CAD IT S.p.A.

Financial Statements
at 31-12-2009

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 S.p.A.

Registered office in Verona, Via Torricelli No. 44/a
Share capital € 4,669,600 fully paid in.
Tax code and Verona Company Register No. 01992770238
Chamber of Commerce REA No. 210441
****

Financial statements at 31 December 2009

Drawn up in accordance with CONSOB resolution no. 11971 of 14 May 1999 and subsequent changes and integrations

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

MATTHIAS SOHLER
Director

FRANCESCO ROSSI[2]
Independent Director

LAMBERTO LAMBERTINI[2]
Independent Director

STATUTORY AUDITORS [1]

RICCARDO FERRARI
Chairman

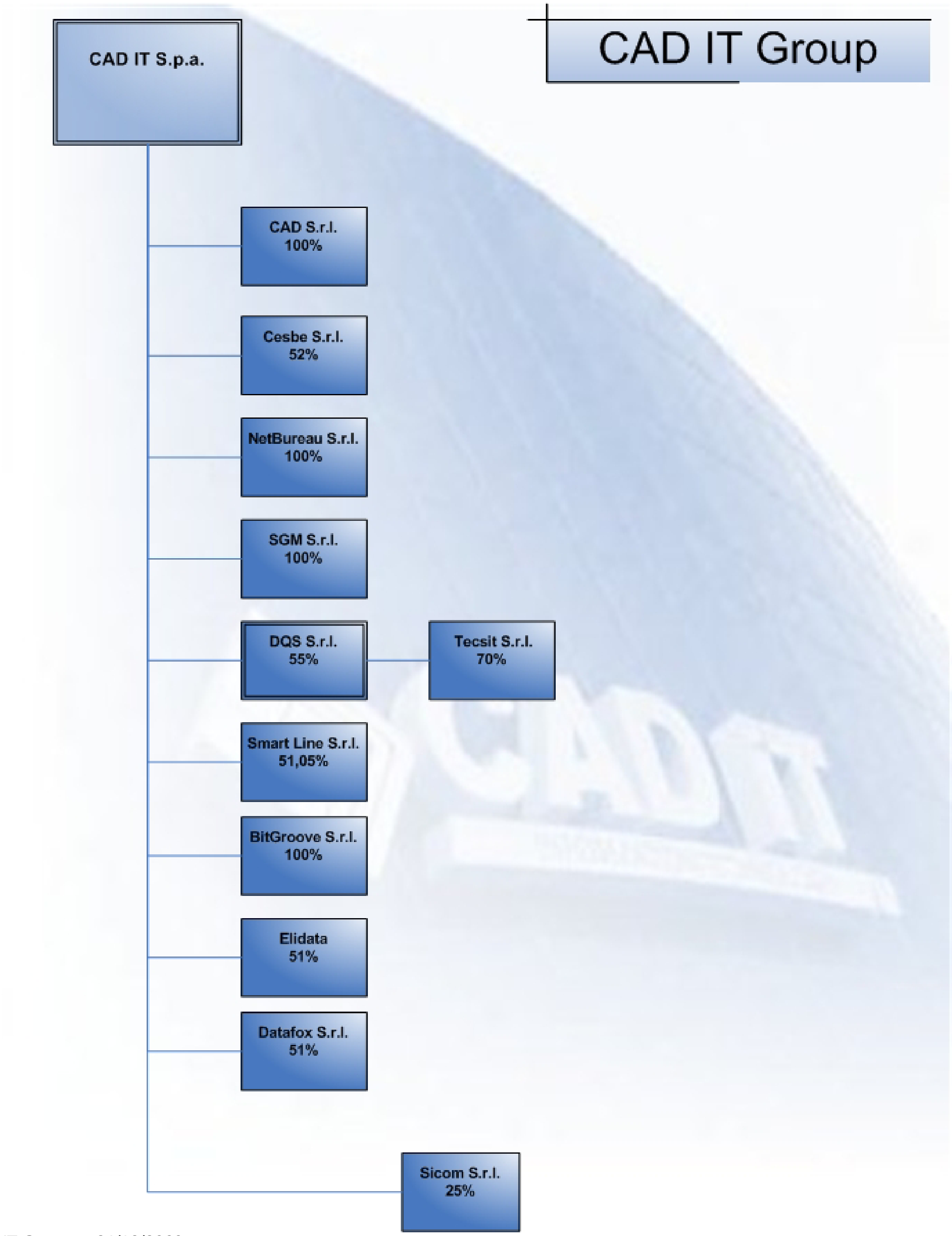
GIAN PAOLO RANOCCHI
Statutory Auditor

RENATO TENGATTINI
Statutory Auditor

AUDITORS: BDO S.P.A.

(1) Appointed on 29 April 2009; office expires with the shareholders' meeting for the approval of the 2011 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 2,000,000 (two million) for each individual transaction and up to a maximum of Euro 4,000,000 (four million) for each individual transaction with the joint signature of another managing director;
furthermore, the aforementioned directors will have the power and faculty, with their single signature, to purchase and/or sell registered assets, with the exception of boats and airplanes of any kind.
The Managing Director Paolo Dal Cortivo 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 2,000,000 (two million) for each individual transaction and up to a maximum of Euro 4,000,000 (four million) for each individual transaction with the joint signature of another managing director.
The said Managing Director represents the Company in terms of relations with institutional investors and shareholders as well as with Borsa Italiana S.p.A. and Consob, by sending them communications and information, including anything required by the laws in force and/or the international best practice rules in respect of the laws and rules themselves and any internal regulations.



CAD IT Group at 31/12/2009

DIRECTORS' REPORT ON OPERATION

This management report is an integral part of CAD IT S.p.A.'s annual financial report at 31/12/2009 and includes references to the important events which occurred during the financial year and their incidence on the balance sheet and consolidated balance, together with a description of both CAD IT S.p.A.'s and the Group's primary risks and uncertainties.
The balance sheet at 31st December 2009 was drafted to conform with the applicable international accounting standards recognised in the European Community in accordance with EC regulation no. 1606/2002 issued by the European Parliament and Council on 19th July 2002 and with the provisions laid down in art. 9 of Leg. Dec. no. 38/2005, as well as in observance of Consob regulation no. 11971 of 14th May 1999 and subsequent modifications and integrations.
CAD IT S.p.A. is obliged to draft a consolidated balance to which reference may be made for further information on the Group's result and economic-financial situation.
Unless otherwise indicated, the monetary quantities in the accounting tables and those quoted in the notes, are expressed in thousands of Euro. Due to this rounding off, the sum of the details in some charts containing specific figures may differ from the total amount.

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, and comprises 8,980,000 ordinary shares.
The company is listed in the STAR market of the Italian stock exchange.
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.
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.

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, Florence, Bologna, Padua, 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 adopted by 80% of Italian banking outlets.
In addition, the Group boasts long-standing activity in the industrial sector, in synergy with the activity aimed at the finance 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 20-year experience in developing computer systems for public body.

Synthesis of CAD IT's results

The most significant results of the profit and loss account are shown in the table below:

	Period 2009		Period 2008		Variations	
Production value	50,499	100.0%	50,944	100.0%	(445)	(0.9%)
Added value	24,574	48.7%	28,098	55.2%	(3,524)	(12.5%)
Gross operational result (EBITDA)	6,281	12.4%	9,457	18.6%	(3,176)	(33.6%)
Operational result (EBIT)	2,972	5.9%	6,388	12.5%	(3,416)	(53.5%)
Ordinary result	3,711	7.3%	7,680	15.1%	(3,969)	(51.7%)
Pre-tax result	3,701	7.3%	7,224	14.2%	(3,523)	(48.8%)
Income taxes	(1,322)	(2.6%)	(2,589)	(5.1%)	1,267	(49.0%)
Profit (loss) for the period	**2,380**	**4.7%**	**4,635**	**9.1%**	**(2,255)**	**(48.7%)**
Total Comprehensive income	**2,515**		**4,518**		**(2,003)**	**(44.3%)**

Analysis of CAD IT S.p.A. income results

CAD IT S.p.A. closed its 2009 financial year with positive income results and margins despite the unfavourable economic trend and the widespread, on-going crisis. The results achieved confirm the Group's ability to obtain positive outcomes by focusing on the production and offer of new products and services as well as acquiring new users and market segments.

