

(Translation from the Italian original which
remains the definitive version)

*Quarterly figures and
related information*

First Quarter 2004

CONTENTS

Corporate Bodies	3
Summary schedules.....	5
<i>Consolidated profit and loss account for the period ended 31 March 2004</i>	<i>5</i>
<i>Consolidated turnover - goods and services at 31 March 2003.....</i>	<i>6</i>
<i>Net consolidated financial position as at 31 March 2004.....</i>	<i>6</i>
<i>Investments in intangible fixed assets at 31 March 2004.....</i>	<i>7</i>
<i>Investments in tangible fixed assets at 31 March 2004.....</i>	<i>7</i>
<i>Investments in financial fixed assets at 31 March 2004.....</i>	<i>8</i>
<i>Summary of investments - first quarter 2004</i>	<i>8</i>
Information on the financial schedules	9
1 Foreword.....	9
2 Information on CAD IT S.p.A.....	9
3 Activities of the Group	9
4 Consolidation area.....	9
4.1 Companies valued using the equity method	10
4.2 Other investments.....	11
5 Accounting policies	11
5.1 Recognition of revenues and costs	11
5.2 Comparison with previous periods.....	11
5.3 Annexes and notes	12
6 Performance.....	12
6.1 Results and information on the most significant components of operating profit	12
6.2 The market.....	12
6.3 Research and development.....	12
6.4 Turnover - goods and services	13
6.5 Gross operating result (EBITDA)	14
6.6 Operating profit (EBIT)	14
6.7 Financial income and charges	14
7 Net consolidated financial position.....	15
7.1 Cash flow statement	16
7.2 Shareholders' equities of the parent company and the Group.....	17
8 Investments.....	17
9 Personnel	18
10 Significant events at 31 March 2004 and expected future developments.....	18

Corporate Bodies

¹ BOARD OF DIRECTORS

GIUSEPPE DAL CORTIVO
Chairman and Managing Director

LUIGI ZANELLA
Managing Director

GIAMPIETRO MAGNANI
Managing Director

MAURIZIO RIZZOLI
Managing Director

PAOLO DAL CORTIVO
Managing Director

FRANCESCO ROSSI
Non-Executive Director

LAMBERTO LAMBERTINI
Non-Executive Director

ALBERTO MIAZZI
Non-Executive Director

¹ STATUTORY AUDITORS

SONIA MAZZI
Chairwoman

GIUSEPPE CEREGHINI
Statutory Auditor

GIANNICOLA CUSUMANO
Statutory Auditor

GIAN PAOLO RANOCCHI
Substitute Statutory Auditor

CESARE BRENA
Substitute Statutory Auditor

AUDITORS KPMG S.p.A.

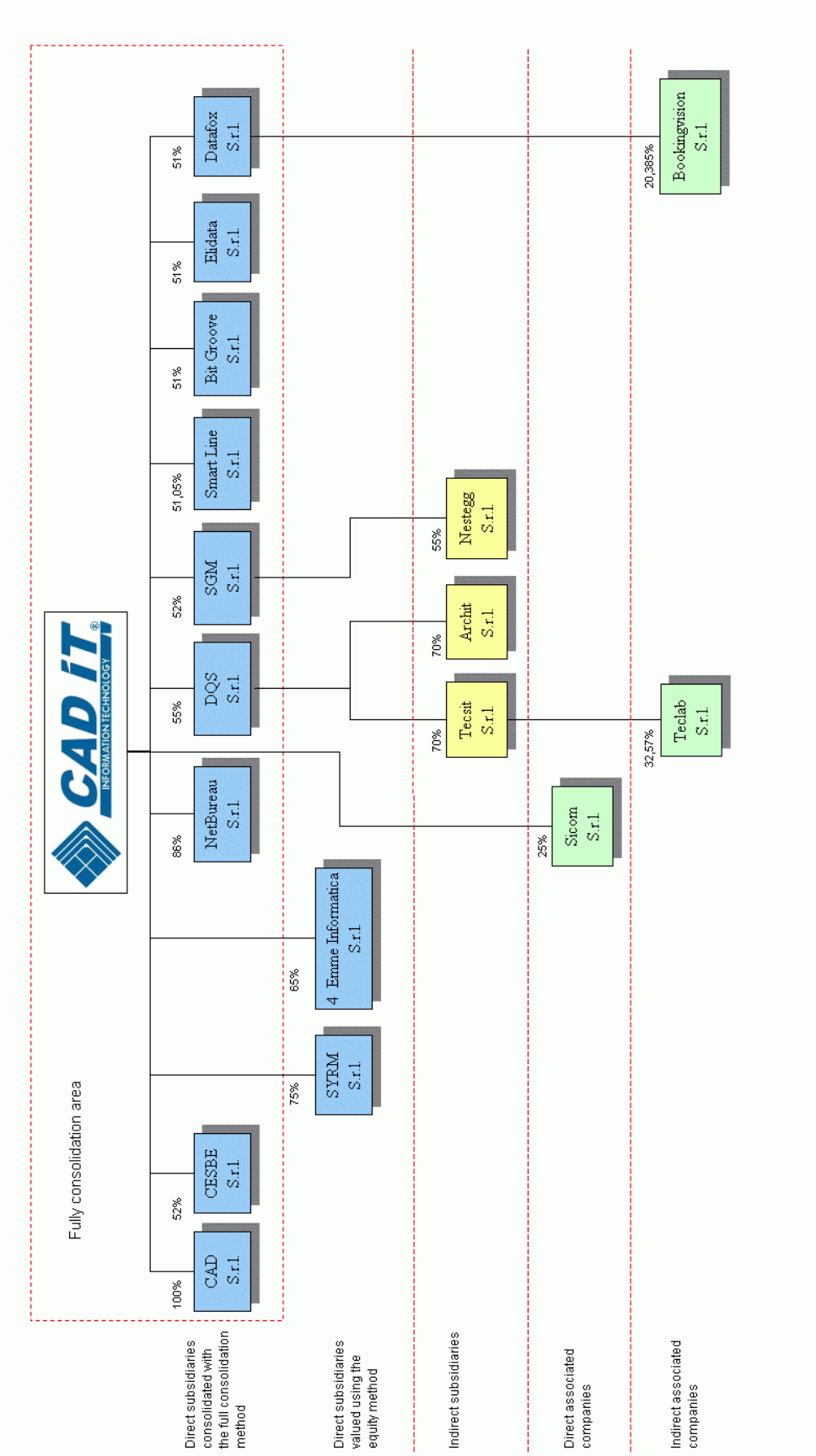
⁽¹⁾ Appointed on 30 April 2003; office expires with the shareholders' meeting for the approval of the 2005 financial statements.

