

CAD IT GROUP

QUARTERLY FIGURES AND RELATED INFORMATION

AS AT AND FOR THE PERIOD ENDED 31 MARCH 2002

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**BOARD
OF DIRECTORS**

- ¹ GIUSEPPE DAL CORTIVO
Chairman and managing director
- ¹ LUIGI ZANELLA
Managing director
- ¹ GIAMPIETRO MAGNANI
Managing director
- ¹ MAURIZIO RIZZOLI
Managing director
- ³ PAOLO DAL CORTIVO
- ² GIOVANNI COSTA
- ² WOLFGANG KOENIG
- ² JOZE GRIZAR

**STATUTORY
AUDITORS**

- ¹ SONIA MAZZI
Chairman
- ¹ GIUSEPPE CEREGHINI
Statutory auditor
- ¹ GIANNICOLA CUSUMANO
Statutory auditor
- ¹ CESARE BRENA
Alternate auditor
- ¹ PAOLO DEBORTOLI
Alternate auditor

AUDITORS
KPMG S.p.A.

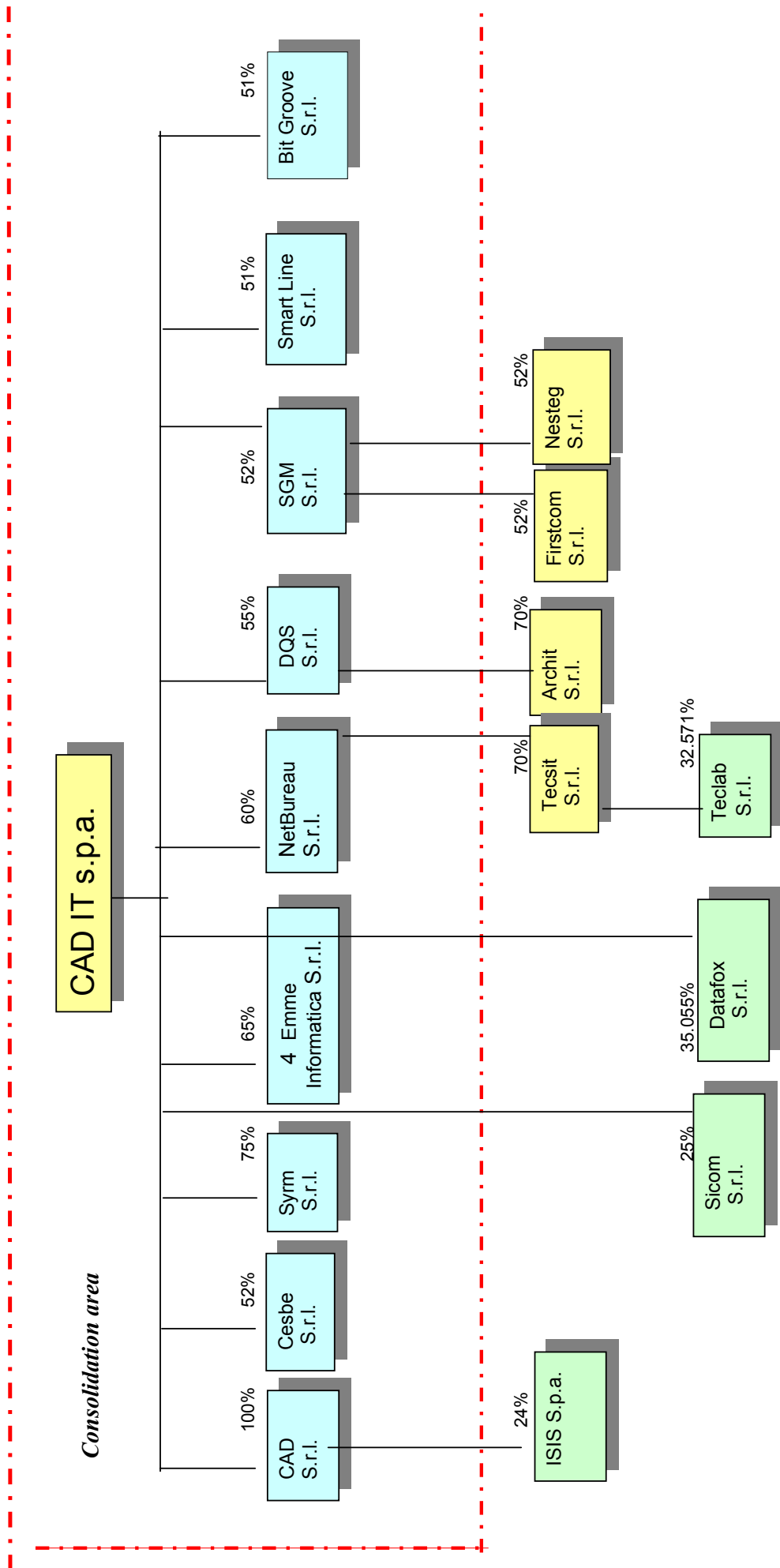
(1) Appointed on 23 February 2000; office expires on 22 February 2003.