The profit for the financial period was Euro 2,380 thousand compared to Euro 4,635 thousand in the previous year.

The value of production for the period was more or less the same (-0.87%) compared to the previous year while revenues showed a decline of 6.17%, settling at Euro 45,146 thousand at the end of the period (Euro 48,115 thousand in the previous year). Increases in internal work capitalised under fixed asset came to Euro 4,330 thousand showing a growth compared to 2008 (Euro 2,442 thousand) due to resources used for the development of, and investment in, new procedures and the group's own software range..

Among the other revenues and incomes registered to the amount of Euro 1,022 thousand, Euro 830 thousand relate to tax credit, in accordance with Article 1, paragraphs 280 to 283 of law no. 296 of 27th December 2006, granted for research and development costs sustained for projects that began in 2008 and continued into 2009, and Euro 105 thousand relate to an IRES reimbursement deriving from a 10% IRAP deductibility for the years 2004-2007.

The Euro 24,574 thousand added value fell by 12.54% compared to the Euro 28,098 thousand of the previous period, maintaining a good 48.66% marginality on the value of production (55.15% in 2008).

Service costs of Euro 25,147 thousand increased by 13.04% compared to the previous year (Euro 22,245 thousand) and are mainly made up of the services of external collaborators and qualified consultancy.

The EBITDA result stood at Euro 6,281 thousand (equal to 12.44% of the value of production) compared to Euro 9,457 thousand in the 2008 financial period.

Labour costs in 2009 came to Euro 17,291 thousand, showing a Euro 339 thousand decrease (-1.92%) compared to the previous year (Euro 17,630 thousand). Labour costs include the effect deriving from the actuarial calculation, in accordance with IAS 19, of the severance pay debt towards employees: the actuarial loss during the period was Euro 14 thousand compared to Euro 104 thousand in 2008. The decrease in labour costs was mainly due to the reduction in bonuses awarded to employees during the period.

The EBIT result in 2009 was in credit by Euro 2,972 thousand equalling 5.89% of the value of production compared to Euro 6,388 thousand in the previous year.

Amortization figures for 2009 stood at Euro 2,526 thousand for intangible assets and Euro 688 thousand for tangible assets, compared to Euro 2,325 thousand and Euro 645 thousand in 2008.
The financial management result fell showing financial returns and expenses of Euro 741 thousand and Euro 3 thousand respectively, compared to Euro 1,325 thousand and Euro 34 thousand in 2008. The decrease was due to a drop in liquid assets and equivalent means and the return rates on the assets themselves.
Consequently, the ordinary result was in credit by Euro 3,711 thousand (Euro 7,680 thousand in the previous year) equal to 7.35% of the value of production.
The Euro 10 thousand devaluations registered in the 2009 period relate to a reduction in value of activities available for sale; in 2008 the same activities underwent a devaluation of Euro 456 thousand.
The pre-tax result came to Euro 3,701 thousand compared to Euro 7,224 thousand in 2008.
Income taxes came to Euro 1,322 thousand compared to Euro 2,589 thousand in 2008.
The 2009 period result came to Euro 2,380 thousand, equal to 4,71% of the value of production, compared to Euro 4,635 thousand in the previous year.
CAD IT S.p.A.'s Net Financial Position at 31st December 2009 was in credit by Euro 5,502 thousand compared to Euro 11,652 thousand at 31st December 2008.

Financial indicators

In order to better understand the Company's situation, trend and result, below are some financial indicators that compare the three financial periods of reference.
Patrimonial soundness analysis aims at studying the company's ability to maintain financial equilibrium in the medium-to-long term. This ability depends on two types of reasoning:
- financing modality for medium/long-term uses;
- the composition of financing sources.

In reference to the former aspect, on the assumption that the recovery time of these uses must logically be correlated to the recovery time of the sources, the indicators for studying these correlations are:

ASSET FINANCING INDICATORS		2009	2008	2007
Primary structure margin	*Shareholders' equity – Non-current assets*	5,365	9,279	10,399
Primary structure quotient	*Shareholders' equity / Non-current assets*	1.10	1.19	1.21
Secondary structure margin	*(Shareholders' equity + Non-current liabilities) – Non-current assets*	11,873	15,693	16,897
Secondary structure quotient	*(Shareholders' equity + Non-current liabilities) / Non-current assets*	1.23	1.32	1.34

In reference to the latter aspect, regarding the composition of financing sources, the following indicators are given:

FINANCING STRUCTURE INDEXES		2009	2008	2007
Total debt quotient	*(Non current Liabilities + Current liabilities) / Shareholders' equity*	0.55	0.51	0.41
Financial debt quotient	*Financing liabilities /Shareholders' equity*	-	-	-

In reference to earning capacity analysis, the following indicators, which are frequently used in company practices, are shown below:

EARNING CAPACITY INDEXES		2009	2008	2007
Net ROE	*Net result/Average Shareholders' equity*	4.10%	7.74%	11.21%
Gross ROE	*Gross result/Average Shareholders' equity*	6.37%	12.06%	17.12%
ROI	*Operational result/(Invested operating capital – Average operational liabilities)*	7.15%	14.62%	19.40%
ROS	*Operational result/Sales income*	6.58%	13.28%	22.77%

The following solvency indicators are frequently used to study the company's ability to maintain financial equilibrium in the short term, i.e. to face short-term expenses (current liabilities) with existing liquid assets (immediate liquidity) and expected short-term receipts (deferred liquidity). Consequently, on the assumption that the recovery time for uses must "logically" be correlated to the recovery time for sources, the indicators for studying this correlation are:

SOLVENCY INDICATORS		*2009*	*2008*	*2007*
Availability margin	*Current assets – Current liabilities*	11,873	15,693	16,897
Availability quotient	*Current assets / Current liabilities*	1.48	1.66	1.93
Treasury margin	*(Deferred liquidity + Immediate liquidity) – Current liabilities*	11,357	15,235	16,679
Treasury quotient	*(Deferred liquidity + Immediate liquidity) / Current liabilities*	1.46	1.64	1.92

The short-term situation [1]

The first half of 2009 continued to be characterised by the international economic recession and the period of considerable drop in demand that had marked the last few months of 2008. The summer saw the beginning of a slight economic recovery in the major developed economies (in a more marked way in the emerging economies) which continued for the rest of the year, driven by the expansive economic policies of the main countries. In the fourth quarter industrial production continued to recover from the minimum figures reached in the first half of 2009 and confidence grew further; the tension on the international financial markets began to fall and bank credit restrictions became less intense.

In the Euro area, according to the short-term indicators, the recovery continued during the last few months of 2009, even if it did not become any stronger than in the summer quarter. Productive activities and business volume have still not experienced the same strengthening to correspond to the definite improvement in company and consumer confidence. This can be seen, in the face of a relatively favourable exportation opportunity, in the continuing weakness in domestic demand.

In Italy the GNP, which began to grow in the summer (0.6 per cent more than the previous quarter), after five consecutive months of decreasing, should have continued to increase in the last part of 2009 even if more slowly. Despite the continual growth in confidence, companies are still hesitating to increase production because of the uncertain increase in orders. The partial recovery in industrial activity registered in the third quarter, from the very low levels reached in the second, did not however continue in the autumn months. Growth is guided by the contained expansion in foreign demand while domestic demand is still sluggish. Private consumption and investment, despite the recovery in the third quarter of 2009, are still weak. Uncertainties in the employment situation are having a negative effect on consumption.

As for the Italian banking sector, the worsening of returns seen in the previous year continued during 2009. According to the consolidated reports of five major banking groups, net profits in the first nine months of 2009 were down by 50 per cent compared to the same period in the previous year, thus reflecting the considerable increase in credit losses. Capital earnings and reserves (ROE) therefore dropped, in annual terms, to 4.2 per cent from 9% in the same period in 2008. All the main intermediaries registered a drop in interest margins (-5.5 per cent) and net commissions (-16.1 per cent) which compensated the positive contribution in the growth of trading activity profit and the reduction in operative costs (-5.9 per cent). With a substantially stable management result, the drop in profits was determined by the increase in credit devaluations, which absorbed more than half of the management result (11 billion in absolute value), against about a quarter in the first nine months of 2008 (5 billion). By comparing the three quarters of 2009, the income results showed a tendency towards stabilisation.