The Chairman and Managing Director of the parent company CAD IT S.p.A., Giuseppe Dal Cortivo, is authorised to perform all ordinary and extraordinary administrative duties, excluding only those which can not be delegated by law and those assigned to the Board of Directors by article 14 of the company by-laws. The principal duties assigned to the Board of Directors by the company by-laws are: the examination and approval of the strategic, industrial and financial plans of the company; the appointment of the general managers; the purchase, sale, exchange or transfer of fixed assets and real estate rights; the granting of collateral on fixed assets; the set up of new subsidiaries and the take-over, acquisition or sale of corporate investments; the acquisition, sale, exchange or transfer of the whole company or of business lines. Furthermore, the Board of Directors is authorised to take on any kind of obligations amounting to more than € 4 million, and to stand surety by way of collateral or personal or other guarantees of any amount, if issued on behalf of third parties other than the parent company or its subsidiaries.

Each of the Managing Directors Giampietro Magnani, Luigi Zanella and Maurizio Rizzoli is authorised to perform all ordinary administrative duties including ordering banking transactions, within the limit of the credit lines granted, not exceeding € 1,000,000 (1 million) each or € 3,000,000 (3 million) each with the joint signature of another Managing Director; each of them is also authorised to acquire or sell registered moveable assets.

The Managing Director Paolo Dal Cortivo is authorised to represent the company before the institutional investors and the shareholders, and before Borsa Italiana S.p.A., the Italian Stock Exchange company, and Consob.

The Managing Directors are authorised to represent the company to the extent, and within the limits, of the proxies received.



Summary schedules

Consolidated profit and loss account for the period ended 31 March 2004

	<i>First quarter 2004</i>		<i>First quarter 2003</i>	
Turnover - goods and services	12,249,609	95.69%	13,193,563	99.03%
Variation in contract work in progress			83,000	0.62%
Increase in internal work capitalised under fixed assets	503,000	3.93%		
Other revenues and income	49,018	0.38%	46,164	0.35%
<i>Production revenues</i>	<i>12,801,627</i>	<i>100.00%</i>	<i>13,322,727</i>	<i>100.00%</i>
Raw materials, consumables and supplies	(709,479)	(5.54%)	(340,003)	(2.55%)
Services	(2,302,995)	(17.99%)	(2,708,484)	(20.33%)
Other operating costs	(215,281)	(1.68%)	(260,774)	(1.96%)
<i>Added value</i>	<i>9,573,872</i>	<i>74.79%</i>	<i>10,013,466</i>	<i>75.16%</i>
Personnel expenses	(7,390,498)	(57.73%)	(6,979,987)	(52.39%)
Other administrative expenses	(671,191)	(5.24%)	(688,301)	(5.17%)
<i>Gross operating result (EBITDA)</i>	<i>1,512,183</i>	<i>11.81%</i>	<i>2,345,178</i>	<i>17.60%</i>
Accrual to provision for bad debts	(22,482)	(0.18%)	(31,784)	(0.24%)
Amortisation and depreciation				
- Amortisation of intangible fixed assets	(684,485)	(5.35%)	(634,268)	(4.76%)
- Depreciation of tangible fixed assets	(227,825)	(1.78%)	(246,335)	(1.85%)
Other accruals	(1,204)	(0.01%)	(25,829)	(0.19%)
<i>Operating profit (EBIT)</i>	<i>576,187</i>	<i>4.50%</i>	<i>1,406,962</i>	<i>10.56%</i>
Financial income and charges, net	64,274	0.50%	207,798	1.56%
<i>Profit from ordinary activities</i>	<i>640,461</i>	<i>5.00%</i>	<i>1,614,760</i>	<i>12.12%</i>
Revaluations and write-downs	68,336	0.53%	32,670	0.25%
Extraordinary income and expenses	8,592	0.07%	(117)	(0.00%)
<i>Profit before taxation and minority interests</i>	<i>717,389</i>	<i>5.60%</i>	<i>1,647,313</i>	<i>12.36%</i>
Profit/(loss) of minority interests before taxation	(288,104)	(2.25%)	(700,845)	(5.26%)
<i>Profit/(loss) of the Group before taxation</i>	<i>429,285</i>	<i>3.35%</i>	<i>946,468</i>	<i>7.10%</i>

