Interim Management Report at 30th September 2008

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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

MICHAEL JOHN MARGETTS
Director

FRANCESCO ROSSI[2]
Independent Director

LAMBERTO LAMBERTINI[2]
Independent Director

STATUTORY AUDITORS [1]

GIANNICOLA CUSUMANO
Chairman

GIAN PAOLO RANOCCHI
Statutory Auditor

RENATO TENGATTINI
Statutory Auditor

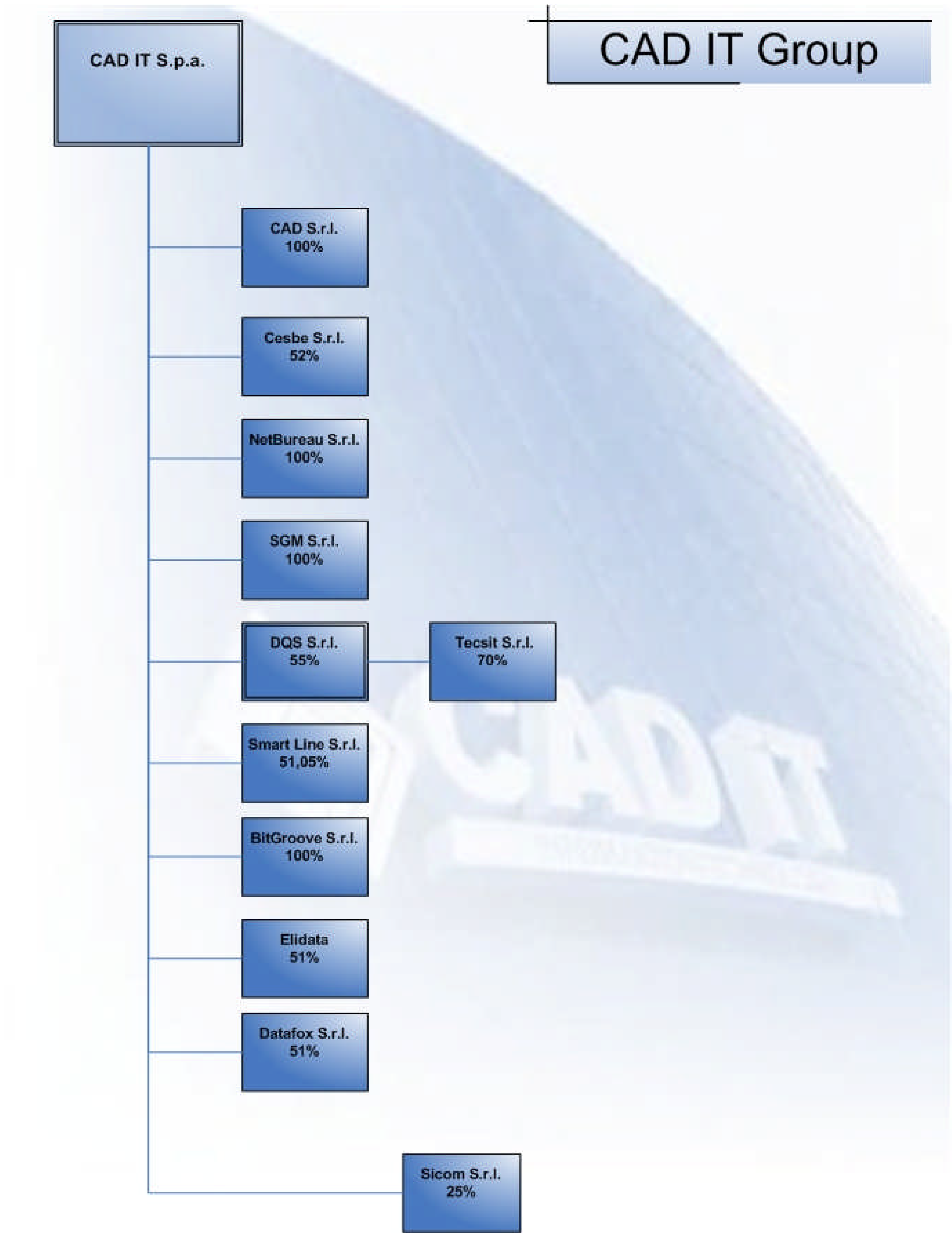
LUCA SIGNORINI
Substitute Statutory Auditor

AUDITORS

BDO SALA SCELSI FARINA
Società di Revisione per Azioni

(1) *Appointed on 28 April 2006; office expires with the shareholders' meeting for the approval of the 2008 financial statements.*
(2) *Member of the Internal Control Committee; member of the Nominating and Compensation Committee*

