

## **CAD IT: THE BOARD OF DIRECTORS APPROVES THE INTERIM MANAGEMENT REPORT AT 31<sup>ST</sup> MARCH 2011**

*In the first quarter of 2011, the CAD IT Group registered a Value of Production of Euro 13.4 million, compared to the Euro 13.1 million in the first quarter of 2010.*

*EBITDA stands at Euro 1.6 million (Euro 1.3 million in the first quarter of 2010);  
EBIT stands at Euro 0.8 million (Euro 0.4 million in the first quarter of 2010);  
Pre-tax result stands at Euro 1 million (Euro 0.5 million in the first quarter of 2010).*

*The Consolidated Net short-term Financial Position at 31<sup>st</sup> March 2011 is in credit by Euro 4 million compared to the Euro 4.2 million registered at 31<sup>st</sup> December 2010.*

The Board of Directors of CAD IT S.p.A. ([www.cadit.it](http://www.cadit.it)), leader in the Italian financial software market and quoted in the STAR segment of Borsa Italiana, today approved the Interim Management Report at 31<sup>st</sup> March 2011.

The main results in regard to the Consolidated Profit and Loss account at 31<sup>st</sup> March 2011 are as follows:

- **Value of Production** of Euro 13.4 million compared to Euro 13.1 million in the first quarter of 2010. The internal work capitalized under fixed assets went from Euro 0.8 million in the first quarter of 2010 to Euro 1 million in the first quarter of the current year;
- **Gross Operational Result (EBITDA)** of Euro 1.6 million, corresponding to 11.7% of the Value of Production, compared to Euro 1.3 million in the first quarter of 2010 (10.0% of the Value of Production);
- **Operational Result (EBIT)** of Euro 0.8 million corresponding to 6.0% of the Value of Production, compared to Euro 0.4 million in the first quarter of 2010 (2.8% of the Value of Production);
- **Pre-tax result** of Euro 1 million (7.5% of the Value of Production), compared to the Euro 0.5 million in the first quarter of 2010 (4.0% of the Value of Production).

The **Consolidated net short-Term Financial Position** at 31<sup>st</sup> March 2011 is **in credit** by Euro 4 million compared to Euro 4.2 million registered at 31<sup>st</sup> December 2010.

\* \* \*

The manager responsible for preparing the company's financial reports, Maria Rosa Mazzi, declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the document results, books and accounting records.

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The CAD IT S.p.A. Board of Directors have positively assessed the subsistence of the necessary requirements for its independent directors as set down by the Corporate Governance Code of the Borsa Italiana S.p.A..

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## Consolidated income statement

(in thousands of Euro)

	I Quarter 2011		I Quarter 2010		Variations	
		%		%		%
Income from sales and services	12,412	92.4%	12,477	95.2%	(66)	(0.5%)
Changes in ongoing orders	-	-	(133)	(1.0%)	133	(100.0%)
Asset increases due to internal work	1,013	7.5%	755	5.8%	258	34.1%
Other revenue and receipts	3	0.0%	11	0.1%	(8)	(76.2%)
<b>Production value</b>	<b>13,427</b>	<b>100.0%</b>	<b>13,111</b>	<b>100.0%</b>	<b>317</b>	<b>2.4%</b>
Costs for raw	(185)	(1.4%)	(221)	(1.7%)	36	(16.2%)
Service costs	(2,544)	(18.9%)	(2,257)	(17.2%)	(287)	12.7%
Other operational costs	(154)	(1.1%)	(165)	(1.3%)	11	(6.8%)
<b>Added value</b>	<b>10,544</b>	<b>78.5%</b>	<b>10,467</b>	<b>79.8%</b>	<b>76</b>	<b>0.7%</b>
Labour costs	(8,425)	(62.7%)	(8,526)	(65.0%)	101	(1.2%)
Other administrative expenses	(550)	(4.1%)	(631)	(4.8%)	80	(12.7%)
<b>Gross operational result - EBITDA</b>	<b>1,568</b>	<b>11.7%</b>	<b>1,311</b>	<b>10.0%</b>	<b>258</b>	<b>19.6%</b>
Allocation to fund and credit depreciation	(2)	(0.0%)	(2)	(0.0%)	(0)	
Intangible fixed asset amortization	(595)	(4.4%)	(751)	(5.7%)	156	(20.8%)
Tangible fixed asset amortization	(162)	(1.2%)	(192)	(1.5%)	30	(15.8%)
<b>Operational result - EBIT</b>	<b>809</b>	<b>6.0%</b>	<b>365</b>	<b>2.8%</b>	<b>444</b>	<b>121.6%</b>
Financial income	22	0.2%	20	0.2%	1	6.3%
Financial expenses	(21)	(0.2%)	(15)	(0.1%)	(6)	38.9%
<b>Ordinary result</b>	<b>810</b>	<b>6.0%</b>	<b>371</b>	<b>2.8%</b>	<b>439</b>	<b>118.5%</b>
Revaluations and depreciations	201	1.5%	159	1.2%	42	26.5%
<b>Pre-tax result</b>	<b>1,011</b>	<b>7.5%</b>	<b>530</b>	<b>4.0%</b>	<b>481</b>	<b>90.9%</b>
Pre-tax result for the period attributable to:						
Non- controlling interests	32	0.2%	(48)	(0.4%)	79	(166.6%)
<b>Owners of the parent</b>	<b>979</b>	<b>7.3%</b>	<b>577</b>	<b>4.4%</b>	<b>402</b>	<b>69.6%</b>

