Interim Management Report at 31st March 2012

This document has been translated into English for the convenience of readers outside of Italy.
The original Italian version remains the definitive and authoritative document.

CAD IT
INFORMATION TECHNOLOGY

CONTENTS

BOARD OF DIRECTOR AND AUDITORS

BOARD OF DIRECTORS (1)

GIUSEPPE DAL CORTIVO
Chairman and Managing Director

LUIGI ZANELLA
Vice Chairman and Managing Director

GIAMPIETRO MAGNANI
Vice Chairman and Managing Director

PAOLO DAL CORTIVO
Managing Director

MAURIZIO RIZZOLI (2)
Director

JÖRG KARSTEN BRAND
Director

FRANCESCO ROSSI (2)
Director and lead independent director

LAMBERTO LAMBERTINI (2)
Independent Director

STATUTORY AUDITORS (1)

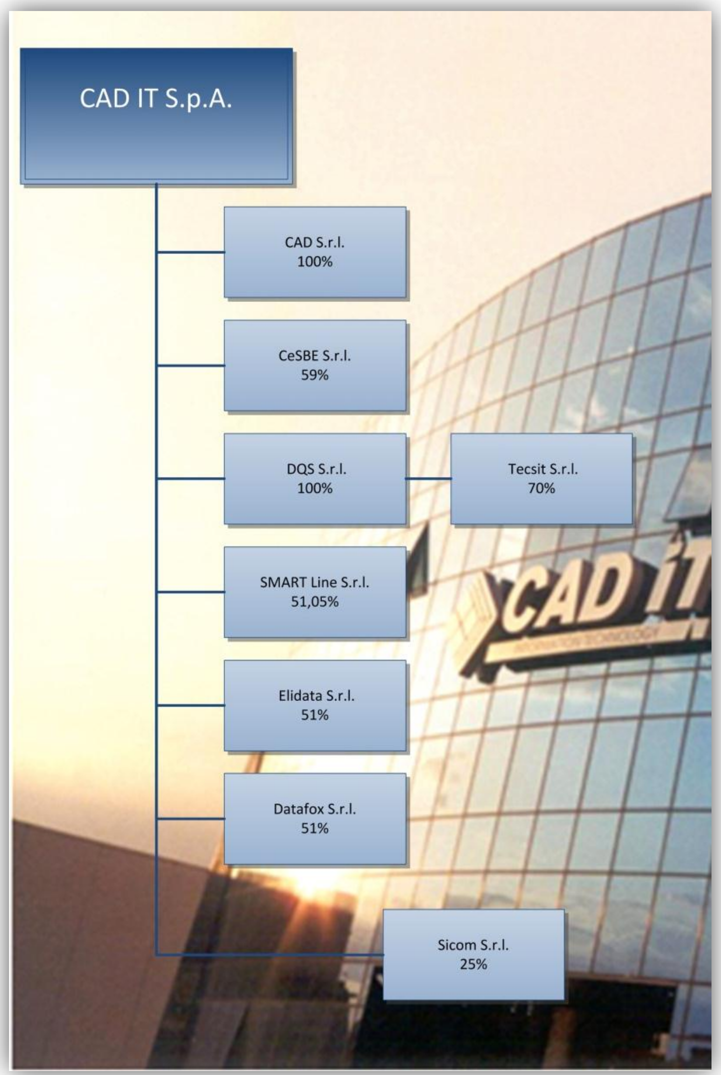
RICCARDO FERRARI
Chairman

GIAN PAOLO RANOCCHI
Statutory Auditor

RENATO TENGATTINI
Statutory Auditor

AUDITORS: BDO S.P.A.

(1) Appointed on 26 April 2012; office expires with the shareholders' meeting for the approval of the 2014 financial statements.
(2) Member of the Control and Risk Committee; member of the Nominating and Compensation Committee.

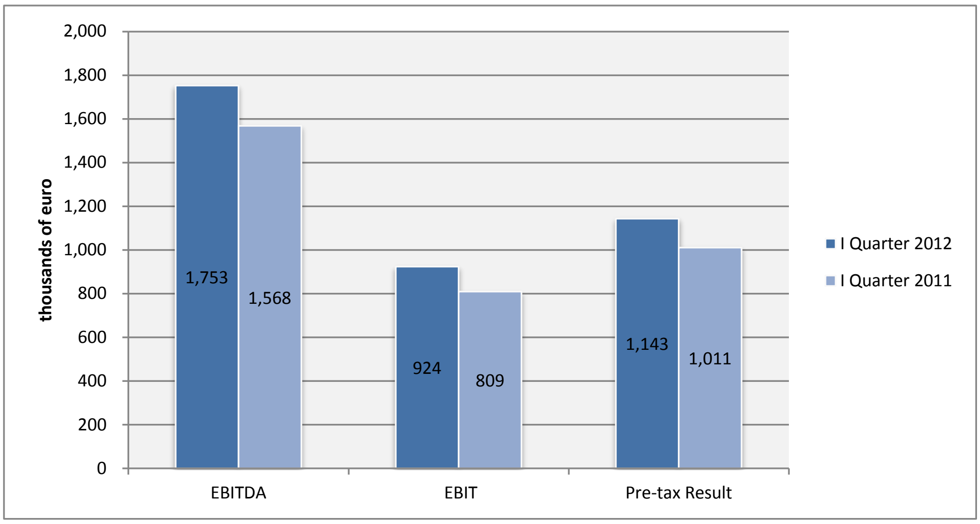


CAD IT Group as at 31/03/2012

SUMMARY OF RESULTS

	31/03/2012		31/03/2011		Variations	
	€/000	% PV	€/000	% PV	absolute	%
Production value	13,620	100.0%	13,427	100.0%	193	1.4%
Added value	10,960	80.5%	10,544	78.5%	416	3.9%
Gross operational result (EBITDA)	1,753	12.9%	1,568	11.7%	184	11.8%
Operational result (EBIT)	924	6.8%	809	6.0%	115	14.2%
Ordinary result	940	6.9%	810	6.0%	130	16.1%
Pre-tax result	**1,143**	**8.4%**	**1,011**	**7.5%**	**132**	**13.0%**
Pre-tax result attributable to Owners of the parent	1,032	7.6%	979	7.3%	53	5.4%
Total comprehensive income	**1,143**		**1,038**		**105**	**10.1%**
Total Comprehensive income attributable to Owners of the parent	1,032		1,006		26	2.6%