[1] Data source: Banca D'Italia, Economic Bulletin no. 59, January 2010

Significant events of the period

On 29th April 2009, the Ordinary Shareholders' Meeting approved the balance at 31/12/2008 and agreed to distribute a dividend of Euro 0.50 per share. The dates for coupon release and dividend payment were 11th and 14th May 2009 respectively. Dividend payment resulted in a cash outlay of Euro 4,490 thousand.
The Shareholders' Meeting, following the expiry of terms, also nominated the Board of Directors and Board of Auditors for the 2009, 2010 and 2011 periods.
The following persons were re-nominated to the Board of Directors: Giuseppe Dal Cortivo (Chairman and Managing Director), Giampietro Magnani (Vice-Chairman and Managing Director), Luigi Zanella (Vice-Chairman and Managing Director), Paolo Dal Cortivo (Managing Director), Lamberto Lambertini (Independent Director), Maurizio Rizzoli (Non-executive Director), Francesco Rossi (Independent Director). Matthias Sohler, Executive Director Financial for European Financial Market from Xchanging, the CAD IT Group's partner company and international leader in supplying Business Process Outsourcing services, was also nominated to the Board as a Non-executive Director, in order to further consolidate the strategic collaboration between the two Groups.
The Board of Auditors comprises: Riccardo Ferrari (Chairman), Renato Tengattini, Gian Paolo Ranocchi.
During the third quarter CAD IT S.p.A. announced having signed a contract with a leading Italian bank for the sale of its "Financial Area" software platform and another with a major German bank for the sale of its "Easy Match" software platform. The first contract consolidates CAD IT's position as leader in the Italian market for the supply of financial software and services for totally managing financial instruments. The second contract pushes the Group towards the international market thus marking yet another new success after the contract drawn up in 2006 with XTB, a Business Process Outsourcing company belonging to the Xchanging Group in Germany.
During the fourth quarter, CAD IT signed a partnership agreement with Lawson Software, a global provider of software solutions and services, for the following sectors in particular: services, trade and industry/distribution. CAD IT has thus become the partner of reference in Italy for Lawson in the fashion sectors and ESM&R, and will be proposing the Lawson's M3 platform (Enterprise Management System) in Italy mainly to large companies in the fashion sector and companies that supply systems and equipment (ESM&R - Equipment Service Management & Rental). The M3 management platform was mainly created to satisfy the needs of companies producing, distributing and managing equipment. The system provides a series of integrated applicative solutions for managing companies' "core" processes, including financial management, customer relations, production, the planning and creation of supply chains, service and maintenance.

CAD IT's and Group 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 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 (Managerial Information System) 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 (Finance Area for Insurances) and new software modules for international market (EM).

Investments

Investments in tangible and intangible fixed assets came to a total of Euro 5,055 thousand in the 2009 financial period (Euro 2,891 thousand in the previous year).
The consistent amount of investment derives from strategic decisions taken by the Board of Directors and management, who have approved the development of a large number of products, projects and new technologies in order to be ready for development lines in the sector and to be able to propose an updated range of products that can quickly satisfy market demand.

Summary of investments	*Period 2009*	*Period 2008*
Intangible fixed assets	438	129
Assets under development and payments on account	4,330	2,562
Plant, machinery, equipment and other tangible fixed assets	287	200
Total investments	***5,055***	***2,891***

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 Firm for its own activity.

Related parties transactions

As for transactions carried out with correlated parties, including transactions between the Group's companies, it is hereby pointed out that these are neither considered abnormal nor unusual and are part of the normal course of activities among the Group's companies. These transactions are governed by market conditions, taking into account the characteristics of the assets and services in question.
Information about the relationships with correlated parties, including those required by the Consob Communication of 28th July 2006, can be found in the consolidated Balance Notes and financial Period Balance.

Relationships with subsidiaries, associates and parent companies

As the head of a group of companies, it holds relations of a commercial and financial nature with its sister companies and subsidiaries. The relations entertained between the Group's companies are governed by competitive conditions in terms of market, taking into account the quality of the goods and services in question.
A summary of the revenues and costs, as well as the credit and debit position of CAD IT S.p.A. , as of 31st December 2009, are shown in the table below:

Company	Revenues	Asset acquisitions	Costs	Debts	Credits
Cad S.r.l.	852	267	9,000	8,131	2,644
Cesbe S.r.l.	536	-	2,145	3,328	266
NetBureau S.r.l.	38	-	822	302	27
DQS S.r.l.	7	-	3,268	1,502	4
SGM S.r.l	11	-	322	834	23
SmartLine Line S.r.l.	14	-	856	760	62
BitGroove S.r.l.	49	-	761	728	216
Elidata S.r.l.	76	-	259	245	-
Datafox S.r.l.	11	-	131	64	24
Tecsit S.r.l.	1	-	-	-	4
Total	**1,596**	**267**	**17,564**	**15,894**	**3,270**

During the 2009 financial period, CAD IT purchased services for software procedure development activities from CAD S.r.l. to the amount of Euro 1,389 thousand, from CeSBE S.r.l. for Euro 498 thousand and from Bit Groove S.r.l. for Euro 266 thousand, which were all capitalized in ongoing intangible assets.
No abnormal or unusual transactions were carried out between the CAD IT Group companies during the financial period.
For further information on relations between the Group's companies, please refer to the management's report in the Consolidated Financial Statement at 31 December 2009.

Shares held by managerial and controlling organs and by the managers with strategic responsibilities

Information on shares held by the components of the administrative and control organs, and by the managers with strategic responsibilities within the issuing company and in the companies controlled by it, is given in the following table[2]:

Name and surname	Company	Number of shares held at 31.12.2008		Number of shares bought	Number of shares sold	Number of shares held at 31.12.2009	
Dal Cortivo Giuseppe	CAD IT S.p.A.	1,334,534	(1)	-	-	1,334,534	(1)
Magnani Giampietro	CAD IT S.p.A.	1,331,021	(1)	-	-	1,331,021	(1)
Rizzoli Maurizio	CAD IT S.p.A.	1,439,686	(2)	-	-	1,439,686	(2)
Zanella Luigi	CAD IT S.p.A.	1,333,480	(3)	-	-	1,333,480	
Dal Cortivo Paolo	CAD IT S.p.A.	5,481		-	-	5,481	
Sohler Matthias	CAD IT S.p.A.	-		-	-	-	
Lambertini Lamberto	CAD IT S.p.A.	-		-	-	-	
Rossi Francesco	CAD IT S.p.A.	-		-	-	-	
Ferrari Riccardo	CAD IT S.p.A.	1,000		-	-	1,000	

[2] (in accordance with sheet 3, attachment 3c, of Consob Regulation no. 11971)

Ranocchi Gian Paolo	CAD IT S.p.A.	-		9,571	-	9,571	(4)
Tengattini Renato	CAD IT S.p.A.	60		-	-	60	
Managers with strategic responsibilites	CAD IT S.p.A.	1,300		-	-	1,300	
(1) of which in spouse's name n.:	370,885						
(2) of which in spouse's name n.:	535,014						
(3) of which in spouse's name n.:	380,985						
(4) of which in spouse's name n.:	5,281						

Information relative to payments for any security of the main company or its direct or indirect subsidiaries to Board members or auditors and to managers with strategic responsibilities are shown in the balance notes.

