

# Interim Report

31 January

# 2014

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SESA SpA , Registered office: Via Piovola no. 138 – 50053 Empoli  
(Province of Florence) - Share Capital: Euro 37,003,955,50;  
Fiscal Code, Florence Register of Companies and VAT no.  
07116910964

The logo for SESA s.p.a. features the word "seSa" in a stylized, lowercase, blue font. The letters are rounded and connected, with the 's' and 'e' being particularly prominent. To the right of "seSa" is the text "s.p.a" in a smaller, standard sans-serif font.

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# Governing and supervisory bodies of Sesa SpA

## Board of Directors

*(holding office until approval of the financial statements for the financial year ending 30.04.2015)*

Chairman	<i>Paolo Castellacci</i>
Executive Vice-Chairman	<i>Moreno Gaini</i>
Executive Vice-Chairman	<i>Giovanni Moriani</i>
CEO	<i>Alessandro Fabbroni</i>
<i>Director</i>	<i>Luca Giacometti</i>
<i>Director e</i>	<i>Angelica Pelizzari</i>
<i>Independent Director</i>	<i>Giovanna Zanotti</i>
<i>Independent Director</i>	<i>Luigi Gola</i>

*By a Board resolution passed on 27 February 2013, the Chairman of the Board of Directors, Paolo Castellacci, was granted all powers of ordinary management vested in the Board of Directors with regard to the management of relations with Vendors and suppliers, business development activities, institutional relations, as well as any powers of extraordinary management, including the purchase, sale, exchange or contribution of equity investments and/or real property and/or branches of business and the execution of loan and/or lease agreements for amounts of up to Euro 5,000,000. He was also granted all the necessary powers to represent the company legally and in court.*

*By a Board resolution passed on 27 February 2013, the Executive Vice-Chairman, Moreno Gaini, was granted all the powers of ordinary management vested in the Board of Directors with regard to the management of equity investments in the value-added distribution of Information Technology – through the subsidiary Computer Gross and any other investee companies belonging to the VAD Segment.*

*By a Board resolution passed on 27 February 2013, the Executive Vice-Chairman, Giovanni Moriani, was granted all the powers of ordinary management vested in the Board of Directors with regard to the management of equity investments held in the Software and System Integration Segment through the subsidiary VAR Group.*

*By a Board resolution passed on 27 February 2013, the CEO, Alessandro Fabbroni, was granted all the powers of ordinary management vested in the Board of Directors with regard to the management of the corporate functions of administration, finance, investor relations, management control, legal affairs and corporate duties, human resources, organisation and IT, including the power to engage and dismiss employees, manage relations with health and social security agencies, carry out banking and factoring transactions and/or ask banks and financial institutions for credit lines.*

## Board of Statutory Auditors

*(holding office until approval of the financial statements for the financial year ending 30.04.2015)*

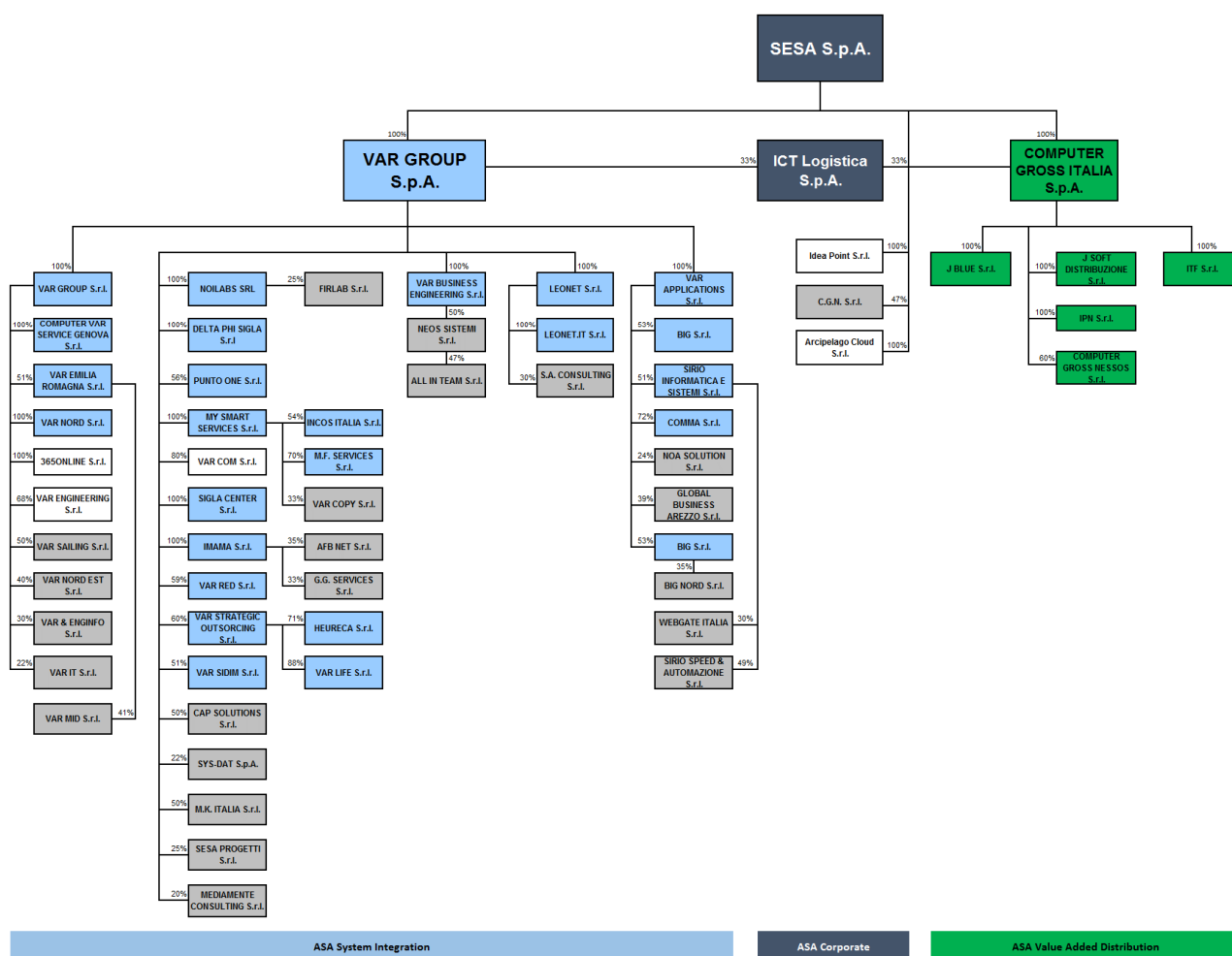
Chairman	<i>Luca Parenti</i>
Standing auditors	<i>Chiara Pieragnoli</i> <i>Guido Riccardi</i>

## Independent Auditors

*(holding office until approval of the financial statements for the financial year ending 30.04.2022)*

PricewaterhouseCoopers SpA

## Structure of the Sesa Group



Subsidiaries, consolidated on a line-by-line basis, are marked azure (companies belonging to the System and Software Integration Segment), green (companies belonging to the Value-Added ICT Distribution Segment) and blue (companies belonging to the Corporate and Logistics Segment).