	31/03/2012	31/12/2011	31/03/2011
Total Assets	89,658	86,028	84,963
Total Equity	58,977	57,845	56,857
Equity attributable to Owners of the parent	56,377	55,356	54,546
Net short-term financial position/(indebtedness)	7,414	5,401	3,967
Net financial position / (indebtedness)	7,303	5,282	3,824
Employees at the end of the period (number)	600	594	607
Employees (average number in the period)	598	601	607


2,000
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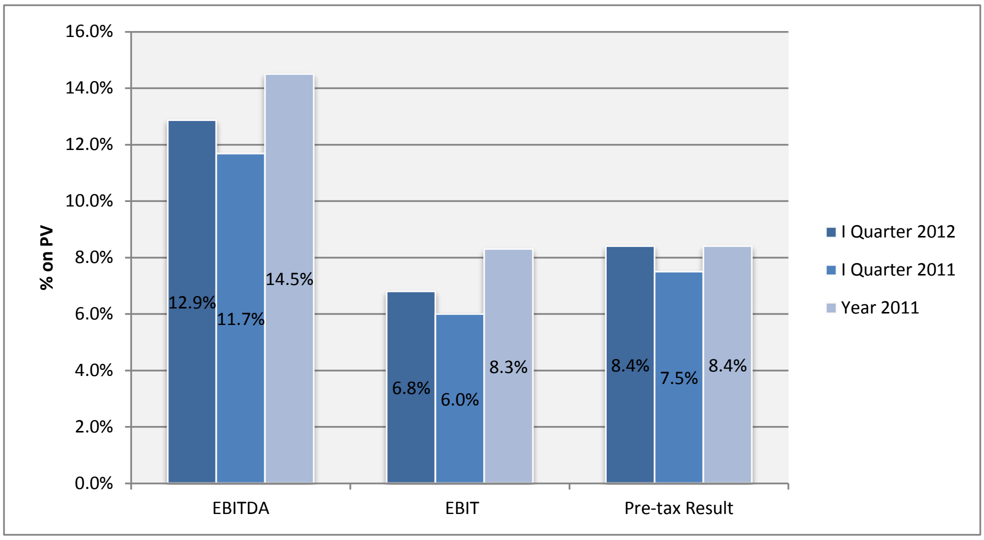
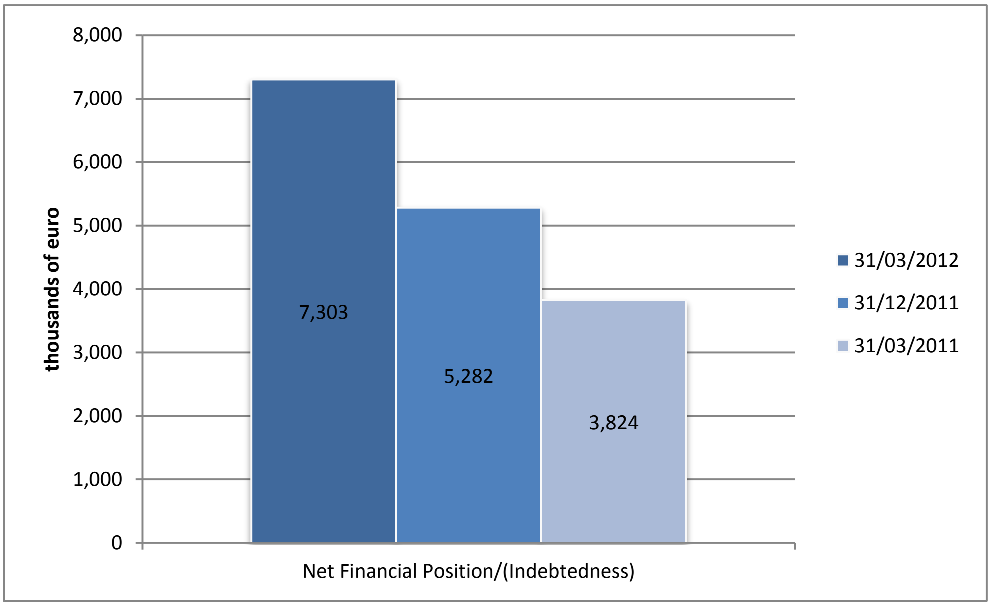
1,400
1,200
1,000
800
600
400
200
0
thousands of euro
1,753
1,568
924
809
1,143
1,011
EBITDA
EBIT
Pre-tax Result
I Quarter 2012
I Quarter 2011


16.0%
14.0%
12.0%
10.0%
8.0%
6.0%
4.0%
2.0%
0.0%
% on PV
12.9%
11.7%
14.5%
6.8%
6.0%
8.3%
8.4%
7.5%
8.4%
EBITDA
EBIT
Pre-tax Result
I Quarter 2012
I Quarter 2011
Year 2011


8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000
0
thousands of euro
7,303
5,282
3,824
Net Financial Position/(Indebtedness)
31/03/2012
31/12/2011
31/03/2011

SUMMARY SCHEDULES

Consolidated income statement

(in thousands of Euro)

	I Quarter 2012	*I Quarter 2011*
Income from sales and services	12,744	12,412
Asset increases due to internal work	875	1,013
Other revenue and receipts	2	3
Costs for raw	(127)	(185)
Service costs	(2,328)	(2,544)
Other operational costs	(205)	(154)
Labour costs	(8,683)	(8,425)
Other administrative expenses	(525)	(550)
Allocation to fund and credit depreciation	(3)	(2)
Intangible fixed asset amortization	(676)	(595)
Tangible fixed asset amortization	(150)	(162)
Financial income	37	22
Financial expenses	(21)	(21)
Revaluations and depreciations	203	201
Pre-tax result	**1,143**	**1,011**
Pre-tax result attributable to:		
- Non-controlling interests	111	32
- **Owners of the parent**	**1,032**	**979**
Weighed average number of ordinary shares outstanding	8,980,000	8,980,000
Pre-tax basic earnings per share (in €)	0.115	0.109

Consolidated statement of comprehensive income

(in thousands of Euro)

	I Quarter 2012	*I Quarter 2011*
Pre-tax result for the period	1,143	1,011
Gains/(Losses) on fair value of available-for-sale financial assets	-	27
Total Comprehensive income	**1,143**	**1,038**
Comprehensive income attributable to:		
- Non- controlling interests	111	32
- **Owners of the parent**	**1,032**	**1,006**

Consolidated Statement of financial position

(in thousands of Euro)

ASSETS	***31/03/2012***	***31/12/2011***
A) Non-Current Assets		
Property, plant and equipment	18,064	18,171
Intangible assets	20,205	19,981
Goodwill	8,309	8,309
Investments	355	330
Other financial assets available for sale	297	460
Other non-current credits	153	132
Credits due to deferred taxes	595	595
TOTAL NON-CURRENT ASSETS	**47,976**	**47,976**
B) Current Assets		
Inventories	88	70
Ongoing orders	17	17
Trade receivables and other credits	33,007	30,600
Tax credits	262	257
Cash on hand and other equivalent assets	8,307	7,107
TOTAL CURRENT ASSETS	**41,681**	**38,052**
TOTAL ASSETS	**89,658**	**86,028**