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 19 of the company by-laws.
The main powers reserved in the statute to the Board of Directors are:the examination and approval of the strategic, industrial and financial plans of the company; the purchase, sale, exchange or transfer of fixed assets and real estate rights; the granting of collateral on fixed assets; the set up of new subsidiaries and the take-over, acquisition or sale of corporate investments; the acquisition, sale, exchange or transfer of the whole company or of business lines; the underwriting of obligations, commitments and responsibilities which, either singularly or jointly with other connected negotiations, come to more than €4,000,000; the nomination of managing directors; the release of warranties and real or personal guarantees of any kind to the sum of more than €2,000,000 for each individual transaction and, if in the interest of subjects other than the Company and its subsidiaries, to any sum whatsoever; the examination and preventive approval of significant transactions including those with company related parties and company subsidiaries; verification of the appropriateness of the administrative and organisational structure and the general accounting, the internal control system and any conflicts of interest.
The managing directors, Giampietro Magnani and Luigi Zanella, will have full ordinary administrative power including the faculty to prepare reports and to order banking transactions, within the limits of account availability and credit worthiness, with the power to act alone with their single signature to the maximum amount of Euro 1,000,000 (one million) for each individual transaction and with the joint signature of another managing director for amounts exceeding Euro 1,000,000 (one million) up to a maximum of Euro 3,000,000 (three million) for each individual transaction. Moreover, each of them will also be authorised to acquire and/or sell registered moveable assets with their single signature.
The Managing Director Paolo Dal Cortivo is authorised to represent the company before the institutional investors and the shareholders, and before Borsa Italiana S.p.A., the Italian Stock Exchange company, and Consob. The Managing Director, Paolo Dal Cortivo, on behalf and in the interests of the Company, is responsible for the drawing up and signing of contracts with clients for the supply of goods and/or services up to the amount of € 500,000 per contract.
The Managing Directors are authorised to represent the company to the extent, and within the limits, of the proxies received.



CAD IT Group as at 30/09/2008

SUMMARY SCHEDULES

Consolidated income statement

(in thousands of Euro)

	3° Quarter		*3° Quarter*		*Variations*	
	2008		2007			%
Income from sales and services	14,171	93.3%	14,774	97.7%	(603)	(4.1%)
Changes in ongoing orders	6	0.0%	59	0.4%	(53)	(89.5%)
Asset increases due to internal work	615	4.1%	281	1.9%	334	119.0%
Other revenue and receipts	389	2.6%	12	0.1%	376	3,116.7%
Production value	**15,180**	**100.0%**	**15,126**	**100.0%**	**55**	**0.4%**
Costs for raw	(231)	(1.5%)	(362)	(2.4%)	130	(36.0%)
Service costs	(2,406)	(15.8%)	(2,542)	(16.8%)	137	(5.4%)
Other operational costs	(179)	(1.2%)	(147)	(1.0%)	(32)	21.5%
Added value	**12,365**	**81.5%**	**12,075**	**79.8%**	**290**	**2.4%**
Labour costs	(7,876)	(51.9%)	(7,350)	(48.6%)	(526)	7.2%
Other administrative expenses	(612)	(4.0%)	(604)	(4.0%)	(8)	1.4%
Gross operational result (EBITDA)	**3,877**	**25.5%**	**4,121**	**27.2%**	**(244)**	**(5.9%)**
Allocation and Credit Depreciation	(3)	(0.0%)	(67)	(0.4%)	64	(94.8%)
Amortizations:						
- Intangible fixed asset amortization	(648)	(4.3%)	(288)	(1.9%)	(359)	124.6%
- Tangible fixed asset amortization	(196)	(1.3%)	(202)	(1.3%)	7	(3.3%)
Operational result (EBIT)	**3,030**	**20.0%**	**3,563**	**23.6%**	**(533)**	**(15.0%)**
Financial receipts	151	1.0%	99	0.7%	51	51.5%
Financial charges	(29)	(0.2%)	(42)	(0.3%)	13	(31.8%)
Ordinary result	**3,151**	**20.8%**	**3,620**	**23.9%**	**(469)**	**(12.9%)**
Revaluations and depreciations	106	0.7%	361	2.4%	(256)	(70.8%)
Pre-tax and pre-third party share result	**3,257**	**21.5%**	**3,981**	**26.3%**	**(724)**	**(18.2%)**
Income taxes [1]	26	0.2%	-	-	26	-
Third party (profit) loss	(310)	(2.0%)	(218)	(1.4%)	(92)	42.2%
Group pre-tax profit (loss)	***2,973***	***19.6%***	***3,763***	***24.9%***	**(790)**	**(21.0%)**

[1] The interim management report is presented without calculating the income taxes for the period; the positive amount shown is related to the tax variations calculated when drafting the balance at 31/12/2007 and the punctual determination of said taxes that was calculated later when the income tax return was declared.

(in thousands of Euro)