Consolidated turnover - goods and services at 31 March 2003

Turnover - goods and services	First quarter		First quarter	
	2004		2003	
Financial instruments B.O.	8,563,855	69.91%	9,405,824	71.29%
Banking services software	1,327,387	10.84%	1,771,783	13.43%
Integrated IT systems	215	0.00%	154,321	1.17%
Training, organisation consulting	484,749	3.96%	377,518	2.86%
New technologies	410,137	3.35%	563,497	4.27%
Total banking division	10,786,343	88.05%	12,272,943	93.02%
Industrial hardware, software	1,386,953	11.32%	772,308	5.85%
Consulting, training and industrial services	76,313	0.62%	148,312	1.12%
Total industrial division	1,463,266	11.95%	920,620	6.98%
Total turnover - goods and services	12,249,609	100.00%	13,193,563	100.00%

Net consolidated financial position as at 31 March 2004

Net financial position	As at 31.03.2004	As at 31.12.2003	As at 30.09.2003	As at 30.06.2003
Cash, bank current accounts	13,442,722	9,428,430	6,952,381	6,478,264
Financial assets not of a fixed nature	5,767,978	5,425,299	5,379,010	5,335,346
Sums due to banks net of short-term portion of medium to long-term financing	(650,243)	(726,310)	(697,173)	(838,399)
Net short-term financial position/(indebtedness)	18,560,457	14,127,419	11,634,218	10,975,211
Long-term financing net of short-term portion				
Net long-term financial position/(indebtedness)				
Net financial position/(indebtedness)	18,560,457	14,127,419	11,634,218	10,975,211

Investments in intangible fixed assets at 31 March 2004

<i>Intangible fixed assets</i>	<i>Start-up and capital costs</i>	<i>Industrial patents and similar rights</i>	<i>Licences, trademarks and similar rights</i>	<i>Goodwill</i>	<i>Assets under development and payments on account</i>	<i>Goodwill arising on consolidation</i>	<i>Other intangible fixed assets</i>	<i>Total</i>
Purchase or production cost	4,419,669	38,479	2,768,224	32,537		12,107,689	1,254,788	20,621,386
Previous years revaluations								
Previous years amortisation and write-downs	(3,538,180)	(38,479)	(1,882,191)	(16,268)		(4,059,816)	(485,191)	(10,020,126)
Adjustments to previous years write-downs								
Opening value	881,488		886,032	16,268		8,047,873	769,597	10,601,260
Variation in consolidation area	8,045	9,834	1,314			168,049	6,107	193,349
Purchases			106,883		1,049,856	54,509		1,211,248
Transfers								
Reduction in amortisation due to disposals								
Disposals								
Revaluations for the year								
Amortisation and write-downs for the year	(221,272)	(1,229)	(127,933)	(813)		(310,060)	(23,177)	(684,485)
Adjustments to write-downs for the year								
Total intangible fixed assets	668,261	8,605	866,297	15,455	1,049,856	7,960,371	752,527	11,321,373
<i>(of which revaluations)</i>								

Investments in tangible fixed assets at 31 March 2004

<i>Tangible fixed assets</i>	<i>Land and buildings</i>	<i>Plant and machinery</i>	<i>Industrial and commercial equipment</i>	<i>Other tangible fixed assets</i>	<i>Assets under construction</i>	<i>Total</i>
Purchase or production cost	11,674,409	451,309	662	4,880,855		17,007,235
Previous years revaluations	120,837					120,837
Previous year depreciation and write-downs	(580,813)	(274,465)	(471)	(3,129,823)		(3,985,573)
Adjustments to previous years write-downs				(1,711)		(1,711)
Opening value	11,214,433	176,843	191	1,749,321		13,140,788
Variation in consolidation area		8,412		37,000		45,412
Purchases		3,535	350	94,797		98,681
Transfers						
Reduction in depreciation due to disposals				5,487		5,487
Disposals				(6,215)		(6,215)
Revaluations for the year						
Depreciation and write-downs for the year	(89,641)	(13,806)	(95)	(124,283)		(227,825)
Adjustments to write-downs for the year						
Total tangible fixed assets	11,124,791	174,984	446	1,756,106		13,056,328
<i>(of which revaluations)</i>	<i>120,837</i>					<i>120,837</i>