EQUITY AND LIABILITIES	***31/03/2012***	***31/12/2011***
A) Equity		
Company capital	4,670	4,670
Reserves	35,384	35,395
Accumulated profits/losses	16,323	15,291
Company capital and reserves attributable to owners of the parent	**56,377**	**55,356**
Non-controlling interests	2,600	2,489
TOTAL EQUITY	**58,977**	**57,845**
B) Non-current liabilities		
Financing	111	119
Deferred tax liabilities	3,375	3,375
Employee benefits and quiescence provisions	6,745	6,724
Expense and risk provisions	36	40
TOTAL NON-CURRENT LIABILITIES	**10,267**	**10,258**
C) Current liabilities		
Trade payables	7,767	4,007
Current tax payables	3,802	4,696
Short-term financing	893	1,705
Other liabilities	7,953	7,516
TOTAL CURRENT LIABILITIES	**20,414**	**17,925**
TOTAL LIABILITIES AND EQUITY	**89,658**	**86,028**

Consolidated Cash Flow Statement

(in thousands of Euro)

	I Quarter 2012	*I Quarter 2011*
Opening cash balances and equivalents	**5,401**	**4,250**
OPERATING ACTIVITIES		
Profit (loss) for the period	1,143	1,011
Amortisation, revaluation and depreciation:		
- Property, plant and equipment amortisation	150	162
- Intangible fixed asset amortisation	676	595
- revaluation of investments and financial assets available for sale	(203)	(201)
- depreciation of investments and financial assets available for sale	0	0
Allocations (utilization) of provisions	17	99
Financial performance:		
- Net financial receipts (charges)	(16)	(1)
- Profit / (losses) on exchanges	(0)	(0)
Working capital variations	872	(1,009)
Income taxes paid	0	0
Interest paid	(21)	(21)
(A) Cash flows from (used in) operating activities	**2,618**	**635**
INVESTMENT ACTIVITIES		
Investments in activities		
- Property, plant and equipment purchases	(43)	(52)
- Intangible assets purchases/development	(899)	(1,016)
- increase in other fixed assets	(32)	(27)
Disinvestment activities		
- Property, plant and equipment transfers	0	-
- Assets available for sale transfers	171	-
- Decrease in other fixed assets	10	-
Cashed Interest	37	22
Cashed dividends	159	162
B) Cash flows from (used in) investment activities	**(597)**	**(911)**
FINANCING ACTIVITIES		
Medium/long term financing repayment	(8)	(8)
Dividends paid	0	0
(C) Cash flows from (used in) financing activities	**(8)**	**(8)**
(A+B+C) Cash balances and equivalents net changes	**2,013**	**(283)**
Closing cash balances and equivalents	**7,414**	**3,967**

EXPLANATORY NOTES

1. *Foreword*

This Interim Management Report has been drafted in accordance with art. 154-ter, paragraph 5, of the Testo Unico della Finanza; this report is not an interim management statement drafted in accordance with IAS 34 “Interim Statements”.
In accordance with this regulation, this interim management report gives:

a) a general description of the Group’s financial standing and financial trend in the quarter;
b) an outline of the significant events and transactions that occurred in the quarter and their effect on the Group’s financial standing.

The accounting tables shown are the same as those used for drafting the annual and six-monthly financial reports.
The interim report includes balance charts in reference to the following periods:

- profit and loss account for the interim period in question and trend compared to the same interim period (period and trend) of the previous financial year;
- patrimonial and financial situation at the end of the interim period concerned, also in comparison to the figures for the same period of the previous financial year;
- cash flow statement at the interim period closure date compared to the figures for the same period of the previous financial year.

The figures representing the net financial position, compared with the figures of the previous quarter and the previous year end, and tables showing investments in intangible and tangible assets, installations and machinery relating to the intervening period between the beginning of the financial period and the closing date of the quarter, are also supplied.
This document shows the quarterly figures required on a consolidated basis, since CAD IT S.p.A is obliged to draft a consolidated balance.
Unless otherwise indicated, the monetary quantities in the accounting tables and those in the notes, are shown rounded off to the nearest thousand euro. For this reason, in some tables it may be that the detailed figures differ from the rounded off ones. The percentage figures shown are calculated using the non-rounded off figures.
The Interim Management Report is not subject to auditing by the auditing company.

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 44/a, Verona. The company is registered in the Verona Company Register under no. 01992770238. Share capital amounts to € 4,669,600, fully subscribed and paid-in, and comprises 8,980,000 ordinary shares. There are no other action categories. 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. The company is listed in the STAR market of the Italian stock exchange.
CAD IT S.p.A. is not subject to the control of any other company, as provided by article 2359 of the Italian Civil Code and it is fully responsible for defining it own general and operational strategic policies. CAD IT S.p.A. manages and coordinates its own subsidiaries.

3. Activities of the Group

CAD IT is the leader of a group that is one of the most dynamic organisations in the Italian information technology sector.
For almost 30 years, the Group has been dealing with the banking and insurance market and the world of business and public administration by offering software solutions, maintenance, personalisation, integration and other correlated services from application management to outsourcing, consultancy to training.
The CAD IT Group operates in Italy with its own branches and Group companies. Its Head Office is in Verona but there are other units in Milan, Rome, Prato, Padova, 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 negotiation, settlement and administration of security transactions, debentures, derivates (in any currency) and adopted, according to company estimations, by about 90% of Italian banking outlets.
In addition, the Group boasts 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 make up the newest sector but they capitalize the Group's traditional abilities like its 30-years experience in developing computer systems for public body.

4. Corporate Governance

CAD IT adheres and conforms to the Governance Code for listed companies of Borsa Italiana. In compliance to the legal obligations, the Board of Directors annually approves the Corporate governance and property asset report, in accordance with articles 123 bis and 124 ter TUF and 89 bis Consob Issuer Regulations, in order to provide an adequate description of the corporate governance system adopted, information on property assets and adhesion to Corporate Governance regulations. The report is published and is available for public viewing in the Investor Relations sector of the company's Internet site: www.cadit.it.
Please refer to the complete document for further details on governance and the Internal Control System.