(2) Appointed on 22 August 2000; office expires on 22 February 2003.

(3) Appointed on 30 April 2001; office expires on 22 February 2003.

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, 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 Euro 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.

The managing directors are authorised to perform all ordinary administrative duties and also to acquire or sell registered moveable assets.



**Reclassified consolidated profit and loss account for the period
ended 31 March 2002**

CAD IT Group

(EURO)

	<i>Quarter</i>		<i>Quarter</i>	
	<i>01/01-31/03/2002</i>		<i>01/01-31/03/2001</i>	
Turnover - goods and services	14,270,360	99.54%	13,018,377	99.44%
Variation in contract work in progress	16,875	0.12%	0	0.00%
Other revenues and income	49,038	0.34%	73,251	0.56%
<i>Production revenues</i>	<i>14,336,273</i>	<i>100.00%</i>	<i>13,091,627</i>	<i>100.00%</i>
Raw materials, consumables and supplies	(424,318)	(2.96%)	(319,892)	(2.44%)
Services	(3,127,772)	(21.82%)	(3,430,350)	(26.20%)
Other operating costs	(333,367)	(2.33%)	(121,536)	(0.93%)
<i>Added value</i>	<i>10,450,817</i>	<i>72.90%</i>	<i>9,219,850</i>	<i>70.43%</i>
Personnel expenses	(7,037,085)	(49.09%)	(5,124,994)	(39.15%)
Other administrative expenses	(685,883)	(4.78%)	(83,496)	(0.64%)
<i>Gross operating result (EBITDA)</i>	<i>2,727,848</i>	<i>19.03%</i>	<i>4,011,361</i>	<i>30.64%</i>
Charge to provision for bad debts	(33,211)	(0.23%)	(33,919)	(0.26%)
Amortisation and depreciation				
Amortisation of intangible fixed assets	(600,386)	(4.19%)	(449,108)	(3.43%)
Depreciation of tangible fixed assets	(202,470)	(1.41%)	(121,826)	(0.93%)
Other provisions	0	0.00%	0	0.00%
<i>Operating result (EBIT)</i>	<i>1,891,782</i>	<i>13.20%</i>	<i>3,406,509</i>	<i>26.02%</i>
Financial income and charges, net	345,835	2.41%	677,311	5.17%
<i>Result from operating activities</i>	<i>2,237,617</i>	<i>15.61%</i>	<i>4,083,819</i>	<i>31.19%</i>
Revaluations and write-downs	37,646	0.26%	137,989	1.05%
Extraordinary income and expense, net	2,059	0.01%	(15,521)	(0.12%)
<i>Profit before taxation and minority interests</i>	<i>2,277,322</i>	<i>15.89%</i>	<i>4,206,287</i>	<i>32.13%</i>
<i>Profit/(loss) of minority interests before taxation</i>	<i>(423,823)</i>	<i>(2.96%)</i>	<i>(304,457)</i>	<i>(2.33%)</i>
<i>Profit/(loss) of the group before taxation</i>	<i>1,853,500</i>	<i>12.93%</i>	<i>3,901,830</i>	<i>29.80%</i>

