



PRESS RELEASE

Verona, 21st June 2006

CAD IT ANNOUNCES ITS ENTRY INTO THE GERMAN FINANCIAL SOFTWARE MARKET

CAD IT announces that it has signed an agreement for the sale of the “E.M.M. (Easyset Matching Module)” software to its partner Xchanging.

The CAD IT product will be used by Xchanging to manage transactions in the German securities processing market.

CAD IT and Xchanging have extended the letter of intent signed last November to form an alliance to focus on the European financial services sector.

CAD IT, leader in the Italian financial software market and quoted on TechStar of the Borsa Italiana (Italian stock exchange), announces that it has sold its software product “**E.M.M. (Easyset Matching Module)**” to its business alliance partner Xchanging, the business processing services company.

E.M.M. is a software product that supports operational control functions of financial instruments. For some years CAD IT has been investing in developing multi-lingual and multi-platform versions of its products with potential foreign clients in mind. The software will be used simultaneously in English and German. The EMM product is suitable for Italian or foreign banks or financial institutions, as it may be used stand-alone or integrated with other CAD IT products.

The **five-year** agreement, which will be renewable on expiry, foresees payment on the part of Xchanging for implementation activities and an annual fee for the supply of the user licence, maintenance and application management services.

Xchanging is a supplier in Germany of back-office processing services to the financial services industry. Xchanging’s Financial Services Sector will use “E.M.M.” to supply services to its clients including: Deutsche Bank, Citigroup, Sal. Oppenheim and Sparda Banken. Thanks to this important connection, the CAD IT Group will be selling its own product in Germany.

The agreement achieves one of the objectives laid down in the letter of intent signed last November by the two companies, to identify opportunities for CAD IT products where reciprocal advantages exist. Aside from “E.M.M.”, the two companies are assessing the possibility of integrating other CAD IT products with the software platforms operated by Xchanging.

CAD IT and Xchanging are convinced that there are multiple joint business areas to be explored and are extending **the duration of the letter of intent signed last November to 31st December 2006**. This extension will allow the two companies to pursue their objective of creating a strategic alliance aimed at offering business processing services to financial institutions in the European financial sector.

David Andrews, CEO of Xchanging declared “We were extremely impressed by the quality of CAD IT’s services and products. I think that this is only the beginning of a profitable collaboration between the two companies. I’m sure that adopting CAD IT products will allow us to serve our clients ever more effectively.”

Giuseppe Dal Cortivo, Chairman and Managing Director of CAD IT commented, "We are extremely satisfied with the co-operation with Xchanging over the last few months. The effort that we have both put in, in terms of investment and know-how, will allow us to grow both in Italy and abroad by means of supplying the technology to support Xchanging business process outsourcing services. I believe that this is a decisive step for CAD IT towards internationalising its services."

The CAD IT Group (www.cadit.it)

The CAD IT Group, with its headquarters in Verona, has developed and distributed information systems for the banking sector, companies and Public Administration for over 20 years. CAD IT's offers include standard and personalised 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, derivatives (in any currency) and adopted by 60% 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

Xchanging (www.xchanging.com)

Xchanging, the business processing services company, serves the financial services, insurance, manufacturing and retail sectors. We deliver better service at lower cost in customer administration, HR, procurement, finance and accounting.

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