## Consolidated statement of comprehensive income

(in thousands of Euro)

	I Quarter 2011	I Quarter 2010
Profit/(loss) for the period	1,011	530
Gains/(Losses) on fair value of available for sale financial assets	27	(87)
<b>Total comprehensive income</b>	<b>1,038</b>	<b>443</b>
Profit/(loss) for the period attributable to:		
Non-controlling interests	32	(48)
<b>Owners of the parent</b>	<b>1,006</b>	<b>490</b>

## Consolidated Statement of financial position

(in thousands of Euro)

ASSETS	31/03/2011	31/12/2010
A) Non-Current Assets		
Property, plant and equipment	18,541	18,651
Intangible assets	19,718	19,297
Goodwill	8,309	8,309
Investments	368	329
Other financial assets available for sale	635	609
Other non-current credits	122	95
Credits due to deferred taxes	342	342
<b>TOTAL NON-CURRENT ASSETS</b>	<b>48,035</b>	<b>47,631</b>
B) Current Assets		
Inventories	133	111
Ongoing orders	197	197
Trade receivables and other credits	30,543	25,948
Tax credits	868	856
Cash on hand and other equivalent assets	5,487	6,101
<b>TOTAL CURRENT ASSETS</b>	<b>36,929</b>	<b>33,211</b>
<b>TOTAL ASSETS</b>	<b>84,963</b>	<b>80,843</b>

EQUITY AND LIABILITIES	31/03/2011	31/12/2010
A) Equity		
Company capital	4,670	4,670
Reserves	35,459	35,432
Accumulated profits/losses	14,444	13,492
<b>Company capital and reserves attributable to owners of the parent</b>	<b>54,547</b>	<b>53,593</b>
Non-controlling interests	2,310	2,226
<b>TOTAL EQUITY</b>	<b>56,857</b>	<b>55,819</b>
B) Non-current liabilities		
Financing	142	150
Deferred tax liabilities	3,442	3,442
Employee benefits and quiescence provisions	6,486	6,379
Expense and risk provisions	50	59
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>10,120</b>	<b>10,029</b>
C) Current liabilities		
Trade payables	7,469	3,869
Current tax payables	1,578	2,457
Short-term financing	1,521	1,851
Other liabilities	7,419	6,818
<b>TOTAL CURRENT LIABILITIES</b>	<b>17,986</b>	<b>14,994</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>84,963</b>	<b>80,843</b>

## Consolidated Cash Flow Statement

(in thousands of Euro)

	I Quarter 2011	I Quarter 2010
<b>Opening cash balances and equivalents</b>	<b>4,250</b>	<b>5,093</b>
<b><u>OPERATING ACTIVITIES</u></b>		
Profit (loss) for the period	1,011	530
Amortisation, revaluation and depreciation:		
- Property, plant and equipment amortisation	162	192
- Intangible fixed asset amortisation	595	751
- revaluation of investments and financial assets available for sale	(201)	(159)
- depreciation of investments and financial assets available for sale	0	0
Allocations (utilization) of provisions	99	140
Financial performance:		
- Net financial receipts (charges)	(1)	(6)
- Profit / (losses) on exchanges	(0)	(0)
Working capital variations	(1,009)	(674)
Income taxes paid	0	0
Interest paid	(21)	(15)
<b>(A) Cash flows from (used in) operating activities</b>	<b>635</b>	<b>760</b>
<b><u>INVESTMENT ACTIVITIES</u></b>		
Investments in activities		
- Property, plant and equipment purchases	(52)	(63)
- Intangible assets purchases/development	(1,016)	(781)
- increase in other fixed assets	(27)	(18)
Disinvestment activities		
- Property, plant and equipment transfers	-	-
- Decrease in other fixed assets	-	2
Cashed Interest	22	20
Cashed dividends	162	0
<b>(B) Cash flows from (used in) investment activities</b>	<b>(911)</b>	<b>(839)</b>
<b><u>FINANCING ACTIVITIES</u></b>		
Medium/long term financing repayment	(8)	(7)
Dividends paid	0	0
<b>(C) Cash flows from (used in) financing activities</b>	<b>(8)</b>	<b>(7)</b>
<b>(A+B+C) Cash balances and equivalents net changes</b>	<b>(283)</b>	<b>(86)</b>
<b>Closing cash balances and equivalents</b>	<b>3,967</b>	<b>5,006</b>

## Consolidated net financial position

(in thousands of Euro)

<i>Net consolidated financial position</i>	<i>31/03/2011</i>	<i>31/12/2010</i>	<i>31/03/2010</i>
Cash-on-hand and at bank	3,103	3,731	3,931
Capitalisation insurance policies	2,385	2,370	2,320
Payables due to banks current portion	(1,521)	(1,851)	(1,244)
<b>Net short-term financial position/(indebtedness)</b>	<b>3,967</b>	<b>4,250</b>	<b>5,006</b>
Long-term loans	(142)	(150)	(172)
<b>Net long-term financial position/(indebtedness)</b>	<b>(142)</b>	<b>(150)</b>	<b>(172)</b>
<b>Net financial position/(indebtedness)</b>	<b>3,824</b>	<b>4,100</b>	<b>4,835</b>

## 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, Prato, Bologna, Padua and Mantua.*

*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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