CAD IT Group Consolidated turnover - goods and services at 31 March 2002

	<i>(EURO)</i>			
	<i>Trimestre</i>		<i>Trimestre</i>	
	<i>01/01-31/03/2002</i>		<i>01/01-31/03/2001</i>	
		%		%
B.O. financial instruments	10,542,863	73.9%	8,934,666	68.6%
Banking services software	1,259,289	8.8%	1,381,522	10.6%
Integrated IT systems	333,308	2.3%	92,962	0.7%
Training, consultancy, organisation	192,530	1.3%	906,382	7.0%
New technologies	740,715	5.2%	649,703	5.0%
Total banks division	13,068,705	91.6%	11,965,235	91.9%
Industrial hardware, software	1,013,042	7.1%	1,053,142	8.1%
Consultancy, training, industrial services	188,613	1.3%		0.0%
Total industry division	1,201,655	8.4%	1,053,142	8.1%
Total turnover - goods and services	14,270,360	100.0%	13,018,377	100.0%

CAD IT Group Net consolidated financial position at 31 March 2002

	<i>(EURO)</i>	
	31.03.2002	31.12.2001
Cash, bank current accounts	39,097,654	38,470,170
Financial assets not of a fixed nature	2,801,643	2,662,226
Sums due to banks and short term portion of medium to long term financing	(490,988)	(46,946)
Net short term financial position (indebtedness)	41,408,310	41,085,449
Long term financing net of short term portion	0	0
Net long term financial position (indebtedness)	0	0
Net financial position / (indebtedness)	41,408,310	41,085,449

Investments in intangible fixed assets in the first quarter 2002

(EURO)

Intangible fixed assets	Start up and capital costs	Industrial patents and similar rights	Licenses, trademarks and similar rights	Goodwill	Goodwill arising on consolidation	Other	Total
Purchase or production cost	4,417,008	0	1,397,087	32,537	11,131,501	681,207	17,659,340
Previous year amortisation and write-downs	(1,777,013)	0	(1,010,147)	(9,761)	(1,637,303)	(258,995)	(4,693,219)
Adjustments to previous years write-downs	0	0	0	0	0	0	0
Opening value	2,639,995	0	386,940	22,776	9,494,198	422,212	12,966,121
Variation in consolidation area	2,577	38,479	1,469	0	0	4,102	46,627
Purchases	0	0	73,828	0	216,576	139,483	429,887
Transfers	0	0	1,760	0	0	0	1,760
Reduction of amortisation due to disposals	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
Revaluations for the year	0	0	0	0	0	0	0
Amortisation and write-downs for the year	(220,795)	(5,540)	(63,756)	(813)	(283,702)	(32,767)	(607,373)
Adjustments to write-downs for the year	0	0	0	0	0	0	0
Total intangible fixed assets	2,421,777	32,939	400,241	21,962	9,427,072	533,030	12,837,022

Investments in tangible fixed assets in the first quarter of 2002

(EURO)

Tangible fixed assets	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other	Assets under construction	Total
Purchase or production cost	318,801	363,779	0	3,671,491	7,608,187	11,962,258
Previous years revaluations	0	0	0	(115,378)	0	(115,378)
Previous year depreciation and write-downs	(199,250)	(244,271)	0	(2,237,266)	0	(2,680,786)
Adjustments to previous years write-downs	0	0	0	(1,711)	0	(1,711)
Opening value	119,550	119,509	0	1,317,136	7,608,187	9,164,382
Variation in consolidation area	0	0	0	36,422	0	36,422
Purchases	0	190,779	0	238,129	347,559	776,467
Transfers	0	0	0	(1,760)	0	(1,760)
Reduction of depreciation due to disposals	0	0	0	12,680	0	12,680
Disposals	0	0	0	(17,092)	0	(17,092)
Revaluations for the year	0	0	0	0	0	0
Depreciation and write-downs for the year	(2,391)	(19,885)	0	(173,208)	0	(195,484)
Adjustments to write-downs for the year	0	0	0	0	0	0

Total tangible fixed assets	117,159	290,403	0	1,412,308	7,955,746	9,775,615
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Investments in financial fixed assets in the first quarter of 2002

(EURO)