5. Accounting standards and consolidation criteria

The economic, patrimonial and financial information has been drafted in accordance with the evaluation and measurement criteria as established by the International Financial Reporting Standard (IFRS), issued by the International Accounting Standards Board (IASB) and adopted by the European Commission according to the procedure in art. 6 of the European Parliament and Council Regulation (EC) no. 1606/2002 of 19th July 2002.
The accounting standards adopted are the same as those used for drafting the last annual balance and have been applied in the same manner throughout the periods shown and for all the Group's companies; there have been no modifications in the comparative information.
Interim Management Report has been drafted using the evaluation criteria of historical cost , except for financial instruments available for sale, which are assessed at fair value, and the holdings in subsidiaries, which are assessed in accordance with the equity method. Moreover, where some land and buildings have been included in First Time Adoption, the *fair value* has been used instead of the cost..
The balance has been drafted in the assumption that the company will continue.

Use of estimates

In accordance with the IFRS, when drafting the Interim Management Report the company management formulates evaluations, estimates and hypotheses to apply the accounting standards which affect the amounts of credit and debit and the costs and revenues found. Estimates and their relative hypotheses are based on past experience and factors considered reasonable for the case. Since they are estimates, the results obtained are not necessarily the same as the results portrayed.
The estimates and hypotheses are reviewed on a regular basis. Any variations deriving from an accounting estimate review are shown in the period in which the

review was made if such review only affects that period. If the review affects the current and future periods, the variation is recorded in the period in which the review is made and in the relative subsequent periods.

Accounting principles, amendments and interpretations applied since 1st January 2012

At the time of drafting this summarised version of the Interim Management Report, there are no other matters or records, or anything of any significant importance within the Group, that may be governed by principles, amendments and interpretations effective since 1st January 2012, and approved by the IASB and IFRIC and published in the European Community's Official Gazette.

Subsidiary companies

The consolidation area includes the Mother Company and the companies it controls, that is, where it has the power to determine financial and managerial policies of a business in order to reap benefits from said company's activities.

Subsidiary companies are consolidated from the date in which control was effectively transferred to the Group and are no longer consolidated as from the date that control becomes external to the Group.

The purchase of subsidiary companies has been accounted for in accordance with the purchase method set by IFRS 3.

These companies are consolidated using the integral consolidation method. In order to prepare the consolidated data, the patrimonial, economic and financial situations of the subsidiary and associate companies have been used as prepared by the Group's individual companies at the reference dates, opportunely reclassified and amended to reflect the application of the homogeneous accounting standards.

In drafting the Interim Management Report all the balances and significant transactions between the Group's companies have been eliminated, as are all unrealised infra-group profit and loss transactions.

Associated companies

The share in associate companies, that is those companies in which the Group has significant influence, is evaluated using the equity method, as defined in IAS 28 – Investments in Associates. The profits or losses relevant to the Group are included in the Interim Management Report from the date in which this significant influence began up to the moment it ceases.

Property, plant and equipment

Tangible fixed assets are shown at purchase cost, including any costs that may be directly ascribable and necessary for activating the asset and putting it to the use for which it was purchased. In reference to land and buildings listed in First Time Adoption, the fair value was used instead of the cost.

Tangible fixed assets are shown at net value of the relative accumulated depreciations and losses due to the reduction in value determined in accordance with the modalities described below.

Tangible fixed assets are amortised in constant rates during the course of their expected useful life cycle, i.e. the estimated period of time in which the asset will be put to company use. Whenever significant parts of tangible fixed assets have different estimated useful life cycles, said components are amortised separately.

The value to be depreciated is given by the registered value of the asset net of any loss in value and reduced by its assumed value at the end of its useful life cycle, if significant and reasonably calculable. The useful life cycle and the cash value are reassessed annually and any changes, where necessary, are brought in with a perspective application.

The main economic-technical tax rates used are the following:

- industrial buildings: 3%
- electrical equipment: from 5 to 10%
- air conditioning equipment: from 6 to 15%
- telephone systems: 20%
- alarm systems: from 10 to 30%
- furniture and fittings: 12%
- electrical machinery: 15%
- electronic machines and computers: 20%
- vehicles: 25%

Land, both without buildings or next to civil and industrial constructions, is accounted for separately and not amortised as it is considered an element with an unlimited useful life cycle.

In order to calculate any losses due to depreciation, the accounting value of intangible fixed assets is subject to verification.

At the time of elimination or when no future economic benefit can be expected from the use of an asset, it is eliminated from the balance and the eventual loss or profit (calculated as the difference between the assignment value and the taxation value) is shown in the income statement of the year in which the asset is eliminated.

Financial leasing

Assets owned through financial leasing contracts, through which all the risks and benefits tied to the property are transferred to the Group, are registered among the Group assets at their fair value or, if this value is lower, at the present value of the minimum payments due for the leasing and depreciated by applying coherent criteria to the other assets. The corresponding liability towards the lessor is registered in the balance among the financial debts.

Intangible fixed assets

Intangible fixed assets are shown as such when it is likely that they will bring in future economic benefits for the company and when the asset cost can be feasibly determined.

Intangible fixed assets, having a defined useful life cycle, are subsequently registered net of the relative accumulated amortizations and any losses due to a durable reduction in value.

The useful life cycle is reassessed annually and any changes, where necessary, are brought in with a perspective application.

Profits or losses deriving from the transfer of an intangible fixed asset are determined as the difference between the elimination value and taxation value of said asset and are reported on the income statement at the time of elimination.

Project development costs for the production of instrumental software, or those to be terminated, are registered on the credit side when they satisfy the following conditions: the costs can be feasibly determined, the product is technically feasible, the expected use and/or sale of the product indicate that the sustained costs will generate future economic benefits. In respect of the standard that correlates costs and returns, these costs are amortized as from the moment in which the activity becomes available for use, in permanent amortisation amounts for the entire duration of the product's lifecycle, estimated at five years. The costs of intangible fixed assets generated internally include only those expenses that can be directly attributed to the development of said product. Development costs that do not meet the previous conditions are shown in the profit and loss account when elevated.

Goodwill

Goodwill resulting from the purchase of subsidiaries and associates is initially registered at cost and is the overbalance of the purchase cost in respect of the purchaser's share of the fair value of the assets and liabilities and the potential liabilities at the date of purchase.

After the initial registration, goodwill is no longer amortised and is decremented of any losses in accumulated value, calculated according to the IAS 36 Asset value reduction. Goodwill regarding shares in associates companies is included in the taxation value of said companies.

Goodwill is subject to an annual analysis of retrievable ness or at shorter intervals if something happens or changes in circumstances arise, which could cause losses in value.

Goodwill deriving from purchases made prior to 1st January 2004 is registered at the recorded value ascribed to it in the last balance drafted on the basis of the previous accounting standards (31st December 2003). In fact, during the preparation of the opening balance in accordance with the international accounting standards, none of the purchase transactions made prior to 1st January 2004 have been re-considered.