Associated companies are marked grey and subsidiaries controlled at cost inasmuch as they are not significant and/or not yet operational are marked white.

For more details on the scope of consolidation and on any equity investments held by Sesa SpA, both directly and indirectly, reference is made to the Annex at the Interim Report.

## Foreword

The information included in this Interim Report and the comments reported therein are intended to provide an overview of the patrimonial, financial and economic position of Sesa Group (hereinafter the "Group"), the relative changes that occurred during the period, as well as the significant events that have occurred affecting the result of the period.

The Interim Report at 31 January 2014 is referred to the first nine months and represents the first quarterly report prepared by the parent Sesa SpA after the conclusion of MTA listing procedures, happened on 22 October 2013.

For a better evaluation of the economic-financial trend of the Group, in this Report are presented the Reclassified Balance Sheet and Income Statement for the period ended at 31 January 2014 and for the corresponding period of the previous year, together with some alternative performance indicators. Some indicators are presented "Adjusted" to represent the Group's performance excluding MTA listing costs, as they are considered non-recurring and fully recognized in the Income Statement ended at 31 January 2014.

This Interim Report of the Group at 31 January 2014 has not been audited.

## Accounting policies and standards

The Interim Report of Sesa Group at 31 January 2014 (hereinafter the "Interim Report") has been prepared pursuant to art.154-bis, paragraph 5 of Legislative Decree no. 58/1998 and the provisions of Consob. The interim Report has been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union and in force at the time of approval of this Interim Report. Patrimonial, financial and economic statements at 31 January 2014 are set out in the attached annex.



Accounting policies and standards adopted in the preparation of the Interim Report at 31 January 2014 are consistent with those adopted in the preparation of the consolidated financial statements of the Group for the year ended at 30 April 2013, taking into account those specifically applicable to interim reports.

The Interim Report at 31 January 2014 includes the Interim Report of Sesa SpA, as well as Interim Reports of the subsidiaries at 31 January 2014. These Interim Reports have been adjusted, where due, to ensure compliance with IFRS.

Compared to the situation showed in the Half-Year Financial Report at 31 October 2013, there were no changes in the scope of consolidation. Therefore, about the list of companies included in the consolidation at 31 January 2014, please refer to Annex to Half-Year Financial Report at 31 October 2013.

The preparation of Interim Report requires valuations and assumptions affecting on revenues, expenses, assets and liabilities, as well as on any potential information at the date of preparation of Interim Report. Such valuations and assumptions have been applied consistently to the comparative periods presented in this document. The values shown in the tables are expressed in thousands of Euros.

## Group results at a Glance

<b>Earnings Figures</b> <b>(in thousands of Euros)</b>	<b>Nine-months period ended</b>		<b>Change %</b>
	<b>01/31/2014</b>	<b>01/31/2013</b>	
Revenues	698,444	628,311	11.2%
Total Revenues and Other income	702,695	632,507	11.1%
Ebitda	37,512	33,785	11.0%
Adjusted Ebit	28,658	26,407	8.5%
Net Profit	15,126	14,766	2.4%
Adjusted Net Profit	15,607	14,766	5.7%

<b>Financial Figures</b> <b>(in thousands of Euros)</b>	<b>01/31/2014</b>		<b>Change %</b>
	<b>01/31/2014</b>	<b>01/31/2013</b>	
Total Assets	556,213	566,519	-1.8%
Group equity	137,788	98,575	39.8%
Net working capital	155,881	193,534	-19.5%
Net financial position	64,939	134,172	-51.6%

<b>Other information</b>	<b>01/31/2014</b>		<b>Change %</b>
	<b>01/31/2014</b>	<b>01/31/2013</b>	
Number of employees (average)	948	892	6.3%

# Operating conditions and business development

The Sesa Group is a major Italian operator in the value-added distribution (VAD) of the main *software* and *hardware* technologies on the market and in offering software, technology, services and consultancy with the specific aim of training and supporting businesses as IT end users.

The Sesa Group, as a whole, is able to offer a wide range of software and hardware products in addition to the consultancy services necessary to ensure that the products are used and integrated, having a strong capacity to interact with its customers, also providing high quality customer service.

Today the Group's activities are divided into three different *business areas*:

- the VAD Segment, which includes the activities involved in the value-added distribution of the main software and hardware technologies on the market, covered by the VAD Division, which is managed by subsidiary Computer Gross Italia SpA and focuses on value products (*servers, storage, software enterprise, networking and systems*);
- the *Software and System Integration Segment*, which includes the activities involved in the supply of IT services and solutions, particularly the offer of software, technology, services and consultancy with the specific aim of training and supporting businesses as IT end users, which are managed by subsidiary Var Group SpA;
- the *Corporate Segment*, which includes the activities carried out by the Group's head office (administration, finance and control, human resources, *information technology*, organisation, *investor relations*, institutional relations, training, general and legal affairs and *internal auditing*), managed by Sesa SpA, and the activities involved in supplying logistics services (product storage, assembly, customisation and handling) applied to ICT, which are managed by subsidiary ICT Logistica SpA. The Corporate Segment will include, starting from the current year, also cloud solutions provided by the newly-formed company Arcipelago Cloud Srl.

## Corporate Segment

### **Sesa SpA**

The Parent Company Sesa SpA provides administrative and financial services, organisation, planning and management control, operates IT systems for subsidiaries and also acts as a holding company, mainly operating in the ICT sector.

### **ICT Logistica SpA**

The Company, which is 66.66% owned by Sesa SpA (of which 33.33% through Computer Gross Italia and 33.33% through Var Group SpA) is active in the sale of IT products and provides logistics services on behalf of shareholders and business customers, in particular for Computer Gross Italia SpA, Var Group SpA and Bassilichi SpA.