Financial fixed assets	Investments	Amounts receivables	Securities	Own shares	Consolidation adjustments	Total
Purchase cost	19,074,652	67,251	0	0	(12,528,116)	6,613,787
Previous years revaluations	0	0	0	0	126,901	126,901
Previous year amortisations and write-downs	(7,344)	(356)	0	0	(34,572)	(42,273)
Adjustments to previous years write-downs	0	0	0	0		0
Opening value	19,067,308	66,894	0	0	(12,435,787)	6,698,415
Variation in consolidation area	0	2,644	0	0		2,644
Purchases, subscriptions	238,926	541	0	0	(225,676)	13,791
Transfers	0	0	0	0		0
Reimbursements	0	(398)	0	0		(398)
Disposals	0	0	0	0		0
Revaluations for the year	0	0	0	0	51,244	51,244
Amortisation and write-downs for the year	0	0	0	0	(13,598)	(13,598)
Adjustments to write-downs for the year	0	0	0	0		0
Total financial fixed assets	19,306,234	69,682	0	0	(12,623,818)	6,752,098

CAD IT Group

Registered office in Via Torricelli 37, 37136 Verona

INFORMATION ON THE FINANCIAL SCHEDULES 2002 FIRST QUARTER

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 requested data are presented here on a consolidated basis.

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 and consolidated financial statements.

Except otherwise indicated, monetary items are stated in thousands of Euro and millions of Lire.

2. Information on CAD IT S.p.A.

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

Registered offices are in Via Torricelli, 37, Verona.

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

Share capital amounts to € 4,669,600 at 31 March 2002 and comprises 8,980,000 ordinary shares.

These shares are nominal and can not 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 banks 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 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 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

4. Consolidation area

The fully consolidated companies included in the financial schedules of CAD IT Group at 31 March 2002 are the following:

4.1 Fully consolidated companies

	Registered offices	% of control	% held by the group
CAD IT S.p.A.- parent company	Verona	-	-
4.1.1 Direct subsidiaries:			
CAD S.r.l.	Verona	100%	100%
Cesbe S.r.l.	Verona	52%	52%
Syrm S.r.l.	Verona	75%	75%
4 Emme Informatica S.r.l.	Lodi	65%	65%
NetBureau S.r.l.	Milan	60%	60%
SGM S.r.l.	Padua	52%	52%
DQS S.r.l.	Rome	55%	55%
Smart Line S.r.l.	Avellino	51%	51%
Bit Groove S.r.l.	Aglia (PT)	51%	51%

The consolidation includes Bit Groove S.r.l., acquired in the first quarter of 2002 and has been extended with respect to that at 31 December 2001 as an effect of the acquisition of DQS S.r.l. and Smart Line S.r.l., in the first half of 2001.

4.2 Companies valued using the equity method

Sono state escluse dal consolidamento integrale le seguenti società controllate indirette, valutate con il metodo del patrimonio netto:

- Tecsit S.r.l., controlled by DQS S.r.l., as it operates in a sector different to that of the group;
- Firstcom S.r.l., controlled by SGM S.r.l., incorporated on 27 February 2001 and immaterial;
- Nestegg S.r.l., controlled by SGM S.r.l., acquired on 12/12/2001 and immaterial;
- Arch It S.r.l., controlled by DQS S.r.l., incorporated on 23 July 2001 and immaterial.

Total assets and revenues of the non-consolidated indirect subsidiaries represent 0.26% of the group assets and 0.47% of the group revenues respectively.

4.3 Other investments

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

The principal direct and indirect associated companies are as follows:

4.3.1 Direct associated companies

	Registered offices	% of control	% held by the group
Datafox S.r.l.	Florence	35,055	35,055
Sicom S.r.l.	Viadana (MN)	25,000	25,000

4.3.2 Indirect associated companies

	Registered offices	% of control	% held by the group
Isis S.p.A.	Rep. San Marino	24,000	24,000
Teclab S.r.l.	La Spezia	23,100	12,705

5. Accounting policies

The accounting policies applied in the preparation of the quarterly financial schedules are consistent with those adopted for the annual consolidated financial statements, especially with respect to valuation of the captions and continuity of the accounting policies.