	Period 2008		Period 2007		Variations	
	01/01 - 30/09		01/01 - 30/09			%
Income from sales and services	42,354	95.1%	40,686	95.5%	1,668	4.1%
Changes in ongoing orders	(11)	(0.0%)	117	0.3%	(129)	(109.7%)
Asset increases due to internal work	1,787	4.0%	1,783	4.2%	5	0.3%
Other revenue and receipts	423	0.9%	39	0.1%	383	981.1%
Production value	**44,553**	**100.0%**	**42,625**	**100.0%**	**1,928**	**4.5%**
Costs for raw	(852)	(1.9%)	(882)	(2.1%)	30	(3.4%)
Service costs	(7,600)	(17.1%)	(7,021)	(16.5%)	(579)	8.2%
Other operational costs	(571)	(1.3%)	(538)	(1.3%)	(32)	6.0%
Added value	**35,531**	**79.8%**	**34,184**	**80.2%**	**1,347**	**3.9%**
Labour costs	(23,785)	(53.4%)	(21,949)	(51.5%)	(1,835)	8.4%
Other administrative expenses	(1,885)	(4.2%)	(1,849)	(4.3%)	(37)	2.0%
Gross operational result (EBITDA)	**9,861**	**22.1%**	**10,386**	**24.4%**	**(525)**	**(5.1%)**
Allocation and Credit Depreciation	(67)	(0.1%)	(101)	(0.2%)	35	(34.4%)
Amortizations:						
- Intangible fixed asset amortization	(1,936)	(4.3%)	(859)	(2.0%)	(1,077)	125.3%
- Tangible fixed asset amortization	(583)	(1.3%)	(591)	(1.4%)	8	(1.4%)
Operational result (EBIT)	**7,276**	**16.3%**	**8,834**	**20.7%**	**(1,558)**	**(17.6%)**
Financial receipts	470	1.1%	262	0.6%	209	79.8%
Financial charges	(65)	(0.1%)	(127)	(0.3%)	62	(49.1%)
Ordinary result	**7,682**	**17.2%**	**8,969**	**21.0%**	**(1,287)**	**(14.3%)**
Revaluations and depreciations	323	0.7%	1,015	2.4%	(692)	(68.2%)
Pre-tax and pre-third party share result	**8,005**	**18.0%**	**9,984**	**23.4%**	**(1,979)**	**(19.8%)**
Income taxes [2]	26	0.1%	-	-	26	-
Third party (profit) loss	(875)	(2.0%)	(645)	(1.5%)	(230)	35.7%
Group pre-tax profit (loss)	***7,156***	***16.1%***	***9,339***	***21.9%***	***(2,183)***	***(23.4%)***

[2] as note 1

Consolidated balance sheet

(in thousands of Euro)

31/12/2007	*ASSETS*	*30/09/2008*	*30/09/2007*	*Variations*
	A) Non-Current Assets			
20,147	Assets, equipment and machinery	19,712	20,259	(547)
15,572	Intangible assets	15,692	15,453	239
8,309	Goodwill	8,309	8,309	0
186	Holdings	425	209	215
1,193	Other financial assets available for sale	854	1,474	(620)
56	Other non-current credits	65	54	11
254	Credits due to deferred taxes	254	315	(61)
45,716	**TOTAL NON-CURRENT ASSETS**	**45,311**	**46,073**	**(762)**
	B) Current Assets			
508	Stock	442	629	(187)
286	Ongoing orders	275	509	(234)
29,695	Commercial credits and other credits	27,488	30,768	(3,280)
156	Tax credits	2,641	1,697	944
13,097	Cash on hand and other equivalent assets	14,014	12,360	1,654
43,744	**TOTAL CURRENT ASSETS**	**44,861**	**45,964**	**(1,103)**
89,460	***TOTAL ASSETS***	***90,172***	***92,037***	***(1,865)***

31/12/2007	*LIABILITIES*	*30/09/2008*	*30/09/2007*	*Variations*
	A) Equity			
4,670	Company capital	4,670	4,670	0
35,428	Reserves	35,090	35,709	(620)
20,282	Accumulated profits/losses	21,147	21,653	(506)
60,380	**TOTAL EQUITY OF THE GROUP**	**60,907**	**62,032**	**(1,125)**
3,041	Third party Equity	3,319	3,110	209
63,421	**TOTAL EQUITY**	**64,226**	**65,142**	**(916)**
	B) Non-current liabilities			
284	Financing	213	301	(88)
3,507	Liabilities due to deferred taxes	3,507	3,546	(39)
6,339	TFR and quiescence reserves	6,329	6,261	68
25	Expense and risk reserves	25	25	0
10,155	**TOTAL NON-CURRENT LIABILITIES**	**10,074**	**10,133**	**(59)**
	C) Current liabilities			
4,346	Commercial debts	5,858	6,315	(458)
3,563	Tax debts	2,718	2,531	187
1,017	Short-term financing	461	905	(444)
6,957	Other debts	6,835	7,010	(175)
15,884	**TOTAL CURRENT LIABILITIES**	**15,872**	**16,762**	**(890)**
89,460	***TOTAL LIABILITIES AND EQUITY***	***90,172***	***92,037***	***(1,865)***