Corporate Governance and Internal Control System

CAD IT adheres and conforms to the Governance Code for listed companies published by Borsa Italiana in March 2006.
CAD IT considers and defines its Internal Control System as "a set of rules, procedures and organisational structures aimed at achieving, by means of a suitable identification, measurement, management and monitoring process of the principle risks, the running of a healthy, correct and coherent business with pre-established objectives". The internal system for managing risk and control in financial information technology is a constitutive part of a broader Internal Control System. This system also aims at guaranteeing trustworthiness, accuracy, reliability and timeliness of the company and the Group's financial information technology.
The Internal Control System is the mainstay on which *Corporate Governance* stands and is the catalyzing element of all subjects and functions that, each in their own way, contribute to the healthy, correct and coherent running of the business in order to give maximum sustainable value to every activity within the organisation.
Essential parts of the Internal Control System are the Code of Ethics and the Management and Control Organisation Model adopted by the Board of Directors in accordance with the norms concerning "Company administrative responsibility rules" in Leg. Dec. no. 231/2001 and subsequent modifications.
During the financial period, the Management and Control Organisation Model ex Leg. Dec. No. 231/01 was updated due to intervening developments in the norms and laws. The modifications made brought about the acknowledgment of the Health and Safety at Work System (with relative manual and procedures) in accordance with the UNI/INAIL guidelines which represent a best practice standard of reference for compliance to the provisions in Leg. Dec. 81/08.
In compliance to the legal obligations, the CAD IT S.p.A. 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 CAD IT S.p.A. shareholders with an adequate description of the corporate governance system adopted, information on property assets and adhesion to Corporate Governance regulations. The report is published at the same time as this management report 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.

The main risks and uncertainties to which CAD IT S.p.A and the Group are exposed

The Company has an internal control system made up of a set of rules, procedures and organisational structures aimed at achieving the healthy and correct running of the business also through a suitable process for identifying, managing and monitoring the principle risks that could present a threat to achieving company objectives.
This paragraph describes the risk factors and uncertainties relating to the economic-legal and market context and which can influence the Company's performance. The specific risks that can determine the generation of

obligations within the Company are, however, the object of evaluation when determining the relative earmarking and are mentioned in the balance notes together with the potential liabilities found.
CAD IT adopts specific risk factor management procedures aimed at maximising the value for its shareholders by activating the necessary measures to prevent any risks inherent to the Group's activities.
CAD IT S.p.A., in its position as Parent Company, is exposed to the same risks and uncertainties described below to which the entire Group is exposed.

External Risks

Risks connected to the general conditions of the economy and sector

The information technology consultancy market is linked to the economic trend of industrialised countries where the demand for highly technological products is higher. A continuation of the weak economic global situation at both a national and/or international level could reduce demand for the Group's products with a consequent negative effect on the economic, patrimonial and financial situation of the Group itself.
The main market outlet in which the Group deals is the banking and finance sector, which historically has never been subject to significant criticality. As of the last quarter of 2008, the banking and financial sector has undergone considerable crises. A prolonged continuation of this notable weak and uncertain situation, or an even further degeneration, could cause the risk of a significant and widespread worsening of the market conditions with a consequent negative effect on the economic, patrimonial and financial situation of the Group.

Risks connected to the rapid evolution in technologies, customer needs and reference norms.

The sector in which the Group operates is characterized by fast and complicated technological changes and a constant development in skills and professionalism. Furthermore, an increase in customer needs, together with any changes in the laws, means that the software for the banking sector and other financial institutions has to be constantly updated.
The Group makes substantial investments in the development of new projects and new technologies, not only in order to promptly satisfy market demand, but also to anticipate development lines by proposing a range of new products as a factor able to influence, in turn, the type of user demand. Therefore, a reduction in customer tendency towards buying the new technologies offered could expose the Group to the risk of not earning enough to cover the investments sustained.
These investments cannot, however, guarantee that the Group will always be able to recognise and use innovative technological instruments, exclude the risk of the obsolescence of existing products or ensure the Group's ability to develop and introduce new products or renew existing ones in good time for the customer and adequately for the market. The above-described situations are a significant potential risk for the Group's activities and its economic and financial results.

Risks connected to the high competition in the sector in which the Group operates.

The Information Technology market is highly competitive. Some competitors could try to expand and damage the Group's market share. Moreover, the intensification of competition levels and the possible entry into the Group's reference sector of new subjects with good human resources, financial and technological backing that can offer more competitive prices, could influence the Group's activities and the possibility to consolidate or widen its own competitive position in the sector with consequent repercussions on the Group's activities and its economic, patrimonial and financial situation.

Risks connected to protecting technological property.

The Group's procedures and software programmes are protected by Italian copyright laws. Furthermore, the Group owns the exclusive rights for the economic use of the programmes and procedures which it has registered in the Special Public Register for Processors as the SIAE – Italian Society for Authors and Editors.
The management also maintains that the technological level of the products the Group offers, together with the

technical knowhow needed for their constant and progressive use and updating, are in themselves factors able to limit any risks connected to the appropriation of significant competitive advantages on the part of potential and current competitors. Nevertheless, it cannot be said that the protection recognised by Italian copyright laws excludes other operators in the sector from developing, entirely on their own, similar products or duplicating the Group's unregistered products or designing new ones able to copy the performances and functions without violating the Group's rights. Furthermore, the Group's technology could be exposed to acts of piracy by third parties.

Internal risks

Risks relating to dependence on key personnel

The success of the Group depends largely on the ability of some key figures who have made a significant contribution to its development i.e. its own executive managers and other management components with many years of experience in the sector. The loss of one of the aforementioned key figures' services without an adequate replacement could have negative effects on the Group's prospects, activities and economic and financial results.

Moreover, the Group's business is strongly characterised by the extremely high technical skills of its staff. Therefore, the future success of its activities largely depends on the continuity of the functions carried out by the currently employed specialized technicians and collaborators as well as the ability to attract and maintain highly qualified staff.

In the Information Technology sector, staff costs are a critical development factor. Any difficulties that the Group may face in managing staff could produce a negative effect on its activities, its financial conditions and its operative results.

Risks connected to sale times and implementation cycles

The management of sales activities for the Group's software products is normally rather lengthy, especially considering that the potential advantages of using the Group's products have to be illustrated and training activities at the customer's premises so that the products are used correctly have to be carried out. Negotiations and the consequential execution of product sale activities usually take a period of time that ranges from a few months to a whole year. Moreover, the implementation process for the Group's products often involves the customer's investment in terms of staff and money which can extend over time. Sales activities and adjustment cycles of the product to the customer's information technology system are subject to potential and determining delay such as the completion of the implementation process of the product itself, unexpected events that the Group cannot control, like sudden limitations in the customer's budget or company renovation operations or, more generally, the complexity of the customer's technical requirements. Any delays due to extended sales cycles or referable to the product's use on the part of the customer, could influence the Group's activities, financial situation and operative results.

Risks connected to customer dependence

The Group offers its products and services to small, medium and large companies operating in different markets. During the 2009 period, the orders involving the 3 and 10 customers who generated the largest revenues were 29.6% and 58.7% of revenues of the Group's service and sales performances.

A significant part of the Group's revenues is concentrated on a relatively small number of customers, the loss of which could therefore have a negative effect on the Group's future activities and economic, patrimonial and financial situation.

However, the management maintains that the Group's results do not significantly depend on any specific customer in particular because these customers update their information technology systems at different times and this operation takes rather a long time.

Risks connected to internationalisation

The Group has made significant efforts in recent years in terms of its own internationalisation strategy and expects that an increasingly large part of its revenues will be generated from foreign sales. The Group could therefore be exposed to the risks involved in working on an international scale which include those relating to changes in economic, political, fiscal and local law conditions, as well as variations in the domestic currency trend, should the country concerned be outside the Euro area. The occurrence of unfavourable development in these areas could have a negative effect on the Group's prospects and activities.

Risks connected to breaches of contract and potential liabilities towards customers

Highly complex software products like those offered by the Group can, even if duly tested, reveal some defects and anomalies during the installation phase and while integrating with the customer's information technology system. These circumstances can cause damage to the Company's image and its products and also expose the Company to claims, on the part of the customer, for damages and the application of contractual penalties due to not respecting deadlines and/or the agreed qualitative standards.
Furthermore, the Group could find itself having to invest considerable resources to carry out corrective interventions and be obliged to interrupt, postpone or cease the supply of its services to the customer.
To date there have not been any significant events of this kind that have determined any controversy in customer relations.