Investments in financial fixed assets at 31 March 2004

<i>Financial fixed assets</i>	<i>Investments</i>	<i>Amounts receivable</i>	<i>Securities</i>	<i>Own shares</i>	<i>Consolidation adjustments</i>	<i>Total</i>
Purchase cost	20,115,916	173,458	250,000		(13,512,248)	7,027,126
Previous years revaluations		676			424,929	425,605
Previous years write-downs	(66,731)	(1,402)			(300,977)	(369,110)
Adjustments to previous years write-downs						
<i>Opening value</i>	<i>20,049,185</i>	<i>172,732</i>	<i>250,000</i>		<i>(13,388,296)</i>	<i>7,083,621</i>
Variation in consolidation area	24,599	539			(287,511)	(262,372)
Purchases - subscriptions	118,533	7,890			(113,000)	13,423
Transfers						
Reimbursements		(1,911)				(1,911)
Disposals						
Revaluations for the year		160			157,262	157,422
Write-downs for the year	(13,439)				(161,387)	(174,826)
Adjustments to write-downs for the year						
<i>Total financial fixed assets</i>	<i>20,178,878</i>	<i>179,410</i>	<i>250,000</i>		<i>(13,792,931)</i>	<i>6,815,357</i>

Summary of investments - first quarter 2004

<i>Summary of investments</i>	<i>1st quarter 2004</i>	<i>1st quarter 2003</i>	<i>Period 01/01 - 31/12/2003</i>
Intangible fixed assets	161,392	236,542	949,145
Assets under development and payments on account	1,049,856		
Plant, machinery, equipment and other tangible fixed assets	98,681	206,296	460,232
Buildings under construction and payments on account			
<i>Total investments in tangible and intangible fixed assets</i>	<i>1,309,929</i>	<i>442,838</i>	<i>1,409,377</i>
Shareholdings and financial investments	118,533		52,000
Financial amounts receivable	7,890		130,167
Securities			250,000
<i>Total shareholdings and financial investments</i>	<i>126,423</i>		<i>432,167</i>
<i>Total investments</i>	<i>1,436,352</i>	<i>442,838</i>	<i>1,841,544</i>

Information on the financial schedules

1 Foreword

In accordance with the new regulations governing the terms and requirements for the disclosure of quarterly schedules by the companies listed on the "New Market", the required data is presented here on a consolidated basis, as CAD IT S.p.A. is required to prepare consolidated financial statements.

This document comprises the required financial schedules and related information of the directors and has been prepared in accordance with the accounting principles established for the preparation of annual consolidated financial statements.

Unless otherwise indicated, the monetary items of the financial schedules are stated in Euros, those reported in the related information are stated in thousands of Euros.

2 Information on CAD IT S.p.A.

CAD IT was set up as a joint stock company under Italian law.

The registered office and the administrative and operating offices are in Via Torricelli no. 44/a, Verona.

The company is registered in the Verona Company Register under no. 01992770238.

At 31 March 2004, share capital amounts to € 4,669,600, fully subscribed and paid-in, and comprises 8,980,000 ordinary shares, each with equal rights.

These shares are nominal and cannot be divided. Each of them entitles to one vote in the ordinary and extraordinary meetings of the company and to the execution of all other corporate and property rights in accordance with the law and the company's by-laws. They can be freely transferred with no limitation.

3 Activities of the Group

CAD IT Group has developed and distributed IT solutions for the banking sector and the small to medium size industry for over 20 years. It provides standard and customised application software, maintenance and upgrading services as well as consulting and training services.

CAD IT has become the Italian market leader in the supply of IT solutions in the financial sector with its Finance Area software, adopted by over 50% of the Italian bank branches, for the complete management of negotiations and related functions, as well as the regulation and administration of purchases and sales of shares, bonds and derivatives in any currency in the Italian and foreign regulated markets.

In addition, in synergy with its activities in the financial sector, the Group has long operated in the industry sector, providing and continuing to develop e-business solutions for banks and industrial companies.

Over the past years, the company has made significant investments in new products that allow taking advantage of the latest and most sophisticated technologies.