Consolidated Cash Flow Statement

31/12/2007		*30/09/2008*	*30/09/2007*
	A) OPERATING ACTIVITIES		
7,968	Profit (loss) for the period	7,156	9,339
	Amortisation, revaluation and depreciation:		
793	- Assets, equipment and machinery amortisation	583	591
1,434	- Intangible fixed asset amortization	1,936	859
(992)	- revaluation of holding and financial assets available for sale	(323)	(1,015)
(577)	Allocations (utilisation) of funds:	(10)	(655)
	Financial performance:		
(220)	- Net financial receipts (charges)	(406)	(135)
(36)	- Profit / (losses) on exchanges	1	(31)
2,065	Working capital variations	2,725	(3,019)
(4,780)	Income taxes paid	(2,380)	(1,685)
(137)	Interest payment	(64)	(96)
5,518	**(A) - Cash flows from (for) operating activities**	**9,217**	**4,154**
	B) INVESTING ACTIVITIES		
	Investing activities		
(408)	- Assets, equipment and machinery purchases	(150)	(309)
(2,554)	- Intangible assets purchases/development	(2,056)	(1,861)
(11)	- increase in other fixed assets	(14)	(8)
	Disinvestment activities		
61	- Assets, equipment and machinery transfers	1	51
2,919	- Assets available for sale transfers	0	2,919
2	- Decrease in other fixed assets	5	1
376	Cashed Interest	464	245
80	Cashed dividends	90	80
465	**(B) - Cash flows from (for) investing activities**	**(1,659)**	**1,118**
	C) FINANCING ACTIVITIES		
(23)	Medium/long term debts repayment	(71)	(6)
0	Effects on consolidation reserve	(5)	0
333	Third party net patrimony	278	402
(2,604)	Distribution of dividends	(6,286)	(2,604)
(2,294)	**(C) - Cash flows from (for) financing activities**	**(6,085)**	**(2,209)**
3,689	**(A+B+C) - Total cash and other equivalent assets flows**	**1,473**	**3,064**
8,391	**Opening liquid funds and other equivalent assets**	**12,080**	**8,391**
12,080	***Closing liquid funds and other equivalent assets***	***13,553***	***11,455***

EXPLANATORY NOTES

1. Foreword

The Interim Management Report at 30th September 2008 has been drafted in accordance with art. 154-ter, paragraph 5, of the Testo Unico della Finanza that was introduced by Leg. Decree 195/2007, put into effect by the 2004/109/CE Directive (the so-called Transparency Directive).
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 third quarter of 2008;
b) an outline of the significant events and transactions that occurred in the third quarter of 2008 and their effect on the Group's financial standing.

In order to be able to make a comparison between the figures and evaluations of the management trend, the patrimonial, economic and financial information in this report are shown in the same way as the contents of the previous quarterly reports which were drafted in accordance with art. 82 of the "Regulation ascribing to norms put into effect by Leg. Decree no. 58 of 24th February 1998 concerning issuers" and according to the indications in Attachment 3D of the aforesaid Regulation. Moreover, the accounting tables shown are the same as those used for drafting the annual and six-monthly financial reports.
This document shows the quarterly figures required on a consolidated basis since CAD IT S.p.A is obliged to draft a consolidated balance.
The document comprises accounting schedules and observations made by the management about the company state of affairs and the more significant events of the period.
The following consolidated figures of the CAD IT Group introduce this information on the quarterly figures:
- consolidated profit and loss account;
- consolidated net financial position.

The income statement figures are shown with regard to the quarter in question and the intervening period between the beginning of the financial period and the closing date of this quarter and have been compared to the figures of the same period in the previous year.
The figures representing the net financial position are compared with the figures of the previous quarter and the previous year end.
Tables showing the patrimonial situation relating to the closing date of the current and previous financial periods, the financial statement for the quarter in question and the same corresponding quarter in the previous year, investments in intangible and tangible assets, instalations and machinery relating to the intervening period between the beginning of the financial period and the closing date of the quarter are also supplied.
Unless otherwise indicated, the monetary sums in the accounting tables and those in the notes are shown in thousands of Euro. Any minor differences deriving from rounding up figures to thousands of Euro are considered irrelevant. Due to this rounding up process, the sum of the individual entries in some of the tables containing exact figures may differ from the total amount.
The quarterly 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 no. 44/a, Verona,

Italy.
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, each with equal rights.
These shares are nominal and cannot be divided. Each of them entitles the holder 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.
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.

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 subsidiaries and associate companies. Its Head Office is in Verona but there are other units in Milan, Rome, Florence, Bologna, Mantua and Trento.
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 used by banks which represent more than 60% 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 local and central administration bodies make up the group's newest sector, capitalizing on its 20-year experience in developing IT systems for public entities.

4. 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.

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.

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.

Associate 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. All other development costs that cannot be capitalised, when sustained, are reported on the income statement.

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 retrievableness 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.

Non current assets held for sale

The voice includes non-cash assets, the value of which will mostly be recovered by their sale rather than through their continuous use. These assets are valued as the lesser value between the net accounting value and the cash value net of sales costs.

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.
As a consequence of the amendments made to laws regarding severance pay (TFR) law number 296 of the 27th December 2006, (Financial law 2007) and successive decrees and rules issued in the early months of 2007, starting from second quarter 2007, the (TFR) amount maturing from 1st January 2007 in companies belonging to the group with more than 50 staff, is accountable as a definite Contribution plan, both, in case of the option for complementary welfare as well as when destined for Treasury funds at l'INPS; the (TFR) severance pay fund matured at 31st December remains a plan of defined benefits: the calculations undertaken have therefore excluded components related to future salary increases. The difference shown by the new calculation compared to the previous value registered on the 31st December 2006 has been registered as a reduction of a defined benefit plan, as foreseen by paragraph 109 of the IAS 19, showing the difference in financial accounts for the second quarter of 2007.

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 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.
The profit and loss account is drafted in scalar format highlighting the following intermediate results:
- 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.