## System and Software Integration Segment

### **Var Group SpA**

Var Group SpA, which is wholly owned by Sesa SpA, markets software and IT products and services to end customers that mainly belong to the small and medium business segment. Var Group operates on the Italian system integration market with a matrix organisation model (lines of business – geographical markets) through its sub-holdings specialized in specific solutions and business lines.

### **Delta Phi Sigla Srl**

The Company, which is wholly owned by Var Group SpA, develops and markets software and proprietary applications for the Small and Medium Business market. Specifically, it owns the SIGLA++ software, which has a user database of about 8,000 business customers throughout Italy.

### **Sigla Center Srl**

The Company, which is wholly owned by Var Group SpA, provides I.T. services to end users belonging to SME segment.

### **Noilabs Srl**

The Company, which is wholly owned by Var Group SpA, provides, also through its subsidiaries, IT solutions for its business customers, especially in the areas of Systems assistance Business Applications.

### **Var Strategic Outsourcing Srl**

The Company, which is 60% owned by Var Group SpA,, provides Strategic Outsourcing services to major corporate customers (including Autostrade SpA).

### **Heureka Srl**

The Company, which is 71% owned by Var Strategic Outsourcing Srl, operates the specialist examination appointments and scheduling service for the Ospedali Riuniti of Florence.

### **Var Life Srl**

The Company, which is 88% owned by Var Strategic Outsourcing Srl, operates, on the basis of a longterm outsourcing contract, the ICT services for the Italian offices of the pharmaceutical multinational Boehringer Ingelheim.

### **Leonet Srl**

The Company, which is wholly owned by Var Group SpA, operates in the telecommunications services sector, as an internet service provider, in cloud computing, infrastructures services, and systems assistance sectors with a portfolio of services that meets the requirements of business and professional customers.

### **Leonet.it Srl**

The Company, which is wholly owned by Leonet Srl, operates in Infrastructures services sector, in cloud computing and systems assistance sectors with a portfolio of services that meets the requirements of business and professional customers.

### **Computer Var Services Genova Srl**

The Company, which is wholly owned by Var Group Srl, provides system integration and infrastructures services in the Liguria region.

### **My Smart Services Srl**

The Company, which is wholly owned by Var Group SpA operates in maintenance services, technical



assistance and computers and I.T. products repair sectors on domestic market.

**Incoss Italia Srl**

The Company, which is 54% owned by My Smart Services Srl, is one of the main operators in the Italian computer and IT product maintenance and repair market.

**MF Services Srl**

The Company, which is 70% owned by My Smart Services Srl, operates in computer and IT product maintenance and repair services market.

**Var Group Srl**

The Company, which is wholly owned by Var Group SpA, markets services and hardware and software solutions for the parent company in Central and Northern Italy (through its Empoli headquarters (Province of Florence) – and sales offices in Genoa, Turin and Milan).

**Var Emilia Romagna Srl**

The Company, which is 58% owned by Var Group Srl, provides system integration and infrastructures services in the Emilia Romagna region.

**Var Applications Srl**

The Company, which is wholly owned by Var Group SpA, develops and markets proprietary software for the small- and medium-business market based on the SAM application.

**Sirio Informatica e Sistemi SpA**

The Company, which is 51% owned by Var Applications Srl, develops and markets proprietary software and applications for the small- and medium-business market.

**B.I.G. Srl**

The Company, which is 53% owned by Var Applications Srl, develops business intelligence and management consulting solutions, acting as a partner for firms that need to monitor corporate processes and plan management activities.

**Comma Srl**

The Company, which is 72% owned by Var Applications Srl, develops and markets proprietary software and applications for the Small- and Medium-Business market. Specifically, it owns the COMMA software.

**Punto One Srl**

The Company, which is 56% owned by Var Group SpA, distributes SAP Business One software solutions.

**Var Business Engineering Srl**

The Company, which is wholly owned by Var Group SpA, advises on and supplies SAP R3 solutions.

**Var Nord Srl**

The Company, which is wholly owned by Var Group SpA, operates in development and resell of hardware, software and applications for the Small and Medium Business market in Northern Italy.

**Var Sidim Srl**

The Company, which is 51% owned by Var Group SpA, develops consulting solutions and operates in ERP supply sector.

**Imama Srl**

The Company, which is wholly owned by Var Group SpA, operates in web marketing and media sectors.

**Var Red Srl**

The Company, which is 59% owned by Var Group SpA, develops consulting solutions and operates in Oracle solutions supply sector.

**Value-Added Distribution (VAD) Segment****Computer Gross Italia SpA**

The Company, which is wholly owned by Sesa SpA, distributes value-added ICT products to dealers (software houses and system integrators) with a portfolio of more than 7,000 active customers in the small- and medium-business, corporate and public administration markets. Computer Gross Italia SpA is a leading Italian operator in the marketing of products and solutions provided by the main international Vendors, including I.B.M, Cisco, Microsoft, Lenovo, Oracle, HP.

**J Blue Srl**

J Blue Srl is the business unit of Computer Gross Italia SpA, which employs the personnel devoted to the management of Vendor IBM's services and hardware solutions: Computer Gross Italia SpA is IBM's main Italian distributor. In addition to distributing IBM hardware products and solutions, the Company also distributes the Lenovo and Lexmark product range, naturally complementary to that of IBM.

**J. Soft Distribuzione Srl**

J Soft is the business unit of Computer Gross Italia SpA, which employs the personnel devoted to the management of the software solutions of the main international Vendors (including IBM, Microsoft, Symantec, Oracle, Citrix, Vmware).

**Computer Gross Nessos Srl**

Computer Gross Nessos Srl, which is 60% owned by Computer Gross Italia SpA, employs the personnel devoted to the management of Networking products and solutions, in a sector in which it is the Italian market leader owing to the completeness and added value of the product range. CISCO, in particular, is one of the brands in its portfolio.

**Informatica per il Negozio (I.P.N.) Srl**

The Company, which is wholly owned by Computer Gross Italia SpA, provides POS solutions for the various product sectors: Food, Non-food, Specialty Store, Hospitality, Kiosk.

**ITF Srl**

The Company, which is wholly owned by Computer Gross Italia SpA, is the related Financial Services business unit, which provides financial services and solutions in support of the customer business partners.

