

PRESS RELEASE

Verona, 13th February 2003

CAD IT: FOURTH QUARTER RESULTS OF 2002

CAD IT closes 2002 with a production value of 57 million Euros

Late this afternoon, the Board of Directors of CAD IT SpA, leader in the Italian financial *software* market, approved the fourth quarterly report for 2002, which highlights the effects of the drop in the demand for technology in all areas of the Italian Information Technology market, after five years of continual growth.

In the **fourth quarter of 2002**, CAD IT recorded a production value of € 14 million, an EBITDA margin of € 1.6 million (11.2% of the production value) and a group pre-tax profit of € 0.7 million (4.8% of the production value).

Evaluating the results of the whole financial period of **2002**, the following consolidated figures emerge:

- a **production value** of € 57 million (61 million in 2001);
- an **EBITDAS margin** of approximately € 9.8 million, equal to 17.2% of the production value;
- a **group pre-tax profit** of about € 5.9 million, equal to 10.4% of the production value.

Apart from the effects of the drop in demand, **investments in research and development** have also had a significant influence on finances for the year 2002. In fact, in 2002, with the aim of enriching the range of products on offer, the CAD IT Group increased investments in R&D, which were expensed entirely in that period. These expenses, mainly due to staff costs (the Group's employees, 632 people at the end of 2002, increased by 32 persons, +5.3% since the beginning of the year), prevalently involved the following new products:

- **SIBAC**, a complete integrated, modular and multi-platform I.T. system for banking;
- **EasySet**, *software* for the automatic management of the international settlement of security transactions;
- **Caronte**, a system for directly connecting banks and *brokers* to over 50 financial markets worldwide;
- **Private Banking**, multi-channel *software* to support *private banking* activities, either at outlets or on the financial promoter network;
- **Sicav Web**, for the automation of the SICAV distribution network;
- **General Client Database**, for an individual and complete vision of each client with regard to single banks or banking groups;
- **General client condition management**, *software* to centrally manage all banking conditions;
- **Blue Chip Managerial Report**, a business intelligence platform to support the bank's choices and commercial decisions;
- **Investor adequacy care**, to control the adequacy of transactions on financial instruments in line with CONSOB and CESR norms;
- **Contract and banking form management**;



- **Pago@web, Teso@Web, Set@Web e TRF@Web**, products for the management via *internet* of tax payments, various other payments and data flow transmissions to banks, collector's offices, public body treasuries and companies.

CAD IT furthermore reports that the **consolidated net financial position** at 31st December 2002 came to € 31.5 million, a decrease of 23.4% compared to the value recorded at the end of the previous financial period. The reduction in the net financial position, equal to about € 9.6 million, is mainly due to the purchase of shares and investments in technical assets up for about € 7.4 million and dividend payments for € 5.8 million.

CAD IT's President, Giuseppe Dal Cortivo, said: "The economy saw a negative trend in 2002 which induced our clients to defer decisions involving update and innovation investments in the technological field. We are confident that the many new products developed last year will allow us in 2003 to meet the banks' needs in increasing efficiency and effectiveness".

The CAD IT Group

The CAD IT Group has developed and distributed information systems for the banking sector and small and medium sized companies for over 20 years. CAD IT's offers include standard and personalized applicative packages, software maintenance, updating, consultancy and training. 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 negotiation, settlement and administration of security transactions, debentures, derivates (in any currency) and adopted by 50% 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.

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Consolidated profit and loss account for the period ended 31 December 2002