Impairment loss

The Group annually verifies the accountable value of intangible and tangible assets or more often whenever there is an indication that assets may have suffered a value loss.

If the charged value exceeds the recoverable value, the assets are devalued to reflect their recoverable value, represented by the greatest figure between the net price and use value. In defining the use value, expected future financial flows are discounted back using a pre-tax discount rate that reflects the current market estimations in reference to the cost of money at the time and the specific risks of the asset in question. For an asset that does not generate widely independent financial flows, the return value is determined in relation to the unit generating the financial flows of which the asset is a part. The value losses are accounted for in the income statement among depreciation and devaluation costs. When subsequently an asset value loss, different from the goodwill, is less or decreases, the accounting value is increased to a new estimate of the recoverable value within the limit of the previous value loss. The recovery of a value loss is registered to the income statement.

Assets available for sale

Share in non-consolidated companies are classified as assets financially available for sale and are valued at fair value. For any shares quoted as fair value, this value is taken as the market value, if active. Any profits or losses found as a result of the effect of evaluating the fair value on these assets at every balance date are shown at net patrimony unless they are sold or they have durable losses in value, that are the moments when the total profit or loss found in the net patrimony is registered to the profit and loss account.

Other non-current credits

These are registered at their nominal value, representative of their fair value.

Stock

Leftover stock is valued as the lesser value between purchase cost and the net value of the assumed income. The cost is determined in accordance with the average calculated cost method.

On-going orders

On-going construction contracts are valued with reasonable certainty on the basis of the matured contractual fees according to the criterion of percentage completion (so-called cost to cost), so as to attribute the profits and the economic result of the order to each single financial period concerned in proportion to the progress of the work.

Commercial credits and other credits

Commercial credits, whose expiry limits are within normal commercial terms, are not updated and are registered at their nominal value net of any loss of value. Moreover, they are adjusted to their assumed cash value by means of the registration of an appropriate amendment fund.

Liquid asset availability and equivalent means

The availability of liquid assets and equivalent means is registered at nominal value and has the requirements to be immediately available or available at very short notice, without obstacles and with no significant expense for collection.

Employee leaving entitlement

The present value of debts related to employees for benefits allocated in connection with or following the termination of working relationships through defined benefit programmes is calculated on the basis of the method of projecting the credit in accordance with the indications in IAS 19.

The liability evaluation is calculated by private actuaries.

The profits and losses deriving form these evaluations are ascribed to the income statement.

Risk and obligation funds

In accordance with the IAS 37, the allocations are shown when there is an ongoing obligation (legal or implicit) that stems from a past event, whenever an outlay may be necessary to satisfy the obligation and a feasible estimation may be made on the obligation amount.

If the effect of updating the assumed cash value is significant, the allocations are calculated by updating the expected future financial flows at a pre-tax discount rate that reflects the current market evaluation of the cash value in relation to time. When updating has been done, the increase in the allocation caused by the passing of time is shown as a financial obligation.

Commercial debts and other current liabilities

The commercial debts, whose deadlines are within normal commercial terms, are not updated and are registered at cost (identified by their nominal value).

Financial liabilities are initially shown at cost, which corresponds to the fair value of the liability, net of transition costs, which are directly attributable to the issue of the liability itself.

After the initial determination, the financial liabilities are assessed with the criterion of amortized cost using the original effective tax rate method.

Revenues and costs

The revenues and costs are determined in accordance with the qualifying economic principle to the amount to which the fair value can be feasibly determined.

Depending on the type of operation, the revenues are determined on the basis of the specific criteria reported below:

- the revenues for services are determined with reference to the point at which they stand on the basis of the same criteria used for determining the position of ongoing orders. If it is not possible to feasibly determine the revenue values, they are then calculated until they concur with the amount of expenses sustained and which are deemed recoverable.
- the profits from the sale of goods are shown when significant risks and benefits of the ownership of the goods are transferred to the purchaser, the sale price is agreed or can be determined and payment is collected.

As for sales concerning assistance and/or maintenance services carried out with the annual subscription formula, the accrual is calculated in proportion with time.

The costs are ascribed according to the same criteria as those for revenue acknowledgment.

Balance sheet layout

The balance layouts have been drafted according to IAS 1 specifications and opportunely integrated with the information required by the Consob deliberation no. 15519 of 2006.

The Group has decided to present revenue and cost entries referring to the period in question in two statements. One statement shows the profit (loss) components for the period (Consolidated Income statement) and the other, which begins with the profit (loss) of the period and shows the statement entries of the other components of the overall profit and loss account (Statement of comprehensive income).

The Group presents its economic account by nature, the format that is considered the most representative in terms of function presentation. In fact, the chosen format conforms to the internal reporting modalities and the business management and is in line with the way the economic account was represented in the past.

Inside the Directors' Report on management is included the profit and loss account drafted in scalar form, highlighting the intermediary results as follows:

- Production revenues: this is the value of services and goods produced and sold by the Group, including internal assets and other income and earnings from the traditional offer.
- Added value: obtained by subtracting the operative costs for service and asset purchases from production revenues, this measures how much of the internal production and distribution of goods and services is due to company productive factors.
- Gross Operational Result (EBITDA): this figure is obtained by subtracting from the added value all of the costs that can be put down to staff and other administrative expenses. It highlights the result based on the traditional offer including depreciations, financial management, revaluations or devaluations and taxes.
- Operational Result (EBIT): this figure is obtained by subtracting the depreciation and funding amounts from the gross operational result.
- Ordinary Result: this includes the financial management result.
- Pre-tax result: obtained by including revaluations and devaluations in the ordinary Result

As for the patrimonial situation, a distinction has been made between current and non-current assets and liabilities.

The financial statement has been presented according to the indirect method so that the profit (or loss) for the period has been adjusted of any non-monetary operations and by deferments and the setting aside of future incomes or payments.