Financial risks

Credit risks

The Group mainly operates with banks and service companies controlled by banks, financial institutions and insurance companies, tax collecting agencies and public administration offices, and, generally speaking, customers with proven soundness and solvency, which is the reason why, in past financial periods, the occurrence of losses on credits has been relevantly insignificant. The Group does not have a significant concentration of customer solvency risk. For commercial reasons, specific policies aimed at monitoring credit collection times, that, following previously revealed operative risks, could undergo delays, are adopted.

Liquidity risks

Liquidity risks are linked to the difficulty of finding funds to finance obligations. The availability of liquid assets and the ability to generate positive cash flows make the risk of not being able to find enough financial funding to satisfy the obligations and needs of Group operations highly unlikely. Cash flows, funding requirements and the liquid assets of the Group's companies are constantly monitored with the aim of guaranteeing an efficient and effective management of financial resources.
It cannot be excluded, however, that, should the considerable weak and uncertain market situation continue or should collection times become longer or significant losses on credits occur, the risk of a reduction in liquidity could arise with the consequent need to find financial funding.

Exchange rate risks and interest rate risks

Exposure to interest rate risks derives from the need to finance operative activities as well as using available liquid assets. The Group uses available liquid assets in bank accounts and capitalisation insurance policies and mainly uses financial resources in the form of bank deposit loans on commercial credits and bank account credit worthiness. Variations in market interest rates can affect revenues and the cost of financing influences the progress of financial returns and expenses.
At the moment the Group operates almost entirely in the Euro area and is therefore not subject to exchange rate risks
It is not in the Group's policy to make investments in instruments that require cover and/or negotiation.

Other Information

Neither CAD IT S.p.A. nor its controlled companies own, and/or have purchased and/or sold during the financial period CAD IT or their own shares, not even through trust companies or third parties.
CAD IT S.p.A. is not subject to the management and coordination of companies or bodies and defines its own general and operative strategies in full autonomy.
In accordance with art. 2497 bis of the Civil Code, directly or indirectly affiliated companies, with the exception of particular cases, have identified CAD IT S.p.A. as an organisation that exercises managerial and coordination activities. These activities mainly consist of indicating general and operative Group strategies and focus on defining and adjusting to internal control regulations, the issuing of a Code of Ethics to be adopted at a Group level, the processing of general policies for the management of human and financial resources, the provision of productive factors. Moreover, Group coordination for some companies means a centralisation of administrative, corporate and financial management services. The affiliated companies that remain in full control of their managerial and operative autonomy, can then scale their economies by taking advantage of the professionalism and specialist services and concentrate their own resources in the management of their specific operational skills.
During this financial period, and the previous one, no atypical or unusual operations have been carried out as defined in the Consob communication no. DEM/6064293 of 28 July 2006.
In the Financial Statement report, no alternative performance indicators have been adopted with the exception of the net financial position, shown in the Financial Statement notes, for which no reclassifications have been made in terms of Financial Statement figures and relative explanations are supplied and linked to the patrimonial status entries concerned, as defined in the CESR Recommendations.
CAD IT adopts an adequate system to protect information in accordance with Leg. Dec no. 196 of 30th June 2003 “Personal data protection code”.
In reference to article 26 of attachment B of the Legislative Degree no. 196 of 30th June 2003, the programmatic document on security and personal data protection and the use of the measures stated within has been drafted and updated.
In 2009, CAD IT S.p.A., Cad Srl and Cesbe positively passed the inspection and obtained certification for their Information Management System in accordance with the UNI ISO CEI/IEC 27001 regulation.
Furthermore, CAD IT S.p.A positively passed the inspection for its Quality Management System in relation to the “Design, production and sale of component-based software, assistance services and after sales maintenance”, thus obtaining certification under the new UNI EN ISO 9001:2008 norm.
For information on useful staff for understanding and analysing the Group’s progress, please refer to note 7 of the Financial Statement.

Foreseeable development

Analysts and international organisms have recently forecast an upturn for 2010. The most recent estimations by OCSE, for example, indicate an increase of about 2 per cent in GNP for all the developed economies; a relatively moderate trend compared to the preceding initial phases of cyclical expansion. On the other hand, growth will continue at a high rate in China, India and Brazil, boosted by greater internal demand.
Moreover, some weak factors could influence recovery in the developed economies. The widespread effect of fiscal stimulation measures should, for example, recede in the second half of the year and also the positive contribution from the expected reconstitution of warehouse stores will also be temporary. The chance that consumption starts to fuel the recovery again depends on uncertainties about the labour market conditions; unemployment rates should, in fact, rise further or, in any case, remain high for a good part of 2010.
A weak recovery is expected in Italy for 2010 and 2011, driven by a contained recovery in foreign demand while internal components will supply a scanty contribution to growth. On the whole, Banca d’Italia estimates that the Italian economy can grow by 0.7 per cent in 2010, which will then accelerate to 1% in 2011. Uncertainty about the prospects, however, still remains high and the forecast scene still shows significant variability margins

particularly connected to world demand on the one hand, which could be more favourable than expected, and the risk that labour market conditions remain weak for a longer period of time on the other.
On the investment side, after a fall of more than 15 per cent in the last two years, higher than the one recorded during the 1992-92 recession, the accumulation of capital should begin to expand, favoured by less tension on the credit market, by expansive monetary conditions and tax incentives to increase productive capacity. On average investment totals should increase by 0.7 per cent this year to then shoot to 2 per cent in 2011; productive totals, which benefit more greatly from tax incentives, should grow by more than 6 per cent in the next two years, even though there will be a lull in the second half of 2010 due to tax incentives on purchasing machinery having less effect (the expiry date is 30th June next).[3]
In this context the Board of Directors has placed maximum attention on market needs in order to lead the Group's management and development strategies in the right direction and to maintain high levels of efficiency so that the favourable economic results of the past can also be achieved over the next financial period.
The crisis could also be an opportunity for the Group to supply, for example, Application Management in the restructuring or redesigning of financial institution activities and Risk Management applications for monitoring and assessing risks. 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) through new and high standard, quality products that would guarantee adequate income levels.
Furthermore, during 2010 development and commercialisation activities for new products, aimed at traditional and new clients, will continue.
The intense project activities with Xchanging UK Ltd, company which supplies administration BPO (Business Process Outsourcing) services, through which the CAD IT Group aims to increase its own earnings in Italy and to geographically diversify its business, are also proceeding.
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.

[3] Banca D'Italia, Economic Bulletin no. 59, January 2010

Proposal for the 2009 financial period Balance approval and profit allocation.

Dear Shareholders,
In submitting the balance of the financial period closed at 31st December 2009 for your approval, we propose to allocate the year's profit of Euro 2,379,735 as follows:

- a shareholder dividend of Euro 0.25 gross of legal deductions for each of the 8,980,000 ordinary shares, to the total amount of euro 2,245,000.00
- undivided profits to available reserves euro 134,735.00

The dividend will be paid as of 13th May 2010 with coupon release on 10th May 2010.