Euros

	<i>Fourth quarter</i> <i>01/10-31/12/2002</i>		<i>Fourth quarter</i> <i>01/10-31/12/2001</i>		<i>Period</i> <i>01/01-31/12/2002</i>		<i>Period</i> <i>01/01-31/12/2001</i>	
Turnover - goods and services	13,903,889	99.28%	17,742,743	100.16%	56,756,279	99.50%	60,955,403	100.00%
Variation in contract work in progress	0	0.00%	(117,954)	(0.67%)	0	0.00%	(287,395)	(0.47%)
Other revenues and income	101,371	0.72%	89,392	0.50%	285,421	0.50%	289,458	0.47%
Production revenues	14,005,260	100.00%	17,714,182	100.00%	57,041,700	100.00%	60,957,466	100.00%
Raw materials, consumables and supplies	(319,644)	(2.28%)	(365,151)	(2.06%)	(1,344,254)	(2.36%)	(1,546,488)	(2.54%)
Services	(3,576,068)	(25.53%)	(4,072,692)	(22.99%)	(13,163,504)	(23.08%)	(13,087,486)	(21.47%)
Other operating costs	(190,008)	(1.36%)	(423,143)	(2.39%)	(1,209,910)	(2.12%)	(1,053,973)	(1.73%)
Added value	9,919,540	70.83%	12,853,196	72.56%	41,324,032	72.45%	45,269,518	74.26%
Personnel expenses	(7,549,197)	(53.90%)	(7,132,855)	(40.27%)	(28,693,998)	(50.30%)	(24,838,175)	(40.75%)
Other administrative expenses	(804,090)	(5.74%)	(382,378)	(2.16%)	(2,827,335)	(4.96%)	(2,464,278)	(4.04%)
Gross operating result (EBITDA)	1,566,253	11.18%	5,337,963	30.13%	9,802,699	17.19%	17,967,066	29.47%
Charge to provision for bad debts	(28,689)	(0.20%)	(39,693)	(0.22%)	(119,268)	(0.21%)	(122,004)	(0.20%)
Amortisation and depreciation								
- Amortisation of intangible fixed assets	(592,392)	(4.23%)	(649,687)	(3.67%)	(2,563,208)	(4.49%)	(2,320,781)	(3.81%)
- Depreciation of tangible fixed assets	(208,189)	(1.49%)	(200,614)	(1.13%)	(794,959)	(1.39%)	(661,784)	(1.09%)
Other provisions	(232)	(0.00%)	0	0.00%	(1,264)	(0.00%)	0	0.00%
Operating profit (EBIT)	736,751	5.26%	4,447,969	25.11%	6,323,999	11.09%	14,862,497	24.38%
Financial income and charges, net	277,851	1.98%	658,603	3.72%	1,345,900	2.36%	2,557,176	4.20%
Result from operating activities	1,014,602	7.24%	5,106,572	28.83%	7,669,899	13.45%	17,419,673	28.58%
Revaluations and write-downs	125,912	0.90%	76,815	0.43%	196,557	0.34%	103,928	0.17%
Extraordinary income and expenses, net	(18,223)	(0.13%)	(31,952)	(0.18%)	323,086	0.57%	(175,022)	(0.29%)
Profit before taxation and minority interests	1,122,291	8.01%	5,151,434	29.08%	8,189,542	14.36%	17,348,579	28.46%
Profit/(loss) of minority interests before taxation	(445,418)	(3.18%)	(485,808)	(2.74%)	(2,250,651)	(3.95%)	(1,769,127)	(2.90%)
Profit/(loss) of the Group before taxation	676,873	4.83%	4,665,627	26.35%	5,938,891	10.41%	15,579,452	25.56%

Net consolidated financial position at 31 December 2002

Euros

	at 31.12.2002	at 30.09.2002	at 30.06.2002	at 31.03.2002	at 31.12.2001
Cash, bank current accounts	27,069,127	29,563,122	31,298,758	39,097,654	38,470,170
Financial assets not of a fixed nature	5,246,291	5,180,343	5,160,795	2,801,643	2,662,226
Sums due to banks net of short term portion of medium to long term financing	(842,662)	(671,232)	(1,018,576)	(490,988)	(46,946)
<i>Net short term financial position (indebtedness)</i>	31,472,755	34,072,232	35,440,976	41,408,310	41,085,449
Medium to long term financing net of short term portion	0	(7,747)	(15,494)	0	0
<i>Net medium to long term financial position (indebtedness)</i>	0	(7,747)	(15,494)	0	0
<i>Net financial position / (indebtedness)</i>	31,472,755	34,064,485	35,425,482	41,408,310	41,085,449