5. Consolidation area

The consolidation area, compared to the situation at 30th September 2007, doesn't differ.
The fully consolidated companies included in the financial schedules of CAD IT Group are the following:

Company name	Registered office	Share / Quota capital €	Percentage of investment	Percentage of investment of the Group
Fully consolidated companies				
CAD IT S.p.A.	Verona	4,669,600	Parent company	
CAD S.r.l.	Verona	130,000	100.00%	100.00%
Cesbe S.r.l.	Verona	10,400	52.00%	52.00%
Netbureau S.r.l.	Milan	50,000	100.00%	100.00%
S.G.M. S.r.l.	Padua	100,000	100.00%	100.00%
D.Q.S. S.r.l.	Rome	11,000	55.00%	55.00%
Bit Groove S.r.l.	Verona	15,500	100.00%	100.00%
Elidata S.r.l.	Castiglione D'Adda (LO)	20,000	51.00%	51.00%
Smart Line S.r.l.	Avellino	102,700	51.05%	51.05%
Datafox	Florence	99,999	51.00%	51.00%
Tecsit S.r.l. (1)	Rome	75,000	70.00%	38.50%
(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 including profit for the period	Profit for the period	Percentage of investment	Investment value of the Group
Sicom S.r.l.	Viadana (MN)	30/09/2008	1,700	1,293	25.00%	425

6. Management results and comments on the most significant components – third quarter

The CAD IT Group closes the third quarter of 2008 with a value of production in line with the same quarter of the previous year and positive profit margins are being maintained.The results achieved highlight the Group's ability to obtain positive results by focusing on production and offering new products and services and by acquiring new users and new market segments.
Pre-tax and pre-third party share profit in the quarter stand at Euro 3,257 thousand compared to Euro 3,981 thousand of the same period 2007.
The value of production in this quarter was mainly determined by returns from sales and services, which amounted to Euro 14,171 thousand (Euro14,774 thousand in the same quarter last year), as well as an increase in internal intangible assets resulting from investment amounting to Euro 615 thousand (Euro 281 thousand in the same quarter last year) and other earnings and returns to the sum of Euro 389 thousand (Euro 12 thousand in the same quarter last year) mainly relating to the registration of tax credit conceded for having sustained expenses in research and development activities in 2007.
The added value increased by +2.4% and stood at Euro 12,365 thousand compared to Euro 12,075 of the previous financial period, thus increasing the high marginality to 81.5% (79.8% in the third quarter of 2007).
Service costs, amounting to Euro 2,406 thousand, decreased by 5.4% compared to the third quarter in 2007 (Euro 2,542 thousand).
The EBITDA return result was Euro 3,877 thousand (-5.9%) compared to Euro 4,121 thousand in the third quarter of 2007.
Labour costs in the third quarter of 2008 were Euro 7,876 thousand, Euro 526 thousand higher than the same quarter in 2007 (+7.2%). Labour costs include the effect of the actuarial calculation, in accordance with the IAS 19 standard, of the debt towards employees for Severance Pay. The increase in labour costs, even though the average number of employees remains more or less the same, is mainly due to the renewal of the national employment contract in the engineering sector and to pay increases during the second half of 2007.
The Operational Result (EBIT) for the third quarter of 2008 was in credit by Euro 3,030 thousand (-15.0%) compared to the Euro 3,563 thousand of the same period in the previous year.
Third party amortization and funding for the third quarter 2008 came to Euro 847 thousand compared to Euro 557 thousand of the same quarter of 2007. The increase in amortization in intangible assets is due to the activation of amortization schemes on internally developed software procedures in accordance with programmed investment plans.
The financial management result has improved and shows financial returns and expenses of Euro 151 thousand and Euro 29 thousand respectively compared to Euro 99 thousand and Euro 42 thousand in the third quarter of 2007 and is mainly due to the effect of an increase in liquid assets and equivalent means and a reduction in bank debts.

The Ordinary Result was in credit by Euro 3,151 thousand (third quarter of 2007 Euro 3,620 thousand) and equal to 20.8% of the value of production.
During the period concerned, the progress of appreciation and depreciation was positive too, which generated a Euro 106 thousand appreciation, due to the positive outcome of the associated company Sicom S.r.l..
In the third quarter of 2007, the entry included the positive result of the associate company Sicom S.r.l. (Euro 15 thousand) and profit registration (including the share previously registered to the specific revaluation reserve) deriving from the transfer of activities available for sale (Euro 346 thousand).
The pre-tax and third party share result was in credit and amounted to Euro 3,257 thousand compared to Euro 3,981 thousand in the same quarter of the previous year.
The interim management report is presented without calculating the income taxes for the period; the positive amount shown in the income tax entry is related to the tax variations calculated when drafting the balance at 31/12/2007 and the punctual determination of said taxes that was calculated later when the income tax return was declared.
Careful attention to monitoring and containing costs is still one of the management's objectives.
There now follows a brief summary of the revenues from sales and services subdivided by business line and compared to the figures of the corresponding quarter of the previous financial period.