Verona, 12th March 2010

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

FINANCIAL STATEMENTS AT 31 DECEMBER 2009

Income statement

(Euro thousands)	*NOTES*	*Period 2009*		*Period 2008*		*Variations*	*%*
Income from sales and services to third parties	2	45,146	89.40%	48,115	94.45%	(2,968)	(6.17%)
of which related parties	*33*	*2,120*	*4.20%*	*1,903*	*3.74%*	*217*	*11.41%*
Variations in stock of products being elaborated							
Asset increases due to internal work	2	4,330	8.57%	2,442	4.79%	1,888	77.32%
Other revenue and receipts	2	1,022	2.02%	387	0.76%	635	164.11%
Production value		50,499	100.00%	50,944	100.00%	(445)	(0.87%)
Costs for raw	4	(367)	(0.73%)	(254)	(0.50%)	(113)	44.53%
Service costs	5	(25,147)	(49.80%)	(22,245)	(43.67%)	(2,901)	13.04%
of which related parties	*33*	*(18,113)*	*(35.87%)*	*(17,118)*	*(33.60%)*	*(995)*	*5.81%*
Other operational costs	6	(411)	(0.81%)	(346)	(0.68%)	(64)	18.59%
Added value		24,574	48.66%	28,098	55.15%	(3,524)	(12.54%)
Labour costs	7	(17,291)	(34.24%)	(17,630)	(34.61%)	339	(1.92%)
of which related parties	*33*	*(439)*	*(0.87%)*	*(423)*	*(0.83%)*	*(16)*	*3.90%*
Other administrative expenses	8	(1,002)	(1.98%)	(1,011)	(1.98%)	9	(0.90%)
of which related parties	*33*	*(566)*	*(1.12%)*	*(610)*	*(1.20%)*	*44*	*(7.25%)*
Gross operational result - EBITDA		6,281	12.44%	9,457	18.56%	(3,176)	(33.58%)
Allocation to Credit Depreciation Fund		(95)	(0.19%)	(99)	(0.19%)	4	(4.05%)
Amortizations:							
- Intangible fixed asset amortization	14	(2,526)	(5.00%)	(2,325)	(4.56%)	(201)	8.65%
- Tangible fixed asset amortization	13	(688)	(1.36%)	(645)	(1.27%)	(43)	6.64%
Other allocations		2,972	5.89%	6,388	12.54%	(3,416)	(53.47%)
Operational result - EBIT	9	741	1.47%	1,325	2.60%	(584)	(44.07%)
Net financial receipts	9	(3)	(0.00%)	(34)	(0.07%)	31	(92.55%)
Ordinary result		3,711	7.35%	7,680	15.08%	(3,969)	(51.68%)
Revaluations and depreciations	10	(10)	(0.02%)	(456)	(0.89%)	446	(97.85%)
Pre-tax result		3,701	7.33%	7,224	14.18%	(3,523)	(48.76%)
Income taxes	11	(1,322)	(2.62%)	(2,589)	(5.08%)	1,267	(48.95%)
Profit/(loss) for the period		2,380	4.71%	4,635	9.10%	(2,255)	(48.66%)

Statement of comprehensive income

	Period 2009	Period 2008
Profit/(loss) for the period	2,380	4,635
Gains/(Losses) on fair value of available-for-sale financial assets	135	(117)
Total Comprehensive income	2,515	4,518

Income statement (Euro)	*2009*	*2008*
Income from sales and services	45,146,421	48,114,723
Variations in stock of products being elaborated		
Changes in ongoing orders		
Asset increases due to internal work	4,330,244	2,442,000
Other revenue and receipts	1,022,192	387,033
Production value	50,498,856	50,943,756
Costs for raw	(367,237)	(254,082)
Service costs	(25,146,721)	(22,245,403)
Other operational costs	(410,705)	(346,334)
Added value	24,574,192	28,097,936
Labour costs	(17,291,068)	(17,629,872)
Other administrative expenses	(1,002,002)	(1,011,094)
Gross operational result (EBITDA)	6,281,123	9,456,970
Allocation and Credit Depreciation	(95,000)	(99,009)
Amortizations:		
- Intangible fixed asset amortization	(2,525,583)	(2,324,573)
- Tangible fixed asset amortization	(688,056)	(645,239)
Other allocations		
Operational result (EBIT)	2,972,484	6,388,149
Financial receipts	741,161	1,325,224
Financial charges	(2,500)	(33,566)
Ordinary result	3,711,145	7,679,807
Revaluations and depreciations	(9,784)	(455,803)
Pre-tax result	3,701,360	7,224,004
Income taxes	(1,321,625)	(2,588,962)
Profit (loss) for the period	***2,379,735***	***4,635,042***

Balance sheet

(Euro thousands)	NOTES	31/12/2009	31/12/2008	Variations
ASSETS				
A) Non-Current Assets				
Assets, equipment and machinery	13	18,646	19,052	(406)
Intangible assets	14	17,576	15,334	2,242
Holdings	15	14,684	14,684	0
Other financial assets available for sale	16	781	655	126
Other non-current credits		19	18	1
Credits due to deferred taxes	17	7	30	(23)
TOTAL NON-CURRENT ASSETS		**51,712**	**49,773**	**1,939**
B) Current Assets				
Stock	18	28	30	(2)
Commercial credits and other credits	19	29,501	23,218	6,283
of which related parties	33	*3,551*	*3,010*	*541*
Tax credits	20	1,576	4,520	(2,944)
Cash on hand and other equivalent assets	21	5,502	11,652	(6,150)
TOTAL CURRENT ASSETS		**36,607**	**39,419**	**(2,813)**
TOTAL ASSETS		**88,319**	**89,192**	**(873)**

LIABILITIES				
A) Equity				
Company capital	22	4,670	4,670	0
Reserves	23	35,481	35,346	135
Accumulated profits/losses	24	16,926	19,036	(2,110)
TOTAL EQUITY		**57,077**	**59,052**	**(1,975)**
B) Non-current liabilities				
Liabilities due to deferred taxes	26	3,265	3,298	(32)
TFR and quiescence reserves	27	3,178	3,117	61
of which related parties	33	*122*	*78*	*44*
Expense and risk reserves		65	-	65
TOTAL NON-CURRENT LIABILITIES		**6,508**	**6,414**	**94**
C) Current liabilities				
Commercial debts	28	18,918	14,901	4,017
of which related parties	33	*15,984*	*12,804*	*3,180*
Tax debts	29	1,994	5,014	(3,020)
Other debts	30	3,822	3,811	11
of which related parties	33	*91*	*93*	*(1)*
TOTAL CURRENT LIABILITIES		**24,734**	**23,726**	**1,008**
TOTAL LIABILITIES AND EQUITY		**88,319**	**89,192**	**(873)**

(Euro)

ASSETS	*31/12/2009*	*31/12/2008*
A) Non-Current Assets		
Assets, equipment and machinery	18,645,749	19,051,971
Intangible assets	17,576,112	15,333,642
Holdings	14,684,012	14,684,012
Other financial assets available for sale	780,673	655,101
Other non-current credits	18,675	18,145
Credits due to deferred taxes	7,122	29,985
TOTAL NON-CURRENT ASSETS	**51,712,343**	**49,772,856**
B) Current Assets		
Stock	27,600	29,587
Ongoing orders	-	-
Commercial credits and other credits	29,501,161	23,218,019
Tax credits	1,575,761	4,519,534
Finanacial assets for negotiation	-	-
Cash on hand and other equivalent assets	5,502,214	11,652,173
TOTAL CURRENT ASSETS	**36,606,736**	**39,419,312**
TOTAL ASSETS	**88,319,079**	**89,192,168**

LIABILITIES	*31/12/2009*	*31/12/2008*
A) Equity		
Company capital	4,669,600	4,669,600
Reserves	35,481,427	35,346,071
Accumulated profits/losses	16,926,026	19,036,290
TOTAL EQUITY	**57,077,053**	**59,051,961**
B) Non-current liabilities		
Financing	-	-
Liabilities due to deferred taxes	3,265,485	3,297,511
TFR and quiescence reserves	3,177,635	3,116,795
Expense and risk reserves	65,000	-
Other debts	-	-
TOTAL NON-CURRENT LIABILITIES	**6,508,120**	**6,414,305**
C) Current liabilities		
Commercial debts	18,918,408	14,901,383
Tax debts	1,993,913	5,013,747
Short-term financing	-	-
Other debts	3,821,584	3,810,771
TOTAL CURRENT LIABILITIES	**24,733,905**	**23,725,901**
TOTAL LIABILITIES AND EQUITY	**88,319,079**	**89,192,168**

Statement of changes in equity

(***Euro thousands***)

	Company capital	Reserves	Accumulated profit (loss)	Period result	Equity
31/12/2005	**4,670**	**35,298**	**14,024**	**1,627**	**55,618**
Profit/(loss) for evaluation of available for sale financial assets recognised directly in equity		(300)			(300)
Allocation of the period result to reserves			1,627	(1,627)	
Dividend distribution			(1,616)		(1,616)
Period result				2,690	2,690
Period end total 2006	**4,670**	**34,997**	**14,035**	**2,690**	**56,391**
Profit/(loss) for evaluation of available for sale financial assets recognised directly in equity		203			203
Allocation of evaluation reserve for financial assets available for sale to economic account		228			228
Allocation of the previous period result to reserves			2,690	(2,690)	
Dividend distribution			(2,604)		(2,604)
Period result				6,567	6,567
Period end total 2007	**4,670**	**35,428**	**14,120**	**6,567**	**60,785**
Profit/(loss) for evaluation of available for sale financial assets recognised directly in equity		(117)			(117)
Allocation of evaluation reserve for financial assets available for sale to economic account		35			35
Allocation of the previous period result to reserves			6,567	(6,567)	
Dividend distribution			(6,286)		(6,286)
Period result				4,635	4,635
Period end total 2008	**4,670**	**35,346**	**14,401**	**4,635**	**59,052**
Allocation of the previous period result to reserves			4,635	(4,635)	-
Dividend distribution			(4,490)		(4,490)
Total comprehensive income		135		2,380	2,515
Period end total 2009	**4,670**	**35,481**	**14,546**	**2,380**	**57,077**