4 Consolidation area

The fully consolidated companies included in the financial schedules of CAD IT Group at 31 March 2004 are the following:

<i>Fully consolidated companies</i>	<i>Registered office</i>	<i>Percentage of control</i>	<i>Percentage of interest of the Group</i>
CAD IT S.p.A. - Parent company	Verona	-	-
CAD S.r.l.	Verona	100.00%	100.00%
Cesbe S.r.l.	Verona	52.00%	52.00%
NetBureau S.r.l.	Milan	86.00%	86.00%
SGM S.r.l.	Padua	52.00%	52.00%
DQS S.r.l.	Rome	55.00%	55.00%
Smart Line S.r.l.	Avellino	51.05%	51.05%
Bit Groove S.r.l.	Agliana (PT)	51.00%	51.00%
Elidata S.r.l.	Castiglione d'Adda (LO)	51.00%	51.00%
Datafox S.r.l.	Florence	51.00%	51.00%

Compared to 31 March 2003 and due to the liquidation resolution, the fully consolidated area has changed with the exclusion of Syrm S.r.l and 4 Emme Informatica S.r.l. respectively. The former had completed its role in the mission of the company and the latter concentrating its efforts on its own activity which deals with customer group and transferring all its employees to other companies in the group.

Following agreements reached at the beginning of 2004, Datafox S.r.l. has, for the first time, fully entered into the consolidated area (the controlling percentage was already 35%) with a new controlling percentage of 51%.

All these consolidation area variations have had little effect on the profit/loss account and balance sheet as the two companies excluded and the new controlling percentage of Datafox are significant enough.

4.1 Companies valued using the equity method

The following indirect subsidiaries, which are valued using the equity method, are excluded from the full consolidation area:

<i>Indirect subsidiaries valued using the equity method</i>	<i>Registered office</i>	<i>Percentage of investment</i>	<i>Percentage of interest of the Group</i>
Tecsit S.r.l.	Roma	70,00%	38,50%
Arch it S.r.l.	Roma	70,00%	38,50%
Nestegg S.r.l.	Milano	55,00%	28,60%
Syrm S.r.l.	Verona	75,00%	75,00%
4 Emme Informatica S.r.l.	Lodi	65,00%	65,00%

- Tecsit S.r.l., controlled by DQS S.r.l., as it operates in a sector different from that of the Group;
- Arch It S.r.l., controlled by DQS S.r.l. and immaterial;
- Nestegg S.r.l., controlled by SGM S.r.l., immaterial and in liquidation;
- Syrm S.r.l., has been in liquidation since 12.12.2003;

- 4 Emme Informatica S.r.l. has been in liquidation since 12.12.2003.

Total assets and revenues of the non-consolidated indirect subsidiaries represent 1.25% and 1.53% of the Group's assets and revenues, respectively.

4.2 Other investments

The following investments are valued at cost or equity value, possibly reduced in case of permanent impairment in value.

<i>Directly associated companies</i>	<i>Registered office</i>	<i>Percentage of investment</i>	<i>Percentage of interest of the Group</i>
Sicom S.r.l.	Viadana (MN)	25.000	25.000

Indirectly associated companies

Compared to the first quarter of 2003, the following indirectly associated companies; Isis S.p.a and Teclab S.r.l have not been included.

Isis S.p.a was sold by Cad S.r.l in the fourth quarter of 2003, realizing a capital gain of € 180.000. Teclab S.r.l. was sold by Tecsit S.r.l. (controlled by DQS S.r.l.), on 20.04.2004, on the basis of agreements reached in the first quarter 2004, realizing a capital gain of €42.000.

5 Accounting policies

The accounting policies adopted to present the consolidated quarterly schedules and figures are consistent with those adopted in the preparation of the consolidated financial statements.

The captions are valued in line with the general principles of prudence and accruals on a going concern basis.

No exceptional cases were identified such as to require waivers to the regulations for financial statements set out in paragraph 4 of article 2423 of the Italian Civil Code.

Estimates, which have been used where necessary to correctly reflect the Group's financial position and results for the period, are immaterial.

As CAD IT S.p.A. is obliged to prepare consolidated financial statements, this quarterly report has been drawn up on a consolidated basis.

5.1 Recognition of revenues and costs

Revenues and income are prudently accounted for according to the concepts of prudence and accruals basis. Unrealised profits, even becoming known at a subsequent date, are excluded also taking into consideration the risks and losses accrued in the period.

Assistance and/or maintenance services provided to customers against payment of an annual fee are recorded on an accruals basis.

Costs are recognised on a similar basis to revenues.

5.2 Comparison with previous periods

The profit and loss account figures and gross investments in fixed assets relate to the quarter of reference and to the period from 1 January 2004 to 31 March 2004. They are compared to the same previous year periods.

The figures representing the net financial position are compared with the figures of the previous quarter and the previous year end.

The financial schedules are comparable with the information provided in the half-year report and the consolidated financial statements.

5.3 Annexes and notes

The following consolidated figures of the Group introduce this information on the quarterly figures:

- reclassified profit and loss account;
- turnover - goods and services;
- net financial position;
- investments in intangible, tangible and financial operating fixed assets.