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 to require waivers from the regulations for financial statements set out in paragraph 4 of article 2423 of the 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 on an accruals basis. Unrealised profits are not recorded and provision is made for contingencies and losses matured during the period even when they only came to light after period end.

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

Profit and loss account figures are compared to the figures for the same previous year period.

Figures for gross investments in intangible, tangible and financial fixed assets relate to the period of reference.

Figures for the net financial position are compared to the figures for the previous period, which corresponds to the latest year end.

5.3 Annexes and related information

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

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

6. Performance

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

The group recorded a positive consolidated operating result of Euro 1,853.5 thousand at 31 March 2002 compared to Euro 4,206.3 for the same period in 2001, before taxation and after minority interests of Euro 423.8 thousand (Euro 304.5 thousand at 31 March 2001).

First quarter production revenues of the group amount to Euro 14,336.3 thousand compared to Euro 13,091.6 thousand for the same period in 2001. This 9.5% improvement was achieved despite using the most highly skilled employees for the development of new products.

This result demonstrates the group's steady strengthening of its financial and economic position in line with its expansion programme.

6.2 The market

In February 2002, Sirmi S.p.A. forecasted a growth of 7.8% in the Italian IT sector in 2002, achieving a total value of Euro 24.8 billion. The IT market comprises hardware, with an expected growth of 6%, software, with an expected growth of 8.2%, and IT services, with an expected growth of 10.4%.

More specifically, Sirmi S.p.A. estimates an increase of 8.3% in investments in IT solutions for the financial sector, which represents CAD IT reference market, and an expected total turnover of € 5.6 billion. The growth of the IT market in the industrial sector, instead, is estimated at 6.2%, with an expected total turnover of € 6.4 billion.

In recent years, an average 90% of CAD IT Group turnover has been derived from the sale of software and services to Italian banks, stock brokerage companies and other financial institutions. The dynamism of this sector has allowed the group to achieve an increase in CAGR of 30% from 1997 to 2001.

The reasons underlying this excellent performance are related to the ongoing consolidation and reorganisation of Italian banks, the group's key customers, and to the strategic importance of its IT solutions.

6.3 Research and development

The boost given to these activities throughout 2001 continued in the first quarter, funded by the cash flows generated by the group's core business and the share capital increase paid in when the parent company's shares were listed on the New Market.

R&D investments are fully expensed in the period in which they are incurred and mainly consist of expenses for the employees engaged in the design and development of new software.

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

It continued to intensify R&D activities for the SIBAC platform, which was launched during April thanks to the significant investments made therein. This software, created for the management of the entire IT system of Italian and foreign banks and financial institutions, is currently being used by the Central Bank of San Marino (as a pilot bank) and is being installed at Gestnord Intermediazione, a financial institution of the Banca Sella Group.

The group is also upgrading the private banking platform in the Back Office financial instrument division.

The group is still allocating great resources for researching and developing the ERP Web Based SIGMAWEB launched in the previous year to adapt it to the requirement of manufacturing industry sectors requiring tailored innovative products.

Thanks to its many Italian and international contacts, the group has several expert teams involved in researching the most innovative technologies for Customer Relationship Management (CRM), Internet Banking, multi-channel services and technologies to manage the proposed solutions using ASP.

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 into the market in 2002 and 2003. They are also focused on the integration of the "Babele" software, produced by the newly-acquired company Bit Groove, with several existing products of the CAD IT Group for the clients of both the industrial and banking sectors.
An innovative project has been signed in the first quarter of 2002, named EasySET. This software procedure allows Italian and foreign banks to comply with the new ISO15022 SWIFT standard for the management of securities and entails significant benefits in terms of organisation, security and complexity of manageable transactions. A first return should be already visible in the second half of the current year.
Significant resources have also been invested by CAD IT S.p.A. in the integration of its Finance Area software with the solution of a foreign partner for the management of derivatives listed on the principal markets worldwide.
- Cesbe S.r.l. has continued to invest in the technological and functional upgrading of its solutions for on-line trading and training solutions;
- NetBureau S.r.l. is developing vertical portals (mainly for tax and financial purposes), Internet sites and e-commerce solutions using the technology of Macromedia-Allaire (international market leader for this technology), for which it is its "Premier Partner" in Italy;
- SGM S.r.l. is developing vertical IT solutions of the SIGMAWEB project for various sectors;
- DQS S.r.l. is investing resources to re-engineer the procedure for the management of depository banks";
- SMART LINE S.r.l. is investing resources to upgrade the functionalities of the web-based tax collection procedure .