## Performance of operations

### General economic and Group's sector trend

During 2013 continued the strengthening of the global economy with a rotation of growth from emerging economies to advanced ones, in particular United States. In the euro area, economic activity returned to grow, but with a slow pace and unevenly across countries. The following table shows the GDP totals and outlooks for the period 2012-2014 (Source FMI - WOE, January 2014).

<b>GDP growth rate</b>	<b>Change GDP 2012</b>	<b>Change GDP 2013</b>	<b>Change GDP 2014</b>
USA	+2.8%	+1.9%	+2.9%
Japan	+1.4%	+1.7%	+1.7%
China	+7.7%	+7.7%	+7.5%
Great Britain	+0.3%	+1.7%	+2.4%
Germany	+0.9%	+0.5%	+1.6%
Euro Area	-0.7%	-0.4%	+1.0%
Italy	-2.5%	-1.8%	+0.6%

Gross Domestic Product in the Euro Area, which has continued to fall since the end of 2011, shows signs of a reversal of trend starting from the third quarter of 2013, with growth in 2014 expected to be around 1%

In Italy, industrial production, decreasing from summer 2011, has increased by about 1% in the fourth quarter of 2013. From the third quarter of 2013 sales and orders of industrial recorded a slight growth, showing a gradual expansion of the manufacturing industry and approaching the return also in services growth. The recovery in sales of industrial enterprises is led by exports, which grew in recent years in line with the evolution of key markets, while is struggling recovery in domestic demand. Household consumptions are affected by the persistent weakness of the labor market and income trend, as well as the increase in the percentage of savings (Source: Bank of Italy, January 2014). In this scenario, the year 2013 ended with a contraction in GDP equal to 1.8%, while for 2014 is expected to return to growth, although moderate (+0.6%).

The Italian market of Information Technology ("IT") showed a contraction of 4.1% in 2013, with a substantial continuity of the trend compared to a decrease of 3.8% recorded in both 2012 and 2011. This decrease was most relevant in Hardware segment (-5.7%) than in services (-4.8%) and Software (-1.7%) (Source Sirmi, January 2014). The following table shows the trend of IT demand in Italy in the last two years and an outlook for the years 2013 and 2014 (Source Sirmi, January 2014).

<b>Italian IT market (in millions of Euros)</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014E</b>	<b>Change 11/10</b>	<b>Change 12/11</b>	<b>Change 13/12</b>	<b>Change 14/13</b>
Hardware	7,539	6,988	6,593	6,370	-7.3%	-7.3%	-5.7%	-3.4%
Software	3,994	4,020	3,951	3,892	1.5%	0.7%	-1.7%	-1.5%
Project Services	3,877	3,751	3,572	3,433	-2.1%	-3.2%	-4.8%	-3.9%
Management Services	5,067	4,942	4,772	4,728	-3.5%	-2.5%	-3.4%	-0.9%
<b>Total Italian IT</b>	<b>20,477</b>	<b>19,701</b>	<b>18,888</b>	<b>18,423</b>	<b>-3.8%</b>	<b>-3.8%</b>	<b>-4.1%</b>	<b>-2.5%</b>
<b>O/w Cloud Computing</b>	<b>569</b>	<b>675</b>	<b>789</b>	<b>916</b>	<b>17.2%</b>	<b>18.6%</b>	<b>16.9%</b>	<b>16.1%</b>
<i>% Cloud on total IT</i>	<i>2.8%</i>	<i>3.4%</i>	<i>4.2%</i>	<i>5.0%</i>				

A reduction of the drop in demand for IT is expected for 2014, particularly in the software sector, where the market is expected to regain substantial stability. It has also been noted how the Italian IT market segment that looks set to grow most in the years ahead is that of cloud computing services, with annual increase rates of approximately 15%.

## Main income statement data of the Sesa Group

The reclassified consolidated income statement for the nine-month period ended at 31 January 2014 is shown below (with figures in thousands of Euros), compared with the reclassified consolidated income statement of the previous year.

These ratios are adjusted to portray the Sesa Group's performance at 31 January 2014 net of nonrecurring costs made up entirely of the costs of listing on the MTA, sustained by the Group in the period, equating to € 702 thousand gross of tax (€ 481 thousand net of the related taxation). The results at 31 January 2013 are not influenced by non-recurring entries.

<b>Reclassified income statement</b>	<b>01/31/2014</b>	<b>%</b>	<b>01/31/2013</b>	<b>%</b>	<b>Change 2014/13</b>
<b>Revenues</b>	<b>698,444</b>		<b>628,311</b>		<b>11.2%</b>
Other income	4,251		4,196		
<b>Total Revenues and Other Income</b>	<b>702,695</b>	<b>100.0%</b>	<b>632,507</b>	<b>100.0%</b>	<b>11.1%</b>
Purchase of goods	586,061		527,779		11.0%
Costs for services and leased assets	41,512		38,361		8.2%
Personnel costs	35,202		31,384		1.2%
Other operating charges	2,408		1,198		101.0%
<b>Total Operating Costs</b>	<b>665,183</b>	<b>94.7%</b>	<b>598,722</b>	<b>94.7%</b>	<b>11.1%</b>
<b>EBITDA</b>	<b>37,512</b>	<b>5.3%</b>	<b>33,785</b>	<b>5.3%</b>	<b>11.0%</b>
Amortisation and depreciation	4,471		4,738		-5.6%
Accruals to provision for bad debts	4,383		2,640		66.0%
<b>Adjusted EBIT</b>	<b>28,658</b>	<b>4.1%</b>	<b>26,407</b>	<b>4.2%</b>	<b>8.5%</b>
Profit from companies valued at equity	39		125		-68.8%
Financial income and charges	(3,699)		(3,468)		6.7%
<b>Adjusted EBT</b>	<b>24,998</b>	<b>3.6%</b>	<b>23,064</b>	<b>3.6%</b>	<b>8.4%</b>
Adjusted Income taxes	9,391		8,298		13.2%
<b>Adjusted Net profit</b>	<b>15,607</b>	<b>2.2%</b>	<b>14,766</b>	<b>2.3%</b>	<b>5.7%</b>
Non-recurring listing costs net of tax effect	481				
<b>Net profit</b>	<b>15,126</b>	<b>2.2%</b>	<b>14,766</b>	<b>2.3%</b>	<b>2.4%</b>
<i>Net profit attributable to the Group</i>	<i>14,784</i>		<i>14,347</i>		
<i>Net profit attributable to minority interests</i>	<i>342</i>		<i>419</i>		

Below are reported the key indicators of the income statement:

<b>Reclassified income statement in summary</b>	<b>01/31/2014</b>	<b>%</b>	<b>01/31/2013</b>	<b>%</b>	<b>Change 2014/13</b>
Revenues	698,444		628,311		11.2%
<b>Ebitda</b>	<b>37,512</b>	<b>5.3%</b>	<b>33,785</b>	<b>5.3%</b>	<b>11.0%</b>
EBIT	27,956		26,407		5.9%
<b>Adjusted EBIT</b>	<b>28,658</b>	<b>4.1%</b>	<b>26,407</b>	<b>4.2%</b>	<b>8.5%</b>
Net Profit	15,126		14,766		2.4%

<b>Adjusted Net Profit</b>	<b>15,607</b>	<b>2.2%</b>	<b>14,766</b>	<b>2.3%</b>	<b>5.7%</b>
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Consolidated Revenues at 31 January 2014 up by 11.2% passing from Euro 628,311 thousand at 31 January 2013 to Euro 698,444 at 31 January 2014.

All the Group's revenues are generated in Italy. Revenues can be broken down as follows:

<i>(in thousands of Euros)</i>	<b>At 31 January</b>	
	<b>2014</b>	<b>2013</b>
Sale of hardware, software and accessories	640,087	575,563
Software development and other services	25,557	25,473
Hardware and software assistance	24,044	20,099
Marketing activity	5,070	4,776
Other sales	3,686	2,400
<b>Total</b>	<b>698,444</b>	<b>628,311</b>

The turnover increase was the result of sales growth in the two main Group sectors (VAD and VAR) . The business has benefited from the increasing development of sales of software and complex IT solutions.

The revenues of the segments at 31 January 2014 are broken down as follows:

<i>(in thousands of Euros)</i>	<b>Period ended at 31 January 2014</b>				
	<b>Value Added Distribution (VAD)</b>	<b>Software e System Integration (VAR)</b>	<b>Corporate &amp; Logistics</b>	<b>Eliminations</b>	
<b>Revenues</b>	<b>560,304</b>	<b>136,426</b>	<b>1,714</b>		<b>698,444</b>
Inter-segment revenues	52,792	3,038	7,916		63,746
<b>Revenues to third parties</b>	<b>613,096</b>	<b>139,464</b>	<b>9,630</b>	<b>(63,746)</b>	<b>698,444</b>

Total Revenues and other income recorded an increase of Euro 70,188 thousand (+11.1%), passing from Euro 632,507 thousand at 31 January 2013 to Euro 702,695 thousand at 31 January 2014.

Purchase of goods up by 11.0%, passing from Euro 527,779 thousand in the period ended at 31 January 2013 to Euro 586,061 thousand in the period ended at 31 January 2014. Gross margin, calculated as difference between Total revenues and other income and Cost of goods sold, remained at 16.6% confirming the strategic focus on high value-added solutions.

The item goods for resale is broken down as follows:

<i>(in thousands of Euros)</i>	<b>At 31 January</b>	
	<b>2014</b>	<b>2013</b>
Purchase of hardware	378,651	336,651
Purchase of software	207,068	190,929
Consumables and other purchases	342	199
<b>Total</b>	<b>586,061</b>	<b>527,779</b>

Personnel costs passed from Euro 31,384 thousand at 31 January 2013 to Euro 35,202 thousand at 31 January 2014, with a growth of 12.2% arising from the increase in the Group's average staff, due to the turnover increase and the growth in high value-added products and solutions offered to customers.

The item personnel costs is broken down as follows:

<i>(in thousands of Euros)</i>	<b>At 31 January</b>	
	<b>2014</b>	<b>2013</b>
Wages and salaries	24,113	21,928
Social security contributions	6,845	6,046
Contributions to pension funds	1,760	1,574
Contributions to defined benefit pension funds		
Reimbursements and other personnel costs	2,484	1,836
<b>Total</b>	<b>35,202</b>	<b>31,384</b>

Below is reported the average and actual number of the Group's employees:

<i>(in units)</i>	<b>Average number of employees at 31 January</b>		<b>Actual number of employees at 31 January</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Executives	14	14	14	14
Middle managers	80	70	86	75
Office workers	836	794	848	803
<b>Total</b>	<b>930</b>	<b>878</b>	<b>948</b>	<b>892</b>

Despite the growth in personnel costs and other operating costs, the total of operating costs, equal to Euro 665,183 thousand at 31 January 2014, showed a rate in line with the previous period, equal to 94.7%, of Total Revenues and Other Income.

Ebitda was equal to Euro 37,512 thousand at 31 January 2014 and recorded an increase of Euro 3,727 thousand (+11.0%) compared to the period ended at 31 January 2013, thanks to turnover growth in the period. Ebitda margin at 31 January 2014 was 5.3%, in line with 31 January 2013.

*Adjusted* EBIT, excluding non-recurring MTA listing costs, was equal to 28,658 thousand at 31 January 2014 and showed an increase of 8.5% compared to Euro 26,407 thousand at 31 January 2013. *Adjusted* Ebit were adversely affected by amortization and allocations to the Provision for bad debt equal to Euro 8,854 Euro at 31 January 2014, up by Euro 1,476 thousand compared to Euro 7,378 thousand at 31 January 2013, as a result of an increase in bad debt provisions due to the above-mentioned increase in turnover and trade receivables.

The item amortisation is broken down as follows:

<i>(in thousands of Euros)</i>	<b>At 31 January</b>	
	<b>2014</b>	<b>2013</b>
Intangible assets	671	638
Property, plant and equipment	3,800	4,100
Investment property		
<b>Total</b>	<b>4,471</b>	<b>4,738</b>

*Adjusted Ebt*, excluding non-recurring MTA listing costs, up by 8.4% compared to previous period, passing from Euro 23,064 thousand at 31 January 2013 to Euro 24,998 thousand at 31 January 2014, despite a slight increase in financial charges passing from Euro 3,468 thousand at 31 January 2013 to Euro 3,699 thousand at 31 January 2014.

*Adjusted Net profit before minority interest*, excluding non-recurring MTA listing costs, was equal to Euro 15,607 thousand at 31 January 2014, up by 5.7% compared to the corresponding period of 2013, reflecting a slight increase in tax rate compared to 31 January 2013.

Net profit before minority interest, net of non-recurring MTA listing costs, was equal to Euro 15,126 thousand at 31 January 2014, with an improvement of 2.4% compared to the corresponding period of 2013.