6. Consolidation area

On 30th December 2011, the Shareholders' Meetings for SGM S.R.L., BIT GROOVE S.R.L., NETBUREAU S.R.L. and CAD S.R.L. COMPUTER AIDED DESIGN ELABORAZIONE DATI, companies all entirely controlled by CAD IT S.p.A., with a view to simplifying and reorganising the group, decided to reduce administrative costs and generate operational, economic and financial efficiency by drawing up a merger agreement to incorporate the former three companies into the latter. Consequently, "CAD S.R.L. COMPUTER AIDED DESIGN ELABORAZIONE DATI" changed its name to "CAD S.R.L.", increased its company capital from Euro 130,000 to Euro 295,500, attributing the increase to the one partner company, CAD IT S.p.A. The accounting and fiscal effects of the merger will begin as of 1st January 2012.
The integral consolidation area therefore changes but this has no substantial effect on the statement. The fully consolidated companies included in the financial schedules of CAD IT Group are the following:

Company name	*Registered office*	*Share/ Quota capital (Euro)*	*Percentage of investment*	*Percentage of investment of the Group*
Consolidated using the integral method				
CAD IT S.p.A.	Verona	4,669,600	Parent company	
CAD S.r.l.	Verona	295,500	100.00%	100.00%
Cesbe S.r.l.	Verona	10,400	59.00%	59.00%
D.Q.S. S.r.l.	Roma	11,000	100.00%	100.00%
Elidata S.r.l.	Castiglione D'Adda (LO)	20,000	51.00%	51.00%
Smart Line S.r.l.	Verona	102,700	51.05%	51.05%
Datafox S.r.l.	Verona	99,999	51.00%	51.00%
Tecsit S.r.l. (1)	Roma	75,000	70.00%	70.00%
(1) Held through DQS S.r.l.				

Shares in associates, in which the Group has significant influence, have been evaluated using the equity method and reduced accordingly where the asset value has decreased.

Company name	*Registered office*	*Date of reference*	*Quotaholders' equity*	*Pre-tax result*	*Percentage of investment*	*Investment value of the Group*
Sicom S.r.l.	Viadana (MN)	31/03/2012	1,420	735	25.00%	355
		31/03/2011	1,473	805	25.00%	368

7. Management results and comments on the most significant components in the quarter

	31/03/2012		31/03/2011		Period variations	
	€/000	% PV	€/000	% PV	absolute	%
Income from sales and services	12,744	93.6%	12,412	92.4%	332	2.7%
Asset increases due to internal work	875	6.4%	1,013	7.5%	(138)	(13.7%)
Other revenue and receipts	2	0.0%	3	0.0%	(0)	(15.8%)
Production value – PV	**13,620**	**100.0%**	**13,427**	**100.0%**	**193**	**1.4%**
Costs for raw	(127)	(0.9%)	(185)	(1.4%)	58	(31.4%)
Service costs	(2,328)	(17.1%)	(2,544)	(18.9%)	216	(8.5%)
Other operational costs	(205)	(1.5%)	(154)	(1.1%)	(51)	33.2%
Added value	**10,960**	**80.5%**	**10,544**	**78.5%**	**416**	**3.9%**
Labour costs	(8,683)	(63.7%)	(8,425)	(62.7%)	(258)	3.1%
Other administrative expenses	(525)	(3.9%)	(550)	(4.1%)	26	(4.7%)
Gross operational result - EBITDA	**1,753**	**12.9%**	**1,568**	**11.7%**	**184**	**11.8%**
Allocation to fund and credit depreciation	(3)	(0.0%)	(2)	(0.0%)	(0)	18.6%
Intangible fixed asset amortization	(676)	(5.0%)	(595)	(4.4%)	(81)	13.5%
Tangible fixed asset amortization	(150)	(1.1%)	(162)	(1.2%)	12	(7.2%)
Operational result - EBIT	**924**	**6.8%**	**809**	**6.0%**	**115**	**14.2%**
Financial income	37	0.3%	22	0.2%	15	69.4%
Financial expenses	(21)	(0.2%)	(21)	(0.2%)	0	(0.5%)
Ordinary result	**940**	**6.9%**	**810**	**6.0%**	**130**	**16.1%**
Revaluations and depreciations	203	1.5%	201	1.5%	2	0.8%
Pre-tax result	**1,143**	**8.4%**	**1,011**	**7.5%**	**132**	**13.0%**
Pre-tax result attributable to:						
Non-controlling interests	111	0.8%	32	0.2%	79	249.1%
Owners of the parent	**1,032**	**7.6%**	**979**	**7.3%**	**53**	**5.4%**

The CAD IT Group closed the first quarter of 2012 with a value of production of Euro 13,620 thousand, showing a slight increase (+1.4%) compared to the same quarter in the previous financial period (Euro 13,427 thousand), thus achieving positive and improved returns. The results obtained confirm the Group's ability to achieve positive results by focusing on the production and offer of new products and services.

The value of production was mainly made up of revenues from services and sales amounting to Euro 12,744 thousand, showing a slight increase (+2.7%) compared to the same quarter in the previous year (Euro 12,412 thousand). The increase in internal work capitalized under fixed assets came to Euro 875 thousand, showing a Euro 138 thousand drop compared to the first quarter of previous year (Euro 1,013 thousand), due to the greater commitment towards activities relate directly to customers.

Service costs of Euro 2,328 thousand (equal to 17.1% of the value of production) decreased (Euro -216 thousand) compared to Euro 2,544 thousand (equal to 18.9% of the value of production) in the first quarter of 2011, due to reduced reliance on external collaborations.

The Euro 10,960 thousand of added value was equal to 80.5% of the value of production, compared to Euro 10,544 thousand in the first quarter of 2011 (78.5% of the value of production).
Labour costs during the quarter came to Euro 8,683 thousand, showing a Euro 258 thousand increase compared to Euro 8,425 thousand in the same period in 2011, consequently the application of contractual increases in salary. The average number of employees during the quarter was 598 units, a slight decrease compared to the same quarter in 2011 (607 units).
Other administrative costs came to Euro 525 thousand compared to Euro 550 thousand in the first quarter of 2011.
The EBITDA revenue margin stood at Euro 1,753 thousand, showing an increase compared to Euro 1,568 thousand in the first quarter of 2011, showing a 11.8% improvement.
Amortisation quotas during the quarter were Euro 676 thousand for intangible assets and Euro 150 thousand for tangible assets. In the same quarter in 2011, these figures stood at Euro 595 thousand and 162 thousand respectively.
The EBIT operational result for the quarter was in credit by Euro 924 thousand compared to Euro 809 thousand in the same period of last year, showing an increase of Euro 115 thousand (+14.2%).
The net result of the financial management was in credit with earnings and expenses at Euro 37 thousand and Euro 21 thousand respectively compared to Euro 22 thousand and Euro 21 thousand in the first quarter of the previous year.
The ordinary result was therefore in credit by Euro 940 thousand compared to Euro 810 thousand in the first quarter of 2011.
The revaluations of the period include the positive result of the associate company Sicom S.r.l., calculated with the net patrimony method, which generated a Euro 184 thousand revaluation (while in the first quarter of 2011 generated a Euro 201 thousand revaluation) as well as the capital gain from the sale of assets available for sale of Euro 19 thousand.
The pre-tax result was in credit by Euro 1,143 thousand (equal to 8.4% of the value of production), showing an improvement compared to the same quarter in the previous financial year when the figure registered was Euro 1,011 thousand (7.5% of the value of production).
The interim management report was presented without calculating the income taxes for the period.
The profit for the period ascribed to CAD IT shareholders was Euro 1,032 thousand compared to Euro 979 thousand in the first quarter of the previous financial year; the third party share was in credit to the amount of Euro 111 thousand, compared to the Euro 32 thousand in the first quarter of 2011.
Constant attention to monitoring and containing costs is still one of the management's main objectives.
A brief summary of the earnings from sales and services, subdivided in accordance with the line of business, and compared to the corresponding figures of the previous financial year, is shown below.