Cash Flow Statement

	NOTES	Period 2009	Period 2008
A) OPERATING ACTIVITIES			
Profit (loss) for the period		2,380	4,635
Amortisation, revaluation and depreciation:			
- Assets, equipment and machinery amortisation	14	688	645
- Intangible fixed asset amortization	15	2,526	2,325
- devaluation of holding and financial assets available for sale	16	10	456
Allocations (utilisation) of funds:		126	(84)
Financial performance:			
- Net financial receipts (charges)	9	(739)	(1,292)
- Profit / (losses) on exchanges	9	(1)	0
Working capital variations		(1,231)	8,892
Income taxes paid in the financial period		(1,107)	(4,526)
Interest payment	9	(1)	(34)
(A) - Cash flows from (for) operating activities		**2,649**	**11,017**
B) INVESTING ACTIVITIES			
Investing activities			
- Assets, equipment and machinery purchases	14	(287)	(200)
- Intangible assets purchases	15	(4,768)	(2,691)
- Increase in other fixed assets		(1)	(0)
Disinvestment activities			
- Assets, equipment and machinery transfers	14	5	4
Cashed Interest	9	162	480
Cashed dividends	9	579	845
(B) - Cash flows from (for) investing activities		**(4,309)**	**(1,563)**
C) FINANCING ACTIVITIES			
Distribution of dividends	25	(4,490)	(6,286)
(C) - Cash flows from (for) financing activities		**(4,490)**	**(6,286)**
(A+B+C) - Total cash and other equivalent assets flows		**(6,150)**	**3,169**
Opening liquid funds and other equivalent assets	**31**	**11,652**	**8,483**
Closing liquid funds and other equivalent assets	**31**	**5,502**	**11,652**

For the liquid asset and equivalent means reconciliation, refer to note 31

Notes to the financial statements

CAD IT S.p.A. is a joint stock company and is governed on the basis of Italian law and exercises its management and coordinated activities on its own controlled companies. CAD IT S.p.a. is not subject to other company control in accordance with art. 2359 of the civil code. The company is listed in the STAR market of the Italian stock exchange.
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.
For information and comments on the results and the economic-financial situation of the CAD IT Group, please refer to the consolidated financial statement and the relative directors' report on operations.

1 Accounting policies and evaluation criteria more important

This report has been drafted in accordance with the international IAS/IFRS accounting standards issued by the International Accounting Standard Board (IASB) and approved by the European Union
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; there have been no modifications in the comparative information.
This document comprises financial statements, notes to the said financial statements, management observations.
The financial statement has been drafted using the evaluation criterion of past cost, except for financial instruments available for sale, which are assessed at *fair value* Moreover, where some land and buildings have been included in *First Time Adoption*, the *fair value* has been used instead of the cost.
This financial statement has been prepared in accordance with Consob regulation no. 11971 of 14th May 1999, and subsequent modification and integration.
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.

Use of estimates

In accordance with the IFRS, when drafting the balance 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 in the balance. Estimates and their relative hypotheses are based on past experience and factors considered reasonable for the case concerned.
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 standards, amendments and interpretations applied since 1st January 2009

IAS 1 Reviewed – Balance presentation
The new version of IAS 1 – Balance presentation, approved by the European Union with EC Regulation no. 1274/2008, came into force as of 1st January 2009.
The reviewed version of IAS 1 – Balance presentation, requires that all variations generated by transactions with non-shareholders are to be registered in one single statement that shows the period's trend (statement of comprehensive income) or in two separate statements (income statement and statement of comprehensive income). These variations must be highlighted separately in the Net Patrimony variation statement as well in terms of variations generated by transactions with shareholders.
The Company has applied the reviewed version of the standard as of 1st January 2009 retrospectively, having

chosen to highlight all variations generated by transactions with non-shareholders in two statements for measuring period trend respectively entitled “Consolidated income statement” and “Statement of comprehensive income”. The Group has consequently modified the presentation of the Net Patrimony variation Statement. Adopting this principle has no effect on the evaluation of balance entries.

Other accounting principles, amendments and interpretations applied since 1st January 2009

At the time of drafting this consolidated balance, there are no other matters or records, or anything of any significant importance within the Group, that may be governed by other amendments and interpretations applicable since 1st January 2009, and approved by the IASB and IFRIC and published in the European Community's Official Gazette.

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.

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.

Each column in the statement of net patrimony variations reconciles the opening and closing balances for each net patrimony voice.

Compared to the Profit and Loss Account balance sheet presented in the consolidated balance at 31/12/2008, the line indicating the amount of increases in internal work capitalised under fixed asset towards third parties has been eliminated; such increases, in fact, relating to capitalisations of costs sustained by CAD IT for services carried out by companies within the Group, are not inherent to correlated parties.

Subsidiaries and Associated companies

Shares in subsidiaries and associated companies, not classified as owned for sale in accordance with IFRS 5 or available for sale, have been accounted for at cost.

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 indefinite 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 economic account of the year in which the asset is eliminated.

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 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 economic account 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 internally generated intangible assets include any expenses that can be directly attributable to the

development of the product and any reasonable part of general production costs attributable to the preparation stages before putting the product to use. All other development costs that cannot be capitalised, when sustained, are reported on the income statement.

Impairment loss

The company 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 economic account among depreciation and devaluation costs. When subsequently an asset value loss, different from the beginning, 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 economic account.

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 has been taken as the market value. The profits and losses found due to the effect of evaluation at fair value at every balance date for these activities were determined at net patrimony except for the value losses registered to the economic account, until the financial activity has been eliminated, which is the moment 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 liabilities calculation is carried out by independent actuaries.
Profits and losses deriving from carrying out actuarial calculations are registered to the Profit and Loss account.
Due to modifications to the laws concerning the termination of working relations (TFR) enforced by Law no. 296 of 27th December 2006 (Financial Act 2007) and subsequent Decrees and Regulations issued in the early months of 2007, the TFR amounts matured since 1st January 2007 in the Group's companies with more than 50 employees have been accounted for as a Definite Contribution Plan, both in terms of the option of complementary welfare and in terms of allocation to the Treasury Fund at INPS (social security office). The TFR Fund matured at 31st December 2006, however, remains as a Definite Benefit Plan.

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 interest 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 in the balance according to the same criteria as those for revenue acknowledgment.

Dividends

Dividends are accounted for in the financial period in which the distributing company decides to distribute them.

Income taxes

Current income taxes for the financial period are calculated on the basis of estimates of taxable income in accordance with the laws in vigour: Moreover, the effects deriving from the activation within the Group of the national tax consolidation are also taken into account. The debt for current taxes is accounted for in the patrimonial status, net of any taxes paid in advance.
Deferred and pre-paid income taxes are calculated on the temporary differences between the patrimonial values registered in accordance with the IFRS international accounting standards and the corresponding values realised for tax purposes.
In particular, assets due to pre-paid taxes are registered when their recovery is probable, that is, when it is expected that sufficient tax profits will be available in the future so that these assets may be used. The degree of recovery of pre-paid tax assets is re-examined at the end of every period. Deferred taxes are always calculated in compliance with the IAS 12.
The controlling company, CAD IT S.p.A., and some of the Group's companies, have exercised the option of Group taxation as stated in art. 117 of TUIR 917/1986, which concerns the determination of a global income that corresponds to the algebraic sum of all net comprehensive incomes of the companies in the group. The liquidation of this one tax allows the Group the contextual use of any tax losses in the period.