After minority interests, Net Profit was equal to Euro 14,784 thousand at 31 January 2014, up by 3.0% compared to Euro 14,347 at 31 January 2013.

## Main balance sheet data of the Group

Below is provided the reclassified balance sheet (data in thousands of Euros) at 31 January 2013. Together with the comparative data referred to the year ended 30 April 2013, are also included data referred to the corresponding period ended 31 January 2013, in order to provide a better analysis of the balance sheet, considering the seasonality that typically characterizes the sales revenue during the year.

<b>Reclassified Balance Sheet</b>	<b>01/31/2014</b>	<b>01/31/2013</b>	<b>04/30/2013</b>
Intangible assets	6,489	2,775	5,110
Property, plant and equipment	37,249	36,144	37,692
Investments valued at equity	3,069	2,579	2,579
Other non-current receivables	13,191	9,280	12,096
<b>Total non-current assets</b>	<b>59,998</b>	<b>50,778</b>	<b>57,477</b>
Inventories	54,708	63,061	47,457
Current trade receivables	377,636	366,657	243,145
Other current assets	23,100	67,083	26,803
<b>Current operating assets</b>	<b>455,444</b>	<b>496,801</b>	<b>317,405</b>
Payables to suppliers	260,866	250,838	220,608
Other current payables	38,697	52,429	32,615
<b>Short-term operating liabilities</b>	<b>299,563</b>	<b>303,267</b>	<b>253,223</b>
<b>Net working capital</b>	<b>155,881</b>	<b>193,534</b>	<b>64,182</b>
Non-current assets held for sale	(290)	(290)	
Non-current provisions and other tax liabilities	2,699	2,205	2,250
Employee benefits	10,743	9,650	10,224
<b>Non-current liabilities</b>	<b>13,152</b>	<b>11,565</b>	<b>12,474</b>
<b>Net Invested Capital</b>	<b>202,727</b>	<b>232,747</b>	<b>109,185</b>
<b>Group equity</b>	<b>137,788</b>	<b>98,575</b>	<b>129,902</b>
Medium-Term Net Financial Position	21,020	14,309	13,580
Short-Term Net Financial Position	43,919	119,863	(34,297)
<b>Total Net Financial Position (Net Liquidity)</b>	<b>64,939</b>	<b>134,172</b>	<b>(20,717)</b>
<b>Equity and Net Financial Position</b>	<b>202,727</b>	<b>232,747</b>	<b>109,185</b>

Total non-current assets at 31 January 2014 was equal to Euro 59,998 thousand, with an increase of Euro 2,521 thousand compared to 30 April 2013. In particular:

- the increase in the net balance of intangible assets of Euro 1,379 thousand compared to 30 April 2013 due to the increase in customer list resulting in the acquisition of additional interests in existing subsidiaries / associated companies, net of amortization;
- The increase in deferred tax assets for Euro 936 thousand as a result of higher provisions and non-deductible depreciations.

Net working capital was equal to Euro 155,881 thousand at 31 January 2014 and showed a reduction of 29% compared to Euro 193,538 thousand for the period ended 31 January 2013, achieved despite the increase in revenues recorded in the first nine months of the current year. This was thanks to a more efficient management of inventories and trade receivables. In particular we note:



- The decrease in inventories passing from Euro 63,061 thousand at 31 January 2013 to Euro 54,708 thousand at 31 January 2014. This was due to an higher efficiency in inventories management and the growth in software sales;
- The increase in Current trade receivables equal to Euro 10,979 thousand (+3.0%), compared to a revenues growth in the period of 11.2%.

Net working capital showed a growth compared to the amount of Euro 64,182 at 30 April 2013, reflecting the seasonality of the business which is characterized by higher working capital requirements at the end of each year and the following month of January.

The Net Financial Position at 31 January 2014, compared to the previous period at 31 January 2013 and the fiscal year ended at 30 April 2013 is broken down as follows (in thousands of Euros):

<b>Net Financial Position</b>	<b>01/31/2014</b>	<b>01/31/2013</b>	<b>04/30/2013</b>
A. Cash	24	131	20
B. Cheques and bank and postal deposits	40,080	18,167	92,375
C. Securities held for trading		-	-
<b>D. Liquidity (A) + (B) + (C)</b>	<b>40,104</b>	<b>18,298</b>	<b>92,395</b>
<b>E. Current financial receivables</b>	<b>377</b>	<b>352</b>	<b>276</b>
F. Current bank debt	81,863	135,608	55,372
G. Current portion of non-current debt	2,531	2,467	2,461
H. Other current financial payables	6	438	541
<b>I. Current financial debt (F) + (G) + (H)</b>	<b>84,400</b>	<b>138,513</b>	<b>58,374</b>
<b>J. Net current financial debt (I) - (E) - (D)</b>	<b>43,919</b>	<b>119,863</b>	<b>(34,297)</b>
K. Non-current bank debt	2,598	5,092	4,465
L. Bonds issued		-	-
M. Other non-current payables	18,422	9,217	9,115
<b>N. Non-current financial debt</b>	<b>21,020</b>	<b>14,309</b>	<b>13,580</b>
<b>O. Net financial debt</b>	<b>64,939</b>	<b>134,172</b>	<b>(20,717)</b>

Net Financial Position - net debt of Euro 64,939 thousand at 31 January 2014, showed an improvement of Euro 69,233 thousand compared to 31 January 2013. The strengthening of the Group, achieved thanks to the conclusion of MTA listing procedures, together with self-Financing of the period and an effective working capital management, led to a positive trend of Net Financial Position respect the same period of 2013.

Net Financial Position at 31 January 2014 compared to the amount at 30 April 2013, which showed a net liquidity equal to Euro 20,717 thousand, reflects the seasonality of the business which is characterized by higher working capital requirements at 31 January than 30 April of each year.

Consolidated shareholders' equity was equal to Euro 137,788 thousand at 31 January 2014. The change respect Group equity at 30 April 2013 was mainly due to the net profit of the current period net of the dividend paid by the parent company Sesa SpA equal to Euro 6,270 thousand.

## Segment Reporting

The criteria applied to identify the business segments being reported are in line with the procedures through which the management runs the Group. In particular, the organisation of the business segments being reported corresponds to the structure of the reports that are periodically analysed by the board of directors for the purposes of the management of the Group's business.