Income from sales and services	*1° Quarter 2012*		*1° Quarter 2011*	
Finance	12,037	94.50%	11,758	94.7%
Manufacturing	707	5.50%	654	5.3%
Total	12,744	100%	12,412	100.0%

8. *Significant events of the period*

Activities regarding the development and sale of new products for both traditional and new types of clients continued throughout the period.
Moreover, the intense planning activities with Xchanging UK Ltd (a company that supplies security administration services for the German and British market and which holds a 10% share in CAD IT S.p.A.) through which the CAD IT Group aims at increasing its revenues in Italy and also to diversify its business in

geographical terms, is continuing.

9. Net financial position

The consolidated net financial position at 31st March 2012 was positive for Euro 7,303 thousand, increased compared to Euro 5,282 thousand at 31st December 2011 and Euro 3,824 thousand at 31st March 2011.
In particular, cash-on-hand and in bank accounts came to Euro 5,863 thousand and capitalisation insurance policies (contractually available on 20-day prior request without any significant tax expenses) came to Euro 2,444 thousand.
Short-term debts towards banks of Euro 893 thousand regard overdrawn accounts and advances subject to final payment and decreased compared to Euro 1,705 thousand at 31/12/2011.

(in thousands of Euro)

Net consolidated financial position	*31/03/2012*	*31/12/2011*	*31/03/2011*
Cash-on-hand and at bank	5,863	4,678	3,103
Capitalisation insurance policies	2,444	2,429	2,385
Payables due to banks current portion	(893)	(1,705)	(1,521)
Net short-term financial position/(indebtedness)	**7,414**	**5,401**	**3,967**
Long-term loans	(111)	(119)	(142)
Net long-term financial position/(indebtedness)	**(111)**	**(119)**	**(142)**
Net financial position/(indebtedness)	***7,303***	***5,282***	**3,824**

As shown in the consolidated financial report, the increase in financial assets was determined by the following:

- Operational management activities generated positive flows amounting to Euro 2,618 thousand (Euro 635 thousand in the same period in the previous year) due to the effect of self-financing (net result plus amortisations) net of non-monetary items;
- Investment activities absorbed Euro 597 thousand (compared to Euro 911 thousand in the same period of last year). In particular, Euro 899 thousand were invested in intangible assets, partly compensated by interests and dividends cashed, and by the sale of assets available for sale of Euro 171 thousand;
- Financing activities, not significant, absorbed Euro 8 thousand (in line with the same period during the previous financial year).

10. Research and development

In relation to activities aimed at consolidating traditional business, the production of new modules to increase the functional and technological development of the considerable range of software installed is still underway within the Group.
The creation and use of new computer systems aimed at diversifying the Group’s offer towards those sectors bordering on the ones in which it is already present, is still underway.
As regards new projects, development are continuing on the SIBAC GS platform. Development and innovation activities for the Finance Area Web Suite is particularly intense with the aim to improve user experience and create new functions or modules required by the national and international markets (like, for example, Easy Match). Investments are still being ploughed into the innovation and extension of specialised modules for financial insurance management whose area covers all processes relating to company investment management from front to back office.

CAD IT, in activities aimed at developing its own range of products, is also creating solutions linked to the new laws (for example, Solvency II, Target 2 Securities and FATCA).
Activity in the production of specialised modules for the business intelligence (Managerial Information System) area is also continuing, especially in regard to risks, fraud and long-distance control.
Investment to enrich the offer range of solutions and services for Public Administration and authorities for the management of local taxes is also continuing.

11. Investments

The figures accumulated in investments in intangible and tangible assets, made during the quarter by companies of the Group included in the consolidation area amount to Euro 943 thousand, compared to Euro 1,068 thousand in the same period in 2011.

(in thousands of Euro)

Summary of investments	*1° Quarter*	*1° Quarter*	*Year*
	2012	*2011*	*2011*
Intangible fixed assets	22	3	18
Assets under development and payments on account	877	1,013	3,552
Property, Plant and equipment	43	52	159
Total investments in tangible and intangible fixed assets	**943**	**1,068**	**3,729**

The voice assets under development relates to investments in development of software procedures under construction both for sale and for in-company use. Most of these investments are aimed at new, advanced products, the use of which will be needed, in credit and financial institutions as well as in the field of public administration and in industrial companies.

During the period, the item "Intangible fixed assets" and "Property, Plant and equipment" varied as follows:

(in thousands of Euro)

Intangible fixed assets	*Industrial patents and similar rights*	*Licences, trademarks and similar rights*	*Assets under development and payments on account*	*Other intangible fixed assets*	*Total*
Purchase or production cost	18,111	3,592	14,551	35	36,289
Previous years revaluations	-	-	-	-	-
Previous years depreciation and write-downs	(12,859)	(3,414)	-	(35)	(16,308)
Adjustments to previous years write-downs	-	-	-	-	-
Opening value	***5,252***	***178***	***14,551***	***0***	***19,981***
Variations in consolidation area	-	-	-	-	-
Purchases/increases	-	22	877	-	899
Transfers	-	4	(4)	-	-
Reduction in accumulated depreciation due to disposals	-	-	-	-	-
Disposals	-	-	-	-	-
Revaluations for the period	-	-	-	-	-
Depreciation and write-downs for the period	(619)	(57)	-	-	(676)
Adjustments to write-downs for the period	-	-	-	-	-
Total intangible fixed assets	***4,633***	***148***	***15,424***	***0***	***20,205***

(in thousands of Euro)