(in thousands of Euro)

Turnover - goods and services	*3° Quarter 2008*		*3° Quarter 2007*		*Period 2008 01/01 - 30/09*		*Period 2007 01/01 - 30/09*	
Finance	13,322	*94.01%*	13,711	*92.81%*	39,375	*92.96%*	37,710	*92.69%*
Manufacturing	849	*5.99%*	1,063	*7.19%*	2,980	*7.04%*	2,976	*7.31%*
Total Turnover - goods and services	***14,171***	***100.0%***	***14,774***	***100.0%***	***42,354***	***100.0%***	***40,686***	***100.0%***

7. Management results and comments on the most significant components – first 9 months

The CAD IT Group closed its first nine months of 2008 with an improvement in production revenues of 4.5% standing to Euro 44,553 thousand, compared to Euro 42,625 thousand of the same period of previous year.
The increase in the value of production is mainly due to higher revenues from sales and services (+4.1%), which stand at Euro 42,354 thousand compared to Euro 40,686 thousand in the same period of the previous year. Increases in internal intangible assets relating to the capitalization of costs sustained for the development of software procedures are stable. The other earnings and revenues, amounting to Euro 423 thousand in the first nine months of 2008, mainly regard the registration of tax credit conceded for expenses sustained in research and development in 2007.
Service costs amounting to Euro 7,600 thousand, have increased by 8.2% compared to the first nine months of 2007 (equal to Euro 7,021 thousand) due to a greater use of external collaboration and qualified consultants required to satisfy the service needs of the clients and was adopted with a view to maintaining productive flexibility.
Added value, equal to Euro 35,531 thousand, has increased (+3.9%) compared to the first nine months of previous financial period (Euro 34,184 thousand).
Labour costs in the 2008 first nine months were Euro 23,785 thousand, Euro 1,835 thousand higher than the same period in 2007 (+8.4%). Labour costs include the effect of the actuarial calculation, in accordance with the IAS 19 standard, of the debt towards employees for Severance Pay.
The 2007 financial period benefitted from the difference deriving from putting into effect the severance pay reform, unlike the value registered at 31st December 2006 which was treated in accounting terms as a reduction of a defined benefit plan, in accordance with IAS 19 (Euro 751 thousand).
The increase in labour costs, even though the average number of employees remains more or less the same, is mainly due, as well as the effects of actuarial evaluations, to the renewal of the national employment contract in the engineering sector and to pay increases during the second half of 2007.
The Gross operational result (EBITDA) has decreased by 5.1% and stand to Euro 9,861 thousand compared to Euro 10,386 thousand of the same period of 2007.
The increase in amortization in intangible assets (+ Euro 1.077 thousand) is due to the activation of amortization schemes on internally developed software procedures in accordance with programmed investment plans.
The Operational Result (EBIT) for the first nine months of 2008 was in credit by Euro 7,276 thousand (-17.6%) compared to the same period in the previous year (Euro 8,834 thousand).
The ordinary result of Euro 7,682 thousand has benefitted from the positive financial management trend which shows an improvement compared to 2007, mainly due to an increase in the net financial position. During the period concerned, the progress of appreciation and depreciation was positive too, which generated a Euro 323 thousand appreciation, due to the positive outcome of the associated company Sicom S.r.l..
In the same period in 2007, the appreciation and depreciation entry (Euro 1,015 thousand) included profits deriving from the transfer of activities available for sale (including the share previously registered to the specific revaluation reserve) to the value of Euro 894 thousand and the revaluation of Euro 121 thousand relating to the associate company Sicom S.r.l..
The pre-tax result and third party share was positive and amount to Euro 8,005 thousand (18.0% of the production value) compared to the Euro 9,984 thousand of the previous period.
The interim management report is presented without calculating the income taxes for the period.

8. Significant events of the period

Projects that began in 2007 aimed at assisting the Group's financial institution clients to comply to the MiFID directive also continued during the first half of 2008.
The MiFID directive (Market in Financial Instruments Directive), which came into force on 1st November 2007, has obliged banks and investment companies to make many changes to their operational modalities for conducting business with their clients. In fact, the financial institutions have had to review their existing processes in order to comply to the new obligations in terms of investor guarantees. The MiFID sets a new scene for national intermediaries, imposing considerable efforts to come into line but, at the same time, paves the way for new business prospects. In this context, 200 financial institutions will be using software developed by CAD IT to bring themselves in line with information technology system norms.
On 29th April 2008, the ordinary Shareholders' Meeting approved the 31/12/2007 balance and decided on the distribution of a Euro 0.70 dividend per share. The dates for coupon release and dividend payment were May 12th and 15th 2008 respectively. Dividend payments resulted in a financial expense of Euro 6,286 thousand.
As a result of adopting the new statute, approved on shareholder decision at the meeting on 30th April 2007, the Shareholder Meeting also approved the new text on Regulations for carrying out company shareholder meetings. The new Regulations are available for viewing in the Investor Relations section of the company's internet site at **www.cadit.it**.
In the beginning of august CAD IT concluded a contract with Equitalia for the supply of application management services and the evolutionary maintenance of its own procedures. Following the tax collection system reform introduced by Article 3, Leg. Dec. no 203 of 25th September 2005, the national concession system for tax collection was abolished and the tax service was then granted to the Tax Office responsible, under a private monopoly scheme, through Equitalia S.p.A (already known as Riscossione S.p.A.). Equitalia S.p.A directly carries out functions concerning tax collection or uses collection agents, i.e. companies that are already national collection service agencies, whose shareholdings are owned by Equitalia S.p.A, and other firms that are part of company branches given over to Equitalia S.p.A. by banks that where already national collection service agencies. The contract involves application management services including corrective and evolutionary maintenance of tax collection software procedures already operational at some Collection Agencies. The contract is worth a total of about Euro 3.9 million. The duration, and consequently the financial impact that it will give rise to, is for 17 months as of 1st August 2008.
The instruments representing quoted capital, shown in the AFS category (instruments available for sale), due to the effect of the widespread crisis in financial markets, have met with considerable reductions in recent months, although there has not been an immediate reduction in company earnings. In this situation, characterized by non-liquid or turbulent financial markets, where the low level of bargaining or its abnormal trend leads markets to reflect an unreal value, the market share may not be the most exact reference to take into consideration for measuring fair value.
In order to get round this perhaps temporary misalignment between the deducible market value and the fair value, it has been suggested to extend the matter in hand and the manner of calculating the fair value of capital instruments that do not have a quoted market price, i.e. adopting evaluation techniques (mark to model). To this effect the IASB has recently expressed its intention to publish guidelines on how to calculate the fair value under turbulent market situations in order to be in alignment with the provisions set by the FASB staff[3].
While awaiting further explanations on and modifications to the IFRS accounting standards concerning fair value calculation under such conditions and on the impairment regulation which could be applied by referring to the non temporariness of the loss in order to guarantee the value of the instruments