Specifically, the main scope of operational analysis used by the Group is that relating to the following operating segments:

- *Value-Added Distribution*, which includes the value-added distribution, through the subsidiary ComputerGross SpA, of complex IT products and solutions in the categories of servers, storage, software and networking to the operators in the enterprise and small/medium enterprise segment. The Group's VAD offer integrated to software houses and integrators of technology addressed the implementation of complex technology solutions, is targeted at the end users of products distributed.
- *Software and System Integration*, which includes the offer of software, technology, services and consultancy, through the subsidiary Var Group SpA, aimed at training and supporting businesses as end users of IT. The Group provides services for the design, consultancy, development and installation of software and complex technology, pre- and after-sales assistance and strategic outsourcing.
- *Corporate and Logistics*, which includes logistics services, including the storage, assembly, customisation and handling of products and other correlated activities, as well as centralized activities carried out by holding companies.

The operating segments of Value-Added Distribution and Software and System Integration are vertically integrated through the sale of IT products and solutions from Computer Gross SpA to Var Group SpA. Computer Gross SpA uses the logistics services included in the Corporate and Logistics segment.

The Group's management assesses the performance of the different operating segments, using the following indicators:

- revenues from minority interests by operating segment;
- EBITDA defined as the profit for the year before depreciation, provisions for bad debts, any losses not covered by provisions for bad debts, financial income and charges, the profit (loss) of companies valued at equity and taxes;
- Profit for the year.

The Group's management believe that any cross-sector relations are substantially regulated at arm's length. Costs and revenues are allocated directly to each operating segment.

<i>(in thousands of Euros)</i>	Periodo ended at 31 January 2014				
	Value Added Distribution	Software e System Integration	Corporate & Logistica	Eliminations	
<b>Revenues</b>	<b>560,304</b>	<b>136,426</b>	<b>1,714</b>	-	<b>698,444</b>
Inter-segment revenues	52,792	3,038	7,916	-	63,746
<b>Revenues to third parties</b>	<b>613,096</b>	<b>139,464</b>	<b>9,630</b>	<b>(63.746)</b>	<b>698,444</b>
Other income	3,293	1,430	1,098	(1.570)	4,251
Consumables and goods for resale	(563,082)	(77,993)	(1,164)	56.178	(586,061)
Costs for services and rent, leasing and similar costs	(15,049)	(30,643)	(5,086)	9.266	(41,512)
Personnel costs	(8,047)	(23,530)	(3,625)	-	(35,202)
Other operating costs	(1,034)	(1,056)	(190)	(128)	(2,408)
<b>EBITDA</b>	<b>29,177</b>	<b>7,672</b>	<b>663</b>	-	<b>37,512</b>
Amortisation	(1,072)	(3,370)	(29)	-	(4,471)
Accruals to provision for bad debts	(3,546)	(793)	(44)	-	(4,383)
<b>Adjusted EBIT</b>	<b>24,559</b>	<b>3,509</b>	<b>590</b>	-	<b>28,658</b>
Profit from companies valued at equity	-	39	-	-	39
Financial income	2,981	102	172	-	3,255
Financial charges	(6,199)	(730)	(25)	-	(6,954)
<b>Adjusted EBT</b>	<b>21,341</b>	<b>2,920</b>	<b>737</b>	-	<b>24,998</b>
Income taxes	(6,887)	(2,049)	(455)	-	(9,391)
<b>Adjusted Net profit</b>	<b>14,454</b>	<b>871</b>	<b>282</b>	-	<b>15,607</b>
Non-recurring listing costs net of tax effect			(481)		(481)
<b>Net profit</b>	<b>14,454</b>	<b>871</b>	<b>(199)</b>	-	<b>15,126</b>
Net profit attributable to minority interests	16	314	12	-	342
<b>Net profit attributable to the Group</b>	<b>14,438</b>	<b>557</b>	<b>(211)</b>	-	<b>14,784</b>

## Relations with subsidiaries, associates, controlling companies and related concerns

As regards disclosures of relations with related parties it should be noted that any transactions carried out with related parties in ordinary operations were entered into at arm's length and on conditions that were to the parties' reciprocal financial benefit.

The Group's related parties have been identified in accordance with IAS 24.

No significant related party transactions are reported in the period.

## Significant events in the period

Referring to the first nine months of the year there were the following significant events.

The conclusion of MTA listing procedures from Alternative Italian Market (AIM) to Italian Stock Exchange (MTA). First day of Shares and Warrants listing on Italian Stock Exchange (MTA) was 22 October 2013.

For the development of the Group in the field of cloud computing services, on 5 November 2013 was formed by Sesa SpA the company Archipelago Cloud Srl, wholly owned, with a focus on the supply of cloud computing services (Infrastructure as a service and software as a service) in partnership with leading vendors to support the distribution channel of the VAD segment of the Group.

It's continued during the period the strategy of portfolio development in the field of value-added distribution by Computer Gross Italy SpA, leading company in the Group in the segment of the VAD. We underline the distribution agreement for the Italian market signed on 30 January 2014 with EMC <sup>2</sup>, a global leader in the field of technology at the service of innovation (Big Data, Cloud Computing and Security).



## Significant events after the period-end

No significant events occurred after the closing date of the period.

## Outlook on operations

First months of 2014 are showing again a unfavorable scenario in italian economy and IT market, in spite some reverse signs.

In the quarter, the Group has continued to operate as part of its development strategy and in line with its market position, based on partnerships with leading international vendors and focus on the SME segment.

The aim for the remaining part of the financial year is to keep pursuing operations consistently with the first 3 quarters ,respecting patrimonial and financial balance achieved in the previous fiscal year ended at 30 April 2013.