6.4 Turnover – goods and services

This caption is summarised below grouped by business line, with comparative prior year figures.

A breakdown by geographical area is not significant as almost all the group's turnover is achieved in Italy.

CAD IT Group Consolidated turnover from goods and services at 31 March 2002

(EURO)

	Quarter 01/01-31/03/2002		Quarter 01/01-31/03/2001	
		%		%
B.O. financial instruments	10,542,863	73.9%	8,934,666	68.6%
Banking services software	1,259,289	8.8%	1,381,522	10.6%
Integrated IT systems	333,308	2.3%	92,962	0.7%
Training, consultancy, organisation	192,530	1.3%	906,382	7.0%
New technologies	740,715	5.2%	649,703	5.0%
Total banks division	13,068,705	91.6%	11,965,235	91.9%
Industrial hardware, software	1,013,042	7.1%	1,053,142	8.1%
Consultancy, training, industrial services	188,613	1.3%	-	0.0%
Total industry division	1,201,655	8.4%	1,053,142	8.1%
Total turnover from goods and services	14,270,360	100.0%	13,018,377	100.0%

Consolidated turnover from goods and services for the first quarter shows the improvement in the group's turnover compared to the same period in 2001, in line with its growth forecasts.

The results are impacted by:

- the considerable resources currently dedicated to the training of new employees;
- the intense R&D activities for the development of new products, which normally involve the most highly skilled and costly employees.

6.5 Gross operating result (EBITDA)

Gross operating result amounts to € 2,727.8 thousand, equal to 19.03% compared to 30.64% in the corresponding previous year period (€ 4,011.4 thousand).

This contraction is principally due to an increase in personnel expenses to € 7,037 thousand (€ 5,125 in 2001) and their growing impact from 39.15% in 2001 to 49.09%.

As noted, the higher personnel expenses are due to the recruitment of new employees currently in training and the greater use of personnel to speed up finalisation of new products.

6.6 Operating result (EBIT)

The first quarter operating result of Euro 1,891.8 thousand, compared to Euro 3,406.5 thousand in the same period in 2001, is affected not only by personnel expenses and service costs, but also by the greater amortisation of intangible fixed assets, mainly for the stock market listing costs and goodwill arising on consolidation of the investments acquired during 2001.

Amortisation and depreciation for the first quarter in 2002 total Euro 852.8 thousand compared to Euro 570.9 thousand in the previous year period.

6.7 Financial income and charges

Net financing activities resulted in an income of € 345.6 thousand in the first quarter of 2002 (€ 677.6 thousand in the same previous year period):

	1st quarter 2002	4th quarter 2001	Year 2001
Financial income from receivables classified as fixed assets		(2)	2
Financial income from invested liquidity		298	842
Bank interest and other	356	371	1,744
Total other financial income	356	667	2,588
Interest expense and other financial charges	(10)	(9)	(31)
Financial income and charges, net	346	658	2,557

7. Net consolidated financial position

Despite the significant investments made in the year, the net consolidated financial position amounts to a positive € 41,408.3 thousand at the end of the first quarter 2002, with an increase of € 322.9 thousand on 31 December 2001.

