

CAD IT: THE BOARD OF DIRECTORS APPROVES THE QUARTERLY REPORT AT 31st MARCH 2007

In the first quarter of 2007, the CAD IT Group registered Production Revenues of Euro 13.1 million, an increase of 4.1% compared to the Euro 12.6 million of the first quarter 2006.

All other income margins also showed an increase compared to the corresponding period of the previous year:

*EBITDA increased by 15.4% and stood at Euro 2.3 million (Euro 2 million in the first quarter of 2006);
EBIT increased by 13.8% and stood at Euro 1.8 million (Euro 1.6 million in the first quarter of 2006);
Pre-tax profit increased by 29.3% and stood at Euro 1.8 million (Euro 1.4 million in the first quarter of 2006).*

The Net Consolidated Financial Position was in credit by Euro 9.9 million showing an increase compared to the Euro 8.1 million registered at 31st December 2006.

The Board of Directors of CAD IT S.p.A., leader in the Italian financial software market and quoted in the STAR segment of Borsa Italiana, today approved the Quarterly Report at 31st March 2007 which shows an increase in revenues and margins compared to the corresponding period of the previous year.

The main Profit and Loss Account results at 31st March 2007 are as follows:

- **Production Revenues** of Euro 13.1 million compared to the Euro 12.6 million of the first quarter of 2006. The 4.1% growth in Production Revenues is the result of a 5.9% increase in software and service sales (from Euro 11.5 to 12.2 million) and a reduction in investment in intangible fixed assets which were Euro 1 million in the first quarter of 2006 and just Euro 850 thousand in the first quarter of this year;
- **Gross Operational Result (EBITDA)** of Euro 2.3 million, corresponding to 17.5% of Production Revenues, showing a 15.4% increase compared to the Euro 2 million registered for the first quarter of 2006 (15.8% of Production Revenues);
- **Operational Result (EBIT)** of Euro 1.8 million, corresponding to 13.8% of Production Revenues, showing a 13.8% increase compared to the Euro 1.6 million of the first quarter of 2006 (12.7% of Production Revenues);
- **Pre-tax and third party share result** of Euro 1.9 million (14.5% of Production Revenues) showing an increase of 21.9% compared to the Euro 1.6 million of the first quarter of 2006 (12.3% of Production Revenues);



- **Pre-tax profit** of Euro 1.8 million (corresponding to 13.5% of Production Revenues), an increase of 29.3% compared to the Euro 1.4 million registered for the first quarter of 2006 (10.9% of Production Revenues).

The **Net Consolidated Financial Position** at 31st March 2007 was in credit by Euro 9.9 million showing an increase compared to the Euro 8.1 million at 31st December 2006. This increase mainly derives from cash flows generated by the company's core business activities during the first quarter of 2007 which stood at Euro 2.7 million.

Consolidated Profit and Loss Account at 31/03/2007

<i>(in thousands of euro)</i>	Period 2007		Period 2006		Variations	
	01/01 - 31/03		01/01 - 31/03		Variations	Var. %
Turnover - goods and services	12,186	93.3%	11,503	91.6%	682	5.9%
Variations in stock of products being elaborated			6	0.0%	(6)	(100.0%)
Variations in contract work in progress	16	0.1%			16	
Increase in internal work capitalised under fixed assets	851	6.5%	1,018	8.1%	(166)	(16.4%)
Other revenues and income	11	0.1%	25	0.2%	(14)	(56.7%)
<i>Production revenues</i>	13,064	100.0%	12,552	100.0%	512	4.1%
Raw materials, consumables and supplies	(368)	(2.8%)	(273)	(2.2%)	(95)	34.9%
Services	(2,169)	(16.6%)	(2,106)	(16.8%)	(63)	3.0%
Other operating costs	(167)	(1.3%)	(190)	(1.5%)	23	(12.3%)
<i>Added value</i>	10,360	79.3%	9,983	79.5%	378	3.8%
Personnel expenses	(7,480)	(57.3%)	(7,405)	(59.0%)	(74)	1.0%
Other administrative expenses	(597)	(4.6%)	(598)	(4.8%)	1	(0.2%)
<i>Gross operating result (EBITDA)</i>	2,284	17.5%	1,979	15.8%	304	15.4%
Allocation to Credit Depreciation Fund	(2)	(0.0%)	(1)	(0.0%)	(1)	63.8%
Amortizations:						
- Intangible fixed asset amortization	(284)	(2.2%)	(186)	(1.5%)	(98)	52.6%
- Tangible fixed asset amortization	(191)	(1.5%)	(204)	(1.6%)	13	(6.6%)
Other allocations						
<i>Operational result (EBIT)</i>	1,807	13.8%	1,588	12.7%	219	13.8%
Financial receipts	68	0.5%	62	0.5%	5	8.3%
Financial charges	(50)	(0.4%)	(35)	(0.3%)	(15)	43.2%
<i>Profit from ordinary activities</i>	1,825	14.0%	1,616	12.9%	209	12.9%
Revaluations and depreciations	65	0.5%	(66)	(0.5%)	131	(198.9%)
<i>Pre-tax and pre-third party share result</i>	1,890	14.5%	1,550	12.3%	340	21.9%
Third party pre- tax (Profit)/loss	(124)	(0.9%)	(184)	(1.5%)	61	(33.0%)
<i>Pre-tax profit (loss)</i>	1,766	13.5%	1,366	10.9%	401	29.3%

CAD IT Group Net Financial Position

<i>(in thousands of euro)</i>	<i>at 31.03.2007</i>	<i>at 31.12.2006</i>
Cash on hand and other equivalent assets	10,950	9,529
Payables due to banks excluding portion of medium to long-term loans	(665)	(1,138)
<i>Net short-term financial position/(indebtedness)</i>	<i>10,285</i>	<i>8,391</i>
Long-term loans net of short-term portion	(359)	(308)
<i>Net long-term financial position/(indebtedness)</i>	<i>(359)</i>	<i>(308)</i>
<i>Net financial position / (indebtedness)</i>	<i>9,927</i>	<i>8,084</i>

THE CAD IT GROUP

CAD IT is at the head of a group that represents one of the most dynamic organisations in the Italian Information Technology sector.

The group aims its operations at the banking-insurance sector, the business world and public administration, and has been offering software solutions, maintenance, customizing, integration and other correlated services, from application management to outsourcing and consulting to training for over 30 years.

The CAD IT Group, with head offices in Verona, operates in Italy through its own branches and associated companies in Milan, Rome, Florence, Bologna, Padua, Mantua and Trento.

CAD IT is leader in the Italian software market for the banking sector with its main product, Financial Area, a programme which completely manages all functions connected to the negotiation, settlement and administration of security transactions, debentures, derivatives (in any currency) and adopted by the majority of Italian banking outlets.

In addition, the Group boasts a long-standing activity in the industrial sector and the capacity to offer solutions for e-business, credit and industrial companies in constant evolution.

Solutions for Public Administration is the most recent sector but one which capitalises the Group's traditional skills, such as its twenty-year experience in the development of systems for the computerisation of public bodies.

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