Property, plant and equipment	*Land and buildings*	*Plant and machinery*	*Industrial and commercial equipment*	*Other tangible fixed assets*	*Total*
Purchase or production cost	9,140	4,178	30	5,251	18,598
First time adoption revaluation	8,439	-	-	-	8,439
Previous years depreciation and write-downs	(1,340)	(2,757)	(26)	(4,743)	(8,867)
Adjustments to previous years write-downs	-	-	-	-	-
Opening value	***16,238***	***1,420***	***4***	***508***	***18,171***
Variations in consolidation area	-	-	-	-	-
Purchases	-	15	1	27	43
Transfers	-	-	-	-	-
Reduction in accumulated depreciation due to disposals	-	14	-	211	225
Disposals	-	(14)	-	(211)	(225)
Revaluations for the period	-	-	-	-	-
Depreciation and write-downs for the period	(30)	(64)	(0)	(56)	(150)
Adjustments to write-downs for the period	-	-	-	-	-
Total tangible fixed assets	***16,208***	***1,372***	***4***	***480***	***18,064***

12. Personnel

The number of CAD IT Group staff, at the end of the quarter increased by 6 units compared to the end of 2011 financial period. Information on the actual number employees at the end of each period is reported below:

Category of Employees	Labour force at 31/03/2012	Labour force at 31/12/2011	Labour force at 31/03/2011
Management	18	19	19
White-collars and cadres	576	573	585
Blue-collars	2	1	1
Apprentices	4	1	2
Total	**600**	**594**	**607**

The average number of employees in the quarter was 598 units, decreasing compared to the same reference quarter of the 2011 financial period (607 units).

Category of Employees	Average number I Quarter 2012	Average number year 2011	Average number I Quarter 2011
Management	18	19	19
White-collars and cadres	576	580	585
Blue-collars	1	1	1
Apprentices	3	1	2
Total	**598**	**601**	***607***

The Group continues to pay particular attention to the growth and training of its staff by analysing their needs, defining plans and training schemes, holding courses both internally and at qualified external organisations and evaluating training activities.

13. Significant events since 31st March 2012

On 26th April 2012, the Ordinary Shareholders’ Meeting approved the Annual Financial Statements at 31st December 2011 and decided the distribution of an ordinary dividend of Euro 0.24 per share. The dividend will be paid from 10th May 2012. Dividend payment resulted in a cash outlay of Euro 2,155 thousand.
The Shareholders’ Meeting also approved the first section of the Remuneration Report ex article 123-ter of Leg. Dec. 58/1998 (available in the Company’s website) and has nominated the Board of Directors and the Board of Auditors, whose office expires with the shareholders' meeting for the approval of the 2014 financial statements, and determine their remuneration.
No events have occurred that could noticeably effect the economic, patrimonial and financial situation of the company.

14. The short-term situation[1]

The world economy lost strength in the last quarter of 2011. Since the turn of the year the deterioration appears to have come to an end, and growth expectations have generally stabilized. In the advanced countries aggregate demand expansion is impeded by deleveraging, both public and private.
The deterioration in euro-area economic activity in the second half of 2011 may have come to a halt in the first quarter of 2012.

[1] Data source: Banca D’Italia, Economic Bulletin no. 68, April 2012

For the year as a whole GDP expanded by 1.5 per cent, a slower pace than in 2010. Among the main economies, growth was strong in Germany (3.0 per cent), more modest in Spain (0.7 per cent) and Italy (0.4 per cent); output growth in France was in line with the euro-area average. The main private analysts expect the area's GDP to fall slightly this year, before returning to moderate growth in 2013.
In order to sustain credit to the economy and alleviate the funding difficulties of banks caused by the sovereign debt tensions and aggravated by the large volume of bank bonds maturing in the first half of 2012 the ECB introduced refinancing operations, inflowing liquidity to banks. Thanks to the action of the ECB, the measures enacted by several countries, notably Italy, and the agreement reached on financial assistance for Greece, the strains in the financial markets of the euro area eased considerably in the first few months of the new year.
In April government securities spreads increased significantly again, though remaining far below their January highs. Market concerns over the outlook for some euro-area countries began to resurface.
Italian GDP declined by 0.7 per cent between the third and fourth quarters, as the decline in domestic demand was only partially offset by the positive contribution of foreign trade. Cyclical indicators point to a further contraction of economic activity in the first few months of 2012. The deterioration of the economy had repercussions on credit quality and increased the flow of bad debts from lending to firms. In 2011, the profitability of the major banking groups declined; nevertheless, they have continued to strengthen their core tier 1 capital.
Economic policy aims to create the conditions for growth, but there are still serious risks at European and global Level. The possibility of a recovery beginning towards the end of the year and continuing in 2013 depends above all on the performance of the financial markets and the interest rates on government securities. The recently approved measures for liberalization and administrative simplification can increase potential GDP growth and improve expectations. Nevertheless, substantial risks remain, namely the danger of a resurgence of the tensions in the European financial markets and a more pronounced slowdown in world trade.

15. Foreseeable management developments

In response to the current general situation the Board of Directors has placed maximum attention on market needs and opportunity in order to lead the Group's management and development strategies in the right direction and to maintain high levels of efficiency so that favourable economic results can be achieved in the future. The success of the Group's activities will therefore depend on its ability to maintain and increase the shares it has in the markets in which it currently operates and/or to further expand into other markets and segments (like insurance, public administration, foreign financial institutions) with new and high standard, quality products that would guarantee adequate income levels.
The CAD IT S.p.A. managers are also constantly on the look-out for any development opportunities, whether direct or through external lines, by taking on or acquiring further holdings in order to create activities that are complimentary and synergic to existing ones or through technical or commercial collaboration agreements.
In the course of the financial period, CAD IT is continuing to pursue its policy to expand abroad and is participating in a "software selection" in Europe for the sale of its own software applications and the relative supply of services for financial institutions.
In the current financial period, activities in the development and sale of new products to existing customers and new types of customers continues. Furthermore, activities with Xchanging (a company listed on the London stock exchange and which holds 10% share of CAD IT) are continuing. With these activities the CAD IT Group aims at increasing its revenues both in Italy and abroad and to geographically diversify its own business.
The increase in the Group's activities resulting from expansion into Europe and the acquisition of a greater market share could counterbalance the weakness of domestic demand.

Verona, 15 May 2012

On behalf of the Board of Directors
The Chairman
/s/ Giuseppe Dal Cortivo

DECLARATION IN ACCORDANCE WITH ARTICLE 154-BIS, SECOND PARAGRAPH, OF LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY 1998

The undersigned, Maria Rosa Mazzi, manager in charge of drafting CAD IT S.p.A. accounting documents, hereby declares, in accordance with article 154-bis, second paragraph, of the Revenue Office “Testo Unico” (Leg. Dec. 58/1998), that the accounting information in this Interim Management Report corresponds to the documentary results, books and accounting registers.

Verona, 15 May 2012

Manager in charge of drafting
the CAD IT S.p.A. accounting documents
//f// Maria Rosa Mazzi

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