6 Performance

The Group recorded a positive consolidated profit of Euro 429.3 thousand in the first quarter 2004, compared to Euro 946.5 thousand for the same period in 2003, before taxation and after minority interest before taxation of Euro 288.1 thousand (Euro 700.8 thousand in the same previous year period).

6.1 Results and information on the most significant components of operating profit

Production revenues of the Group amount to Euro 12,802 thousand in the first quarter 2004, against Euro 13,323 thousand in the corresponding previous year period.

Added value of the quarter confirms a margin of 74.8% compared to 75.2% for the same period of the previous year.

Gross operating result (EBITDA) registers €1,512,200 compared to €2,345,200 for the previous year quarter.

Operating profit (EBIT) at 31 March 2004 amounts to Euro 576.2 thousand, compared to Euro 1,407.0 thousand in the corresponding period in 2003.

The variation is mainly due to the decrease in added value (-440) and to the increase of personnel expenses (+410).

6.2 The market

No events occurred, nor clear symptoms were perceived, such as to modify the future prospects of the market of reference, which still remain fluctuating.

6.3 Research and development

The Group continued to design new modules to upgrade the technological and functional content of its broad range of software products installed in order to strengthen its core business.

With respect to its new projects, it continued to intensify R&D activities for the SIBAC platform, which represents a strategically leading product for the Group growth.

The main projects in which the Group companies are involved are:

- CAD IT S.p.A. and CAD S.r.l. are developing new important modules of the Finance Area software, which will be launched onto the market in 2004.

The activities, made together with Bit Groove and Datafox, to finalise the platform for the management of the Basilea II issue and to produce specialised business intelligence modules are intense.

It is currently investing to widen its offer of software and tax collection solutions for the local administrations.

- Cesbe S.r.l. continued to invest in the technological and functional upgrading of its on-line trading and training solutions and in a new platform aimed at automating the study of processes;
- NetBureau S.r.l. is developing vertical portals (mainly for financial purposes), web sites and e-commerce solutions using the technology of Macromedia-Allaire (international market leader for this technology), of which it is the "Premier partner" in Italy. In collaboration with CADIT Group has developed a procedure for the administration of meetings and shareholders' bookkeeping.
- SGM S.r.l. developed vertical solutions of the (ERP) SIGMAWEB management software for companies of any size. Among these it is to note the rising verticalisation of solutions for the fashion industry and the food sector (managing the threader marking);
- Smart Line S.r.l. is currently investing to widen its offer of services and tax collection solutions for the local public administrations and consortia;
- Elidata S.r.l. continued investing to increase further the functions of its platform for linking to the financial markets.

6.4 Turnover - goods and services

Turnover is summarised below by business line, with comparative figures of the prior year period.

A breakdown by geographical area is not significant as almost all the Group's turnover is evenly achieved throughout Italy. Therefore it is not provided here.

Production revenues amount to Euro 12,249.6 thousand in the first quarter 2004 compared to Euro 13,193.6 thousand in the same previous year period.

<i>Turnover - goods and services</i>	<i>First quarter 2004</i>		<i>First quarter 2003</i>	
Financial instruments B.O.	8,563,855	69.91%	9,405,824	71.29%
Banking services software	1,327,387	10.84%	1,771,783	13.43%
Integrated IT systems	215	0.00%	154,321	1.17%
Training, organisation consulting	484,749	3.96%	377,518	2.86%
New technologies	410,137	3.35%	563,497	4.27%
<i>Total banking division</i>	<i>10,786,343</i>	<i>88.05%</i>	<i>12,272,943</i>	<i>93.02%</i>
Industrial hardware, software	1,386,953	11.32%	772,308	5.85%
Consulting, training and industrial services	76,313	0.62%	148,312	1.12%
<i>Total industrial division</i>	<i>1,463,266</i>	<i>11.95%</i>	<i>920,620</i>	<i>6.98%</i>
<i>Total turnover - goods and services</i>	<i>12,249,609</i>	<i>100.00%</i>	<i>13,193,563</i>	<i>100.00%</i>

6.5 Gross operating result (EBITDA)

The gross operating result for the first quarter of 2004 (Euro 1,512.2 thousand) is equal to 11.81% of production revenues, while the gross operating result for the first quarter 2003 amounted to Euro 2,345.2 thousand, equal to 17.6% of production revenues.

The results in operating profit for the quarter is already mentioned in paragraph 6.1.

6.6 Operating profit (EBIT)

Operating profit for first quarter 2004 is positive for Euro 572.2 thousand compared to Euro 1,407.0 thousand in the corresponding previous year period.

Amortisation and depreciation and accruals for the first quarter of 2004 total Euro 936.0 thousand compared to Euro 938.2 thousand in the same previous year period.