CAD IT Group**Net consolidated financial position at 31 March 2002***(EURO)*

	31.03.2002	31.12.2001
Cash, bank current accounts	39,097,654	38,470,170
Financial assets not of a fixed nature	2,801,643	2,662,226
Sums due to banks and short term portion of medium to long term financing	(490,988)	(46,946)
<i>Net short term financial position (indebtedness)</i>	<i>41,408,310</i>	<i>41,085,449</i>
Medium to long term financing net of short term portion	0	0
<i>Net medium to long term financial position (indebtedness)</i>	<i>0</i>	<i>0</i>
<i>Net financial position / (indebtedness)</i>	<i>41,408,310</i>	<i>41,085,449</i>

7.1 Cash flows

Cash flows of Cad It Group for the period 1 January 2002- 31 March 2002

	<i>(EURO)</i>
<u>OPERATING ACTIVITIES</u>	
Profit (loss) for the year	1,853,500
Amortisation and depreciation:	
- tangible fixed assets	202,470
- intangible fixed assets	316,684
- goodwill arising on consolidation	283,702
Accruals:	
employees' leaving entitlement	292,094
other provisions	-
Utilisation of provisions for contingencies and other charges	9,451
(Gains)/losses on sale of fixed assets	
Sub-total	2,957,900
Utilisation of employees' leaving entitlement	(90,704)
(Increase)/Decrease in receivables included under assets forming part of working capital	(4,205,427)
(Increase)/Decrease in inventory	(4,137)
(Increase)/Decrease in deferred expenses and accrued income	(143,879)
((Increase)/Decrease in other financial assets not of a fixed nature	-
Increase/(Decrease) in amounts due to creditors	(1,392,375)
Increase/(Decrease) in accrued expenses and deferred income	2,770,836
Increase/(Decrease) in sums due to other financial institutions	7,017
Increase/(Decrease) in other non-financial payables	1,725,737
Sub-total	(1,332,932)
Cash flows from (for) operating activities	1,624,968
<u>INVESTING ACTIVITIES</u>	
(Purchase)/Sale of tangible and intangible fixed assets	
(Purchase)/Sale of investments in subsidiary companies consolidated with the full consolidation method	(7,145)
(Purchase)/Sale of intangible fixed assets	(471,287)
(Purchase)/Sale of tangible fixed assets	(813,703)
(Increase)/Decrease in other fixed assets	(2,787)
Realised gain from the sale of tangible and intangible fixed assets	
Valuation of associated companies using the equity method	
Purchase of investments in non-consolidated subsidiaries	
Increase in investments in associated companies	(44,768)
(Purchases)/sales of other investments and securities	1,016
Cash flows from (for) investing activities	(1,338,674)
<u>FINANCING ACTIVITIES</u>	
(Increase)/Decrease in financial payables	
Increase/(Decrease) in reserves	-
Minority interest	36,566
Distribution of dividends	
Capital injections	-
Cash flows from (for) financing activities	36,566
Total cash flows	322,860
Opening liquid funds, net	41,085,449
Closing liquid funds, net	41,408,310

7.2 Shareholders' equity of the parent company and the group

As an effect of the capital injections made for the listing on the New Market, realised on 26 October 2000, the parent company avails of adequate resources to pursue its planned development.

The shareholders' equities of CAD IT S.p.A. and the group at 31 March 2002, excluding current profit, are shown below:

	CAD IT S.p.A.	GROUP
Share capital- Euro 4,669,600	4,669,600	4,669,600
Share premium reserve	62,186,400	62,186,400
Other reserves	3,866,249	3,866,249
Previous year reserves	-	150,791
Retained earnings	10,341,820	10,341,820
Total net shareholders' equity less profit for the period	81,064,069	81,214,860

8. Investments

As described in the 2001 annual report, the group has made considerable investments for the (nearly completed) construction of new offices owned by CAD IT S.p.A. in Verona as part of its programmed expansion.

It is building one of the most modern centres for the production of IT and organisation consultancy software and services for the financial and industrial sectors, with extremely high quality levels, in a site of more than 7,000 square metres.

Total investments in tangible and intangible fixed assets made during the first quarter in 2002 by the consolidated companies may be analysed as follows:

Investments	1 st quarter 2002
- intangible fixed assets	429,887
- plant machinery equipment and other tangible fixed assets	428,908
- costs and advances for buildings under construction	347,559
Total investments	1,206,354

Investments in intangible fixed assets mainly relate to costs incurred to purchase specific software necessary for production or performance of group operations.

Reference should be made to the section "Net consolidated financial position" and the subsequent section "Significant events since the beginning of 2002" for information on the acquisition of investments.