[3] Please refer also to the OIC text about "Fair Value and the financial market crisis" at the VI Finance Commission of the Italian Chamber of Deputies held on 21st October 2008.

during the period when the market values are fluctuating, the CAD IT management has decided to calculate the fair value of activities in reference to the market values at 30th June 2008, before the current financial crisis, when the share rates were still an expression of fair value.
The evaluation of the activities available for sale at the market value at 30th September 2008 would have led to a Euro 135 thousand reduction in their value and the relative net patrimony evaluation reserve.

9. Consolidated net financial position and financial income and charges

The consolidated net financial position at 30th September 2008 was positive for Euro 13,340 thousand in growhth compared to Euro 11,796 thousand at 31st December 2007, and Euro 11,154 thousand at 30th September 2007.

(in thousands of Euro)

Net consolidated financial position	*30/09/2008*	*30/06/2008*	*31/03/2008*	*31/12/2007*	*30/09/2007*
Cash on hand and bank accounts	11,601	12,956	15,021	10,645	10,239
Insurance policies capitalised	2,414	2,393	2,873	2,452	2,121
Short-term payables due to banks	(461)	(1,111)	(770)	(1,017)	(905)
Net short-term financial position/(indebtedness)	**13,553**	**14,238**	**17,124**	**12,080**	**11,455**
Long-term loans	(213)	(237)	(261)	(284)	(301)
Net long-term financial position/(indebtedness)	**(213)**	**(237)**	**(261)**	**(284)**	**(301)**
Net financial position / (indebtedness)	***13,340***	***14,001***	***16,863***	***11,796***	***11,154***

Net financing activities resulted in an income of Euro 406 thousands in the first nine months of 2008 (Euro 135 thousand in the same previous year period).
The increase in financial income is mainly due to the available and equivalent liquid assets increase.
Financial charges restraint is mainly due to the reduction of payables due to banks.

(in thousands of Euro)

Financial performance	*30/09/2008*	*30/09/2007*	*Variations*
Financial income from assets available for sale	6	17	(11)
Interest on bank deposits and equivalent	464	245	219
Profits on exchanges	1	-	1
Total financial income	**470**	**262**	**209**
Interest on bank overdrafts and loans	(55)	(85)	31
Interest on debts for financial leasing	(10)	(11)	1
Losses on exchanges		(31)	31
Total financial charges	**(65)**	**(127)**	**62**
Net financial income and (charges)	**406**	**135**	**271**

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 remains constant 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 activities are continuing on the SIBAC GS platform, which is a fundamental element for the Group's strategic growth.
Activity in the production of specialised modules for the business intelligence area is also continuing.
CAD IT and Smart Line S.r.l. are now investing to enrich theirs own offer range of solutions and services for Public Administration and authorities for the management of local taxes.
The CAD IT Group, in its intent to develop its own products, is also creating solutions linked to the new norms and further procedures aimed at diversification for new business sectors like Insurance and new software modules for international market.

11. Investments

The figures accumulated in investments in intangible and tangible assets, including those made during the third quarter and in the first nine months of 2008 by those companies of the Group included in the consolidation area, respectively amount to Euro 658 thousand and Euro 2,206 thousand compared to Euro 402 thousand and Euro 2,170 thousand in the same periods in 2007.