## Annex

## Consolidated Income Statement

<i>(in thousands of Euros)</i>	Period ended 31 January	
	2014	2013
Revenues	698,444	628,311
Other income	4,251	4,196
Consumables and goods for resale	(586,061)	(527,779)
Costs for services and rent, leasing and similar costs	(42,214)	(38,361)
Personnel costs	(35,202)	(31,384)
Other operating costs	(6,791)	(3,838)
Amortisation and depreciation	(4,471)	(4,738)
<b>EBIT</b>	<b>27,956</b>	<b>26,407</b>
Profit from companies valued at equity	39	125
Financial income	3,255	3,640
Financial charges	(6,954)	(7,108)
<b>Profit before taxes</b>	<b>24,296</b>	<b>23,064</b>
Income taxes	(9,170)	(8,298)
<b>Profit for the period</b>	<b>15,126</b>	<b>14,766</b>
<i>Of which:</i>		
Profit attributable to minority interests	342	419
Profit attributable to the Group	14,784	14,347

## Consolidated Statement of Financial Position

<i>(in thousands of Euros)</i>	<b>At 31 January 2014</b>	<b>At 30 April 2013</b>
Intangible assets	6,489	5,110
Property, plant and equipment	37,249	37,402
Investment property	290	290
Equity investments valued at equity	3,069	2,579
Deferred tax assets	7,087	6,161
Other non-current receivables and assets	6,104	5,935
<b>Total non-current assets</b>	<b>60,288</b>	<b>57,477</b>
Inventories	54,708	47,457
Current trade receivables	377,636	243,145
Current tax receivables	2,375	1,504
Other current receivables and assets	21,102	25,575
Cash and cash equivalents	40,104	92,395
<b>Total current assets</b>	<b>495,925</b>	<b>410,076</b>
Non-current assets held for sale		-
<b>Total assets</b>	<b>556,213</b>	<b>467,553</b>
Share capital	37,004	36,996
Share premium reserve	42,247	42,691
Other reserves	2,543	1,170
Profits carried forward	52,729	46,372
<b>Total Group equity</b>	<b>134,523</b>	<b>127,229</b>
Equity attributable to minority interests	3,265	2,673
<b>Total equity</b>	<b>137,788</b>	<b>129,902</b>
Non-current loans	21,020	13,580
Employee benefits	10,743	10,224
Non-current provisions	834	730
Deferred tax liabilities	1,865	1,520
<b>Total non-current liabilities</b>	<b>34,462</b>	<b>26,054</b>
Current loans	84,400	58,374
Payables to suppliers	260,866	220,608
Current tax payables	8,507	2,082
Other current liabilities	30,190	30,533
<b>Total current liabilities</b>	<b>383,963</b>	<b>311,597</b>
<b>Total liabilities</b>	<b>418,425</b>	<b>337,651</b>
<b>Total equity and liabilities</b>	<b>556,213</b>	<b>467,553</b>

## Consolidated Statement of Changes in Equity

	Share capital	Treasury Shares reserve	Share premium reserve	Other reserves	Profits carried forward	Group equity	Equity attributable to minority interests	Total equity
<i>(in thousands of Euros)</i>								
<b>At 30 April 2013</b>	<b>36,996</b>		<b>42,691</b>	<b>1,170</b>	<b>46,372</b>	<b>127,229</b>	2,673	<b>129,902</b>
Profit for the year					14,783	14,783	342	<b>15,125</b>
<b>Comprehensive income for the year</b>					<b>14,783</b>	<b>14,783</b>	<b>342</b>	<b>15,125</b>
Distribution of dividends					(6,270)	(6,270)		<b>(6,270)</b>
Share capital increase	8					8		<b>8</b>
Treasury Shares Buyback			(444)	(690)		(1,134)		<b>(1,134)</b>
Allocation of profit which has not been distributed to Other reserves and other changes				2,063	(2,156)	(93)	250	<b>157</b>
<b>At 31 January 2014</b>	<b>37,004</b>		<b>42,247</b>	<b>2,543</b>	<b>52,729</b>	<b>134,523</b>	<b>3,265</b>	<b>137,788</b>



## Consolidated Statement of Cash Flows

<i>(in thousands of Euros)</i>	<b>Period ended 31 January</b>	
	<b>2014</b>	<b>2013</b>
<b>Profit before taxes</b>	<b>24,296</b>	<b>23,064</b>
<b>Adjustments to:</b>		
Amortisation and depreciation	4,471	4,738
Provisions for personnel and other provisions	6,262	5,183
Net financial (income)/charges	2,719	3,349
Profit from companies valued at equity	(39)	(125)
Other non-monetary items		-
<b>Cash flows generated from operating activities before changes in net working capital</b>	<b>37,709</b>	<b>36,209</b>
Change in inventories	(7,130)	(20,855)
Change in trade receivables	(139,057)	(140,058)
Change in payables to suppliers	38,769	41,644
Change in other assets	4,856	(45,880)
Change in other liabilities	(343)	17,607
Use of provisions for risks	47	33
Payment of employee benefits	(1,241)	364
Change in deferred tax assets and liabilities		-
Change in current tax payables and tax receivables		-
Interest paid	(2,617)	(4,724)
Taxes paid	(4,197)	(2,813)
<b>Net cash flow generated from operating activities</b>	<b>(73,204)</b>	<b>(118,473)</b>
Investments in companies, net of acquired cash		-
Investments in property, plant and equipment	(3,447)	(9,528)
Investments in intangible assets	(2,250)	(2,473)
Disposals of property, plant and equipment and intangible assets		-
Disposals of investment property	-	432
Disposal of assets held for sale	-	787
Investments in associated companies	(451)	(72)
Disbursement of loans	-	-
Investments in non-current financial assets	(620)	(2,163)
Receipts from non-current financial assets	68	1,065
Dividends collected		(19)
Interest collected	1,387	1,153
<b>Net cash flow generated from/(used in) investing activities</b>	<b>(5,313)</b>	<b>(10,818)</b>
New disbursements of long-term loans		-
Repayments of long-term loans	(1,856)	(1,809)
(Decrease)/increase in short-term loans	35,322	86,480
Capital increase		-
Change in Group equity	(1,220)	(103)
Change in equity attributable to minority interests	250	(12)
Dividends distributed	(6,270)	-
<b>Net cash flow generated from/(used in) financing activities</b>	<b>26,226</b>	<b>84,556</b>
Translation difference on cash and cash equivalents		-
Cash and cash equivalents assets held for sale		-
<b>Change in cash and cash equivalents</b>	<b>(52,291)</b>	<b>(44,735)</b>
Cash and cash equivalents at the beginning of the period	92,395	63,033
<b>Cash and cash equivalents at the end of the period</b>	<b>40,104</b>	<b>18,298</b>

Attestation pursuant to article 154 bis paragraph 2 of Legislative Decree No. 58/98 "Consolidated Law on Finance" and subsequent amendments

The Director responsible for drawing up Sesa SpA's financial statements and accounting documents, pursuant to the provisions of article 154-bis, paragraph 2 of Consolidated Law on Finance hereby attests that the accounting information contained in the Interim Report at 31 January 2014 corresponds to the document results, books and accounting records.

Empoli, 14 March 2014

Alessandro Fabbroni

(Director responsible for drawing up the accounting documents)