6.7 Financial income and charges

Net financing activities resulted in an income of Euro 64.3 thousand in the first quarter of 2004 (Euro 207.8 thousand in the same previous year period); the balance has been affected by widespread lower return rates of the liquidity compared to the same previous year period, as well as by its reduction due to the allotments to shareholders passed on by the meetings of 9 and 30 April 2003.

<i>Financial income and charges</i>	<i>First quarter 2004</i>	<i>First quarter 2003</i>	<i>Period 1/1- 31/12/2003</i>
Financial income from investments in other companies			58,237
Financial income from receivables classified as fixed assets	160	392	676
Financial income from invested liquidity			
Bank interest	91,352	231,713	656,354
<i>Total other financial income</i>	<i>91,512</i>	<i>232,105</i>	<i>715,267</i>
Interest expense and other financial charges	(27,238)	(24,307)	(109,323)
<i>Financial income and charges, net</i>	<i>64,274</i>	<i>207,798</i>	<i>605,944</i>

7 Net consolidated financial position

The net short-term consolidated financial position amounts to Euro 18,560.5 thousand at the end of the first quarter 2004, compared to Euro 14,127.4 thousand at 31.12.2003.

<i>Net financial position</i>	<i>As at 31.03.2004</i>	<i>As at 31.12.2003</i>	<i>As at 30.09.2003</i>	<i>As at 30.06.2003</i>
Cash, bank current accounts	13,442,722	9,428,430	6,952,381	6,478,264
Financial assets not of a fixed nature	5,767,978	5,425,299	5,379,010	5,335,346
Sums due to banks net of short-term portion of medium to long-term financing	(650,243)	(726,310)	(697,173)	(838,399)
<i>Net short-term financial position/(indebtedness)</i>	<i>18,560,457</i>	<i>14,127,419</i>	<i>11,634,218</i>	<i>10,975,211</i>
Long-term financing net of short-term portion				
Net long-term financial position/(indebtedness)				
<i>Net financial position/(indebtedness)</i>	<i>18,560,457</i>	<i>14,127,419</i>	<i>11,634,218</i>	<i>10,975,211</i>

7.1 Cash flow statement

Year 2003	Cash flow statement of Cad It Group	1 st Quarter 2004	1 st Quarter 2003
	<u>OPERATING ACTIVITIES</u>		
1,840,539	Profit (loss) for the year	429,285	946,468
	Amortisation and depreciation:		
1,012,643	- tangible fixed assets	227,825	246,335
1,558,244	- intangible fixed assets	374,425	331,607
1,210,647	- goodwill arising on consolidation	310,060	302,661
	Accruals:		
1,380,747	- employees' leaving entitlement	321,374	303,140
31,929	- other provisions	1,204	25,829
46,309	Increase/(Utilisation) of provisions for contingencies and other charges	(30,272)	11,438
7,081,058	Sub-total	1,633,901	2,167,478
(621,351)	Utilisation of employees' leaving entitlement	(81,365)	(154,798)
7,030,149	(Increase)/Decrease in receivables included under assets forming part of working capital	1,119,357	(1,195,483)
(626,553)	(Increase)/Decrease in inventory	60,621	(77,860)
(22,330)	(Increase)/Decrease in deferred expenses and accrued income	(302,125)	(255,468)
(149,603)	Increase/(Decrease) in accounts due to creditors	(119,194)	(198,125)
295,960	Increase/(Decrease) in accrued expenses and deferred income	1,941,687	3,822,140
(17,132)	Increase/(Decrease) in sums due to other financial institutions	48,579	(1,299)
(515,621)	Increase/(Decrease) in other non-financial payables	1,403,503	2,390,834
5,373,519	Sub-total	4,071,063	4,329,941
12,454,577	(A) - Cash flows from (for) operating activities	5,704,964	6,497,419
	<u>INVESTING ACTIVITIES</u>		
(184,335)	(Increase)/ Decrease in investments in subsidiary companies valued using the equity method	63,946	7,150
(937,264)	(Increase)/Decrease in intangible fixed assets	(1,404,599)	(225,571)
(417,244)	(Increase)/Decrease in tangible fixed assets	(143,364)	(199,950)
(4,281)	(Increase)/Decrease in other fixed assets	(6,678)	(1,006)
123,087	Acquisition of investments in unconsolidated subsidiaries		
(250,000)	(Increase)/Decrease in investments in associated companies	216,529	(27,782)
(250,000)	(Increase)/Decrease in other investments and securities		
(1,670,037)	(B) - Cash flows from (for) investing activities	(1,274,166)	(447,159)
	<u>FINANCING ACTIVITIES</u>		
(26,940,000)	Increase/(Decrease) in financial payables		
	Increase/(Decrease) in reserves		
423,372	Reserves on consolidation effects		
(1,616,400)	Minority interest	2,240	150,346
	Distribution of dividends		
	Capital injections		
(28,133,028)	(C) - Cash flows from (for) financing activities	2,240	150,346
(17,348,488)	(A+B+C) - Total cash flows	4,433,038	6,200,606
31,475,907	Opening liquid funds	14,127,419	31,475,907
14,127,419	Closing liquid funds	18,560,457	37,676,513

