3,086	2,779
Total gross receivables	**19,030**	**15,688**
Provision	(1,394)	(1,244)
Total	**17,636**	**14,444**

18. Financing towards subsidiaries

The company, in order to centralize and optimize its treasury operations, has current financial relationships, regulated at market rates, with its subsidiaries for an overall Euro 13,996 thousand (Euro 8,685 thousand as of December 31, 2014).

19. Other current assets

Following is the breakdown of the other current assets:

	Fiscal year ending		
Thousand of Euro	**31/12/2015**	**31/12/2014**	**Variation**
Tax receivables	835	419	416
Advance payments to suppliers and other receivables	677	544	133
Accruals and Deferrals	236	189	47
Total	**1,748**	**1,152**	**596**

The other receivables include receivables towards the company Giovanni Andrea Farina & Co S.r.l. for Euro 414 thousand (Euro 211 thousand as at December 31, 2014).

20. Cash on hand

Following is the breakdown:

	Fiscal year ending		
Thousand of Euro	**31/12/2015**	**31/12/2014**	**Variation**
Bank and Postal deposits in Euro	1,460	1,709	(249)
Bank Deposits in US Dollars	105	50	55
Money and petty cash	2	5	(3)
Total	**1,567**	**1,764**	**(197)**

21. Net Equity

Shares Capital

The paid-in share capital as of December 31, 2015 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, 2015, 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, 2015 it is equal to Euro 456 thousand compared with 450 thousand Euro in the previous fiscal year.

Earnings/(losses) forward reserve

As of December 31, 2015 it amounts to Euro 2.957 (Euro 3,089 thousand as of December 31, 2014). The increase of Euro 113 thousand is attributable to the allocation of the profit of the previous fiscal year as per the April 28, 2015 deliberation of the shareholders' meeting and due to the bringing to present value of employee benefits

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

22. Employee benefits

This item highlights the provisions for personnel for the severance indemnity due pursuant to the law, net of the advances given to employees and transfers to pension funds that during the fiscal period totalled Euro 13 thousand. Following are the changes posted in the past two fiscal years:

Thousand of Euro	**31/12/2014**	**Financial charges**	**Increases**	**Actuarial Losses (Profit)**	**Use**	**31/12/2015**
Severance indemnity	684	10	77	(28)	(80)	663
Total	**684**	**10**	**77**	**(28)**	**(80)**	**663**

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

Calculation date	**31/12/2015**
Mortality rate	INPS55 Tables
Invalidity rate	INP Tables -2000
Personnel rotation rate	3.00%
Discount rate	2.03%
Salary increase rate	3.00%
Rate of advances	2.00%
Inflation rate	1.50%

The actuarial hypotheses include:

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

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

Assuming a 50 basis point increase in the technical actuarial rate compared with the one effectively applied for assessments to December 31, 2015 and all other actuarial hypothesis being equal, the potential loss of current value of liabilities for defined benefit plans underway would total some Euro 33 thousand. At the same time, assuming a 50 basis point drop in the same interest rate, there would be a potential increase in the current value of the liability of some Euro 36 thousand.

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

23. Accruals for risks and charges

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

Thousand of Euro	**31/12/2014**	**Increases**	**Use**	**31/12/2015**
Sales agent indemnity provision	41	6	-	47
Fund to cover losses on investments	5,620	-	-	5,620
Total	**5,661**	**6**	**-**	**5,667**

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

24. Deferred tax liabilities

Deferred tax liabilities are booked against temporary differences that will be taxable in future fiscal periods and amount to, as of December 31, 2015 , Euro 71 thousand (Euro 80 thousand as of December 31, 2014) are for Euro 54 thousand represented by deferred taxes on the lower amortization of goodwill booked in the financial statement of the Company compared to the fiscal amortisation and for Euro 17 thousand on the actualization of the severance indemnity.

25. Non current financial liabilities

Thousand of Euro	Fiscal year ending 31/12/2015	31/12/2014	Variation
Non-current debt for leasing	2,081	2,163	(82)
Special purpose financing for Dexit participation purchase	44	77	(33)
F financing from BPER	53	-	53
Financing from Unicredit	1,280	-	1,280
Financing from Banca Centropadana	378	-	378
Financing from MPS	250	-	250
Financing from o ICCREA	404	-	404
Others	-	1	(1)
Accruals	(104)	-	(104)
Total	**4,386**	**2,241**	**2,145**

This item includes for Euro 2,081 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.

The Iccrea financings for their entire duration impose the following covenants:

- Net financial debt/net equity ratio of no more than 2.00 (two/oo);
- Ebitda/net financial charges ratio of no less than:
  1.60 (one/60) until the financial statements ending 31/12/2017
  3.00 (three/00) until the expiry of the financing.

To 31/12/2015, the requirements of these covenants were fulfilled.