(in thousands of Euro)

Summary of investments	3° Quarter 2008	3° Quarter 2007	Period 2008 01/01 - 30/09	Period 2007 01/01 - 30/09	Year 2007
Intangible fixed assets	19	33	149	78	219
Assets under development and payments on account	615	281	1,907	1,783	2,335
Property, Plant and equipment	24	89	150	309	408
Total investments in tangible and intangible fixed assets	***658***	***402***	***2,206***	***2,170***	***2,962***

The amount of investments is a consequence of strategic decisions taken by the directors' meeting and management that approved investments to develop several new products expected to be used by the clients themselves. In accordance with plans, to begin from 2007, there is an ongoing gradual reduction in investments and a further gradual reduction, compared to previous financial periods, is estimated for the coming years too.
Investments in intangible fixed assets mainly regard the development and purchasing of software for licensing to the clients or instrumental software to be used by the Group for its own activity.
During the first nine months of the year, the item "intangible fixed assets" and "property, plant and equipment" varied as follows:

(in thousands of Euro)

Intangible fixed assets at 30/09/2008	Industrial patents and similar rights.	Licences, trademarks and similar rights	Assets under development and payments on account	Other	Total	Goodwill
Purchase or production cost	11,201	3,215	6,524	35	20,976	8,309
Previous years revaluations						
Previous years depreciation and write-downs	(2,330)	(3,038)		(35)	(5,403)	
Adjustments to previous years write-downs		(1)			(1)	
Opening value	***8,871***	***177***	***6,524***	***0***	***15,572***	***8,309***
Variations in consolidation area						
Purchases/increases		149	1,907		2,056	
Transfers	1,077		(1,077)			
Reduction in accumulated depreciation due to disposals						
Disposals						
Revaluations for the period						
Depreciation and write-downs for the period	(1,840)	(96)			(1,936)	
Adjustments to write-downs for the period						
Total intangible fixed assets	***8,109***	***230***	***7,354***	***0***	***15,692***	***8,309***

(in thousands of Euro)

Property, plant and equipment at 30/09/2008	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other tangible fixed assets	Total
Purchase or production cost	9,140	4,042	27	5,513	18,722
First time adoption revaluation	8,439				8,439
Previous years depreciation and write-downs	(850)	(1,754)	(14)	(4,395)	(7,012)
Adjustments to previous years write-downs				(2)	(2)
Opening value	***16,729***	***2,289***	***13***	***1,116***	***20,147***
Variations in consolidation area					
Purchases		49		100	150
Transfers					
Reduction in accumulated depreciation due to disposals		0		36	36
Disposals		(0)		(37)	(37)
Revaluations for the period					
Depreciation and write-downs for the period	(92)	(189)	(3)	(299)	(583)
Adjustments to write-downs for the period					
Total tangible fixed assets	***16,637***	***2,149***	***11***	***916***	***19,712***

12. Personnel

The number of CAD IT Group staff, at the end of the quarter decreased by 8 units compared to the end of previous quarter
Information on the actual number employees at the end of each quarter is reported below:

Category of Employees	*Labour force at 30/09/08*	*Labour force at 30/06/2008*	*Labour force at 31/03/2008*	*Labour force at 31/12/2007*	*Labour force at 30/09/07*
Management	18	18	18	19	19
White-collars and cadres	590	598	599	595	591
Blue-collars	1	1	1	1	1
Apprentices	3	3	3	3	3
Total	***612***	***620***	***621***	***618***	***614***

The average number of employees in the third quarter was 616, substantially in line with the corresponding quarter and during year 2007

Category of Employees	*Average number at 30/09/08*	*Average number at 31/12/2007*	*Average number at 30/09/07*	*Average number 3° quarter 2008*	*Average number 3° quarter 2007*
Management	18	18	18	18	19
White-collars and cadres	596	595	594	594	592
Blue-collars	1	1	1	1	1
Apprentices	3	3	3	3	3
Total	***618***	***617***	***616***	***616***	***615***

The Group continues to dedicate particular attention to professional staff training at certain periods by means of internal training programmes and updating courses.

13. Important events since 30th September 2008 and foreseeable development

In the month of October CAD IT has announced that it has won, as bidder within an RTI (Raggruppamento Temporaneo di Impresa), the tender for the supply of an applicative platform for the management of procedures in the “Third-party Investment Services and Property” and relative services for Poste Italiane S.p.A. The project foresees the supply of the licence to use the CAD IT “Financial Area” platform and relative start-up services, application management and ordinary maintenance. Within the total value of the tender, which stands at about Euro 10 million, the CAD IT Group will receive Euro 9.6 million of the revenues. The duration, and consequently the financial impact that it will give rise to, is for 36 months as of the date of contract stipulation. With Poste Italiane, CAD IT can count another important Financial Institution among its references.
In the current financial period activity aimed at the development and commercialisation of new products to existing clients and to new types of clients has also continued.
The intense projectual activity with Xchanging, through which the CAD IT Group aims to increase its earnings in Italy and to geographically widen its own business, is also continuing.
Furthermore, the CAD IT S.p.A. directors are constantly on the look-out for potential development opportunities, whether direct or through external channels, by taking on or purchasing additional holdings to create complementary and synergic business.
As of the approval date of this report, no significant risks and/or uncertainties concerning the

remaining part of the current financial period are expected. The managerial trend for the remaining part of the period could, however, be affected by many factors like, for example, macro-economic conditions, economic growth, other variations in business conditions, changes in regulations and the institutional context and other factors that are not within the Group's control.

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On behalf of the Board of Directors
The Chairman

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, 14 November 2008

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

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