7.2 Shareholders' equities of the parent company and the Group

The shareholders' equities of CAD IT S.p.A. and the Group at 31.03.2004, excluding current profit before taxation, are shown below:

<i>Shareholders' equity excluding current profit</i>	<i>CAD IT S.p.A</i>	<i>CAD IT GROUP</i>
Share capital - Euro 4,669,600 (8,980,000 shares each of Euro 0.52)	4,669,600	4,669,600
Share premium reserve	35,246,400	35,246,400
Other reserves	9,888,528	9,888,528
Retained earnings		(1,723,910)
Variation in retained earnings	3,148,277	3,148,277
<i>Total shareholders' equity excluding current profit</i>	<i>52,952,805</i>	<i>51,228,895</i>

8 Investments

Investments in tangible and intangible fixed assets made by the consolidated companies in the first quarter of 2004 amount to Euro 1,436.4 thousand (Euro 442.8 thousand in the same previous year period). Investment improvement is a consequence of strategic decisions taken by the directors' meeting and management that approved investments to develop new products legally needed by credit institutions.

The trend of investments is shown in the following table:

Summary of investments – First quarter 2004

<i>Summary of investments</i>	<i>1st quarter 2004</i>	<i>1st quarter 2003</i>	<i>Period 01/01 - 31/12/2003</i>
Intangible fixed assets	161,392	236,542	949,145
Assets under development and payments on account	1,049,856		
Plant, machinery, equipment and other tangible fixed assets	98,681	206,296	460,232
Buildings under construction and payments on account			
<i>Total investments in tangible and intangible fixed assets</i>	<i>1,309,929</i>	<i>442,838</i>	<i>1,409,377</i>
Shareholdings and financial investments	118,533		52,000
Financial amounts receivable	7,890		130,167
Securities			250,000
<i>Total shareholdings and financial investments</i>	<i>126,423</i>		<i>432,167</i>
<i>Total investments</i>	<i>1,436,352</i>	<i>442,838</i>	<i>1,841,544</i>

As already mentioned, investments in intangible fixed assets mainly relate to costs, accounts and increase in internal work, to the purchase and the development of specific software necessary for production or the performance of the Group's activities.

9 Personnel

The Group's workforce increased by 16 units at the first quarter 2004 compared to the previous year end in line with its strategic human resources management plan, which even though privileging flexibility of structure, considers human resources as a guarantee for continued future development.

Personnel training is of particular importance to the Group, which specifically schedules refresher and training periods.

Information on the Group's employees at the end of each quarter in 2003 and 2004 is reported below:

Category of employees	at 31/03/2004	at 31/12/2003	at 30/09/2003	at 30/06/2003	At 31/03/2003
Management	15	15	15	15	15
White collars and junior management	630	614	611	620	621
Blue collars	1	1	1	1	1
Apprentices	5	5	3	3	4
<i>Total</i>	<i>651</i>	<i>635</i>	<i>630</i>	<i>639</i>	<i>641</i>

The average number of employees in 2003 was 628 units, while the average number of employees in the first quarter of 2004 is 648 units.

The increase in employees is due to the entering of Datafox (bringing 8 units) in the fully consolidated area and 8 more units from other companies in the group.

10 Significant events at 31 March 2004 and expected future developments

In April CAD IT S.p.A., announces that, through Elidata, one of its own controlled companies, it has signed a contract with Finanza Attiva S.p.A. of the BPU Group (Banche Popolari Unite) for the supply of software and all the necessary services for integrating the package into the client's information technology system.

The project consists of the supply and start-up of the "Caronte" software product for the interfacing of telematic markets with back-office feeding.

The agreement with Finanza Attiva S.p.A. is of important strategic value as it will allow Elidata to increase its market share within the sector of important Italian banking and finance groups. In fact, Elidata will be adding yet another client to those it already serves, the Banca di Roma, Abax Bank, Banca Advantage, SEC Servizi, Banca Popolare di Sondrio to name but a few.

At the 29th April 2004, on the basis of the financial results of 2003, which confirm the Veronese Group's ability to generate positive income margins, the shareholder's meeting has approved the distribution of a €0.30 ordinary dividend per share and the allocation of €0.5 million into reserves. Following this transaction, the available reserves for future distribution, will exceed € 9.0 million.

At the 10th May has been given the ordinary dividend of €0.30 per share which will be paid at the 13th May 2004.

Cash flow from operating activities continue to be positive, confirming the self-financing capacity of the group; besides the banks and industries market already covered, the CAD IT group continues its intense policy of investments in research and development aimed at expanding its business to public administration and insurance markets.

Taking everything into account our net financial position revealed €18.6 million at the 31st March 2004.

On behalf of the Board of Directors
The Chairman

(Signed on the original)

Giuseppe Dal Cortivo