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

Thousand of Euro	31/12/2015	31/12/2014
Residual leasing debt, net of interest:		
from 1 to 5 years	390	365
Over 5 years	1,691	1,798
Residual leasing debt, net of interest	**2,081**	**2,163**

26. Bank overdrafts and Loans

As of December 31, 2015 they total Euro 15,537 thousand (Euro 11,195 thousand as of December 31 2014), and debts towards banks for advance payments on short-term account receivables , regulated at a 1-3 month Euribor plus an average spread of 500 bp (425bp for the previous fiscal year) and are not covered by other guarantees. Furthermore, this item includes, for some Euro 2,255 thousand, the short-term quota of the leasing and the financial debts reported in Note 25.

27. Trade payables

Trade payables, including invoices not yet received, amount to Euro 17.230 thousand as of December 31, 2015 and Euro 16,571thousand as of December 31, 2014.
Trade payables are all short-term.

28. Tax payables

Tax payables as of December 31, 2015 amount to Euro 4.287 thousand (Euro 3,033 thousand as of December 31, 2014) with the following breakdown:

	Fiscal year ending		
Thousand of Euro	**31/12/2015**	**31/12/2014**	**Variation**
Debt for income tax	4,199	2,946	1,253
VAT	80	77	3
Withholding on personnel compensations	8	10	(2)
Total	**4,287**	**3,033**	**1,254**

VAT payables are also due to debt not paid at their natural expiry and that will be paid within the terms foreseen by the current legislation in force.

The Company closed the fiscal year until September 30, 2008 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.

29. Other current liabilities

As of December 31, 2015, the other current liabilities total Euro 621 thousand (Euro 433 thousand as of December 31, 2014) with the following breakdown:

Thousand of Euro	Fiscal year ending 31/12/2015	31/12/2014	Variation
Debt towards personnel for remuneration	46	39	7
Other debt towards personnel	188	173	15
Debt towards directors and collaborators	205	14	191
Debt towards social institutions	119	115	4
Accruals and deferrals	60	89	(29)
Advanced payments received and others liabilities	3	3	-
Total	**621**	**433**	**188**

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

30. Obligations and guarantees

Following are the existing obligations and guarantees as of December 31, 2015:

- Obligations towards banks for the purchase of foreign currency for Euro 5,998 thousand to hedge exchange rates for specific commercial transactions to buy products;

- Goods, owned by the Group, held by third parties for Euro 548 thousand in the warehouse of third parties;

- Third party guarantees in our favour for Euro 1,499 thousand relative to bank guarantees on behalf of the Company in favour of landlords of the property of the Company headquarters, and other suppliers;

- Company guarantees for Euro 11,670 thousand in favour of subsidiaries in order to obtain credit lines to unfreeze account receivables, with Euro 2,044 thousand used to the financial statements date.

31. Information on related parties transactions

During the 2015 fiscal year, the Company had commercial and financial relationships with related companies. These are normal business activities, regulated with contractual conditions established by the parities at fair value, consistent with the ordinary market procedures showing as follows:

In thousand of Euro	Receivables	Payables	Costs	Revenues
Itway S.p.A. vs Giovanni Andrea Farina & Co. S.r.l.	414	-	-	3
Itway S.p.A. vs Be Innova S.r.l.	125	-	-	125
TOTAL	**539**	**-**	**-**	**128**

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

32. Infra-group relationships

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

Thousand of Euro	Account receivables	Financial credits	M/L term loans	Financial debt	Operating and financial costs	Revenues, other revenues and financial revenues
Business- e S.p.A.	3,968	5,003	-	626	687	4,702
Diogene S.r.l.	-	109	-	119	214	214
Itway Iberica S.L.	2,108	2,351	-	-	-	3,412
Itway France S.A.S.	1,726	5,427	-	42	42	3,062
Itway Cube S.r.l.	4	440	-	110	445	12
Itwayvad S.r.l.	-	125	-	234	220	1,216
iNebula S.r.l.	920	541	-	-	-	428
Itway RE S.r.l	1	-	-	15	15	-
Itway Hellas S.A.	604	-	-	-	-	867
Itway Turkiye Ltd.	706	-	-	-	-	279
Total	**10,037**	**13,996**	**-**	**1,146**	**1,623**	**14,192**

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 with subsidiaries, regulated at market rates, highlighted in the previous table, for an overall Euro 13,996 thousand as of December 31, 2015.

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

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

34. Net financial position

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

Thousand of Euro	31/12/2015	31/12/2014
Cash on hand	1,567	1,764
Bank overdrafts and Loans	(15,537)	(11,196)
Net current financial position	**(13,970)**	**(9,432)**
Non-current financial liabilities	(4,386)	(2,241)
Non-current net financial position	**(4,386)**	**(2,241)**
Total net financial position	**(18,356)**	**(11,673)**

A detailed analysis of the movements that generated the changes in the Net Financial Position is deferred to the Cash Flow Statement. The punctual situation at the end of the year reflects the situation of the working capital employed that is impacted by the heavy concentration of volumes at the end of the fiscal period. The Net Financial Position includes the use of non-recourse factoring of trade receivables that amounted to Euro 4,438 thousand as of December 31, 2015 (Euro 3,950 thousand as of December 31, 2014).

The non-current net financial position reflects the financings detailed in Note 25.

35. Subsequent events

There were no relevant events after the end of the fiscal period ending at 2015 and up today.