9. Employees

The group's workforce has increased in number in line with its strategic development programme although it has maintained its flexible structure in which the importance of its employees is its guarantee for continued future development.

Training is of particular importance to the group, which holds special refresher and training courses.

Information on the group's employees at the end of each quarter in 2001 and at 31 March 2002 is given below:

Category	at 31.03.2002	at 31.12.2001	at 30.06.2001	at 31.12.2000
Management	3	3	3	2
White collar	620	593	565	432
Blue collar	2	2	2	2
Apprentices	3	2		
Total	628	600	570	436

The average number of employees in the year 2001 is 545; the average number of employees in the first quarter of 2002 is 614.

10. Significant events in 2002

The main events impacting the group's performance in the first quarter of 2002 are described below.

In March, the group signed a contract with Monte Paschi Asset Management S.p.A. for the supply of the new RG software and related services for the automation of the asset management operating room.

This software has been designed for the automation of the front office asset management of banks and other financial institutions.

The fact that this product has been sold to a banking group already included in the customer portfolio confirms the success of CAD IT's cross-selling policies aimed at offering an increasingly wide range of effective and innovative solutions to its numerous existing customers.

In March, CAD IT S.p.A. also acquired 51% of the stock capital of Bit Groove S.r.l., a Prato-based company specialised in the production of software for business intelligence.

This acquisition allows an extension of the technical and functional know-how of CAD IT in the field of management control, in which Bit Groove operates, and increases its offering with an innovative business intelligence product called “Babele”. The group will be able to provide its customer banks with an innovative automated system for the management control of financial instruments. In addition, the group will be able to integrate the software already installed at tax collection agencies and complete its offering to the industrial sector by adding “Babele” to the “SIGMAWEB” ERP system.

This investment of approximately € 180 thousand corresponds to an overall estimated value of the acquired company of approximately € 354 thousand. Based on the agreement with Bit Groove shareholders, who will maintain an operating role in the company, CAD IT may pay a maximum of another € 40 thousand after the approval of the 2002 financial statements, provided that Bit Groove achieves a 40% increase in turnover and a pre-tax profit of at least 15% of 2002 turnover. Should these objectives be attained, the maximum total investment would amount to € 220 thousand.

Bit Groove already counts a banking group, four government agencies and twenty municipalities among its customers and shows a 2001 turnover of approximately € 370 thousand, up 200% on 2000. Having achieved a balanced operating profit in 2001, Bit Groove is expected to highly increase its operating profit already starting in the current year.

In March, CAD IT signed a contract with Gestnord Intermediazione, a stock brokerage company of the Banca Sella Group, for the supply of the newly implemented SIBAC software of the IT group to all banks, stock brokerage companies and other financial institutions. Based on this contract, Verona-based CAD IT will give license to Gestnord Intermediazione to use this software and the related installation services.

SIBAC is an innovative integrated modular software for the automation of the whole banking processes of small to medium size banks. As such it allows CAD IT to extend its offering to virtual banks, the foreign branches of Italian banks, stock brokerage companies and other financial institutions, which are estimated at a number of approximately 300 in Italy. This new system is multi-lingual and will be launched on the export market from 2003.

With its leading edge technology, this web-based software can be used through the most well-known internet browsers and is independent from its hardware platform. This ensures high flexibility and adaptability to the hardware architecture of potentially any Italian or foreign bank.

The agreement with Gestnord Intermediazione for the supply of the SIBAC software and related services will contribute with approximately 0.7% to the consolidated revenues of the group in 2002.

11. Significant subsequent events and expected future developments

The ordinary shareholders' meeting held at first call on 30 April 2002 approved the financial statements for the year and resolved on the distribution of a dividend of € 0.65 per share, with an increase of 80% on the previous year.

Given the results obtained in the first quarter, the Group continues to stand by the forecasts for growth in profit and revenue for the whole year. It is estimated that there will be a further increase in revenue in the second semester, which will also be due to some products that are being launched at the moment and which will presumably be in great demand from our banking clients.

On behalf of the board of directors
The chairman

(signed on the original)

Giuseppe Dal Cortivo