36. Non recurrent, atypical and/or unusual transactions

During the fiscal year that ended on December 31, 2015, no significant and/or non recurrent and/or atypical and/or unusual transactions were carried out with third parties or between the companies of the Group as defined by Consob Communication of July 28, 2006.

37. Financial risk management: objectives and criteria

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

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

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

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

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

ASSETS			**December 31, 2015**		
Thousand of Euro	***Carrying amount***	***Assets for derivatives at FVTPL (*)***	***Loan and receivables***	***Hedging derivatives***	***Assets available for sale***
Other non-current assets	41	-	91	-	-
Non-current assets	**41**	**-**	**91**	**-**	**-**
Account receivable – Trade	17,636	-	17,636	-	-
Financing to subsidiaries	13,996	-	13,996	-	-
Account receivable from subsidiaries	10,037	-	10,037	-	-
Other current assets	1,748	-	1,748	-	-
Cash on hand	1,566	-	1,566	-	-
Current assets	**44,983**	**-**	**44,983**	**-**	**-**

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

LIABILITIES	**December 31, 2015**			
Thousand of Euro	***Carrying value***	***Liabilities for derivatives at FVTPL (*)***	***Other financial liabilities***	*Hedging derivatives*
Non-current financial liabilities	4,386	-	4,386	-
Non-current liabilities	**4,386**	**-**	**4,386**	**-**
Current financial liabilities	15,537	-	15,537	-
Trade payables	17,230	-	17,230	-
Account payables to subsidiaries	1,146	-	1,146	-
Tax payables	4,287	-	4,287	-
Other current liabilities	621	-	621	-
Current liabilities	**38,821**	**-**	**38,821**	**-**

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

**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 155 thousand. On non-current financial liabilities a 1 percentage point fluctuation in interest rates would entail a variation of +/- of interests of some Euro 44 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 single credit institutions.

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	*31/12/2015*	*Contractual cash flows*	*1-2 years*	*2-5 years*	*Over*
Non-current liabilities	4,386	4,386	1,679	1,001	1,706
Non-current liabilities	**4,386**	**4,386**	**1,679**	**1,001**	**1,706**

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

The Company, to the date of the Financial Statements had approved credit lines not used for some Euro 4 million in addition to cash and cash on hand for Euro 1,567 thousand. With these amounts, along with those deriving from the collection of account receivables, the Group is able to face its commitments in the short and medium term.

Capital management

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

38. Other information

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

39. Seasonality of activities

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

40. Art. 149 duodecies of Issuers Regulations - Prospectus

Description	*Thousand Euro*
Compensation for PwC for auditing activity of the separate and consolidated financial statement of Itway SpA	69
Compensation for PwC for periodical reviews	6
Compensation for entities of the PwC network for other services	-
Total	**75**

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

41. Publication of the Financial Statements

The Board of Directors of Itway approved the Financial Statements at the March 1, 2016 meeting and also approved its publication, giving the Chairman the mandate to make changes or formal integrations should they be necessary or opportune to better draft and to make the text more complete.

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

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

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

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

CONTROLLED COMPANIES	HEADQUARTERS	SHARE CAPITAL €	%STAKE IN CAPITAL	CONTROLLING COMPANY
Itwayvad S.r.l.	Ravenna	10,000	100%	Itway S.p.A.
Itway Iberica S.L.	Barcelona	560,040	100%	Itway S.p.A
Itway France S.A.S.	Paris	100,000	100%	Itway S.p.A
Itway Hellas S.A.	Athens	846,368	100%	Itway S.p.A
Itway Cube S.r.l.	Ravenna	10,000	100%	Itway S.p.A
Diogene S.r.l.	Roma	78,000	100%	Itway S.p.A
Itway Turkiye Ltd.	Istanbul	1.,500,000 *	100%	Itway S.p.A.
Business-e S.p.A.	Ravenna	1,00,.084	100%	Itway S.p.A
iNebula S.r.l.	Ravenna	10,000	75%	Itway S.p.A.
4Science S.r.l.	Ravenna	10,000	100%	Itway S.p.A

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

RELATED COMPANIES	HEADQUARTERS	SHARE CAPITAL €	%STAKE IN CAPITAL	CONTROLLING COMPANY
Itsecurity Srl	Bari	20,000	24,9%	Business-e S.p.A.
BE Infrastrutture S.r.l.	Ravenna	100,000	30%	Business-e S.p.A.
BE Innova S.r.l.	Trento	20,000	50%	Business-e S.p.A.

OTHER COMPANIES	HEADQUARTERS	SHARE CAPITAL €uro	% STAKE IN CAPITAL	CONTROLLING COMPANY
Dexit S.r.l.	Trento Ravenna	700,000 100,000	9%	Itway S.p.A Business-e S.p.A.
Itway MENA FZC	Saudi Arabia	35,000*	17,1%	iNebula S.r.l.
Idrolab S.r.l.	Cesena	52,500	10%	Business-e S.p.A.
Serendipity Energia SpA	Ravenna	1,117,758	10,5%	Business-e S.p.A.

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