2 Revenues

The revenues gained in the period by the company are subdivided as follows:

	Period 2009		*Period 2008*		*Variations*	
						%
Income from sales and services	45,146	89.40%	48,115	94.45%	(2,968)	(6.17%)
Asset increases due to internal work	4,330	8.57%	2,442	4.79%	1,888	77.32%
Other revenue and receipts	1,022	2.02%	387	0.76%	635	164.11%
Production value	***50,499***	***100.00%***	***50,944***	***100.00%***	***(445)***	***(0.87%)***

Services and sales of goods include earnings deriving from the sale of software licences, software maintenance and updating services, the use of personalised applicative packages, the sale of hardware goods, *application management* services, information technology system consultancy and design.
The 2009 period showed a reduction in revenues of Euro 2,968 thousand (-6.17%).
Sales and services revenues include Euro 1,596 thousand to CAD IT affiliated companies (see particulars in relation to director management and the notes on transactions with correlated parties).
Increases in internal work capitalised under fixed asset include activities carried out for the development of new procedures to be sold on user licence or instruments for traditional activities and were directly sustained by CAD IT (Euro 2,177 thousand), purchased by the affiliated companies CAD s.r.l. (Euro1,389 thousand), CeSBE (Euro 498 thousand), and BitGroove (Euro 266 thousand). The increases in immobilizations were carried out in cohesion with management plans.
Among the other revenues and returns registered to the amount of Euro 1,022 thousand, Euro 830 thousand refer to tax credits in accordance with Article 1, paragraphs 280 to 283, of law no. 296 of 27th December 2006, awarded on research and development costs sustained for projects that began in 2008 and were ongoing in 2009 and Euro 105 thousand relate to an IRES reimbursement deriving from a 10% deductibility in IRAP paid in 2004-2007.
The Group's activities are not on the whole, affected by significant cyclical or seasonal variations in total sales during the financial period.

3 Segment reporting by sectors

The internal organisational and managerial structure and the internal reporting for the Board of Directors is presently grouped into two operative divisions: Finance and Manufacturing. These divisions are the basis on which the Group reports sector information according to the primary layout.
The main activities of each sector are as follows:
- Finance: includes the computer applications aimed specifically at banks, insurances and other financial institutions. The main applications provide:
  - management of intermediary activities on securities, funds and derivate instruments;
  - management of the typical services in the credit sector, such as the collection, treasury and monitoring of credit procedures;
  - service allocation for trading on line;
  - management of integrated banking computer systems;
  - consultancy and training.
- Manufacturing: includes the development and marketing of instruments and software applications and offers a series of services aimed at allowing the companies to effectively manage numerous company processes, including Outsourcing.

The data not allocated to the sectors mainly refer to income and costs for logistics and administration services given to the group's companies by the controlling party.

Disclosures for business segments	***31/12/2009***				
	Finance	***Manufacturing***	***Not allocated/General***	***Elisions***	***Consolidated***
External revenues	47,877	1,351	1,271		50,499
Intersegment revenues	2,371			(2,371)	
Total revenues	50,248	1,351	1,271	(2,371)	50,499
Costs	(47,342)	(1,284)	(1,271)	2,371	(47,526)
Gross Operating Result (EBITDA)	6,214	67			6,281
Operating Result (EBIT)	2,905	67			2,972
Net financial income (expenses)			739		739
Revaluations and devaluations			(10)		(10)
Result	2,905	67	729		3,701
Income taxes			(1,322)		(1,322)
Financial period profit (loss)	2,905	67	(593)		2,380
Assets	86,736		1,583		88,319
Liabilities	25,983		5,259		31,242

Disclosures for business segments	***31/12/2008***				
	Finance	***Manufacturing***	***Not allocated/General***	***Elisions***	***Consolidated***
External revenues	50,146	798			50,944
Intersegment revenues	1,930			(1,930)	
Total revenues	52,076	798		(1,930)	50,944
Costs	(44,540)	(716)	(1,230)	1,930	(44,556)
Gross Operating Result (EBITDA)	10,605	82	(1,230)		9,457
Operating Result (EBIT)	7,536	82	(1,230)		6,388
Net financial income (expenses)			1,292		1,292
Revaluations and devaluations			(456)		(456)
Result	7,536	82	(394)		7,224
Income taxes			(2,589)		(2,589)
Financial period profit (loss)	7,536	82	(2,983)		4,635
Assets	84,643		4,550		89,192
Liabilities	21,829		8,311		30,140

Information on the sector according to the secondary layout by geographical area is not provided as CAD IT presently produces and carries out its activities almost totally nationally and homogeneously.

4 Purchase Costs

The table below shows the details of CAD IT' purchase costs:

	31/12/2009	31/12/2008	Variations
Hardware-Software purchases for sale	184	16	168
Maintenance and consumable hardware purchases	12	69	(57)
Other purchases	170	164	6
Variations in raw material stock	2	5	(3)
Total	**367**	**254**	**113**

5 Service costs

	31/12/2009	31/12/2008	Variations	%
External collaboration	22,157	19,299	2,858	14.81%
Travelling expenses and fee reimbursement	906	939	(33)	(3.48%)
Other service costs	2,084	2,007	76	3.80%
Total	**25,147**	**22,245**	**2,901**	**13.04%**

Service costs in the 2009 financial period came to Euro 25,147 thousand showing a 13.04% increase compared to the previous year (Euro 22,245 thousand). Costs for external collaboration include Euro 17,564 thousand (previous period Euro 16,412) for costs towards affiliated companies.
Expenses and transfer fees suffered a slight drop compared to 2008 settling at Euro 906 thousand compared to Euro 939 thousand in the previous year.
Other service expenses to the amount of Euro 2,084 thousand did not show any significant variation and registered a 3.8% increase compared to the previous year (Euro 2,007). This item mainly included hardware and software assistance and maintenance charges, energy costs, administrative, legal and fiscal consultancy, maintenance and management costs for the offices and facilities.

6 Other operational costs

The table below shows the details of other operational costs:

	31/12/2009	31/12/2008	Variations	%
Third party benefit expenses	315	247	69	27.85%
Various management charges	95	100	(4)	(4.31%)
Total	**411**	**346**	**64**	**18.59%**

Third party benefit expenses mainly refer to equipment and software rental and to office lease.

7 Labour costs and Employees

Labour costs are as follows:

	31/12/2009	31/12/2008	Variations	%
Salaries and wages	12,419	12,673	(254)	(2.00%)
Payroll taxes	3,738	3,797	(58)	(1.53%)
Severance pay	1,018	1,054	(36)	(3.43%)
Other costs	116	107	9	8.67%
Total	**17,291**	**17,630**	**(339)**	**(1.92%)**

Labour costs in the 2009 period stood at Euro 17,291 thousand, showing a drop of Euro 339 thousand (-1.92%) compared to the previous year (Euro17,630 thousand). Labour costs include the effect deriving from the actuarial calculation, in accordance with the IAS 19 standard, for employee severance pay debts: the actuarial loss during the period was Euro 14 thousand compared to a profit of Euro 104 thousand in 2008. The drop in labour costs was mainly due to the reduction of bonuses awarded to employees in the period.
The figures relating to the precise number of employees currently working in CAD IT are shown below:

Category of employees	labour force at 31/12/2009	labour force at 31/12/2008	labour force at 31/12/2007
Management	14	14	15
White-collars and cadres	268	266	265
Total	***282***	***280***	***279***

At the end of 2009, CAD IT's staff had increased by 2 units compared to the previous financial period and had a total number of 282 employees; to be precise, 9 people were taken on during the period and 7 people gave in their notice, thus determining the following turnover rates:

Employee turnover	2009	2008
Negative turnover (Dismissed/employees at beginning of period)	2.6%	2.5%
Positive turnover (Employed/employees at beginning of period)	3.4%	2.9%
Total turnover (∑ turnover)	6.0%	5.4%
Turnover compensation rate (Employed/Dismissed)	128.6%	114.3%

The details relating to the average number of CAD IT employees are shown below; the average number of employees decreased by a person during the financial period.

Category of employees	Average number 2009	Average number 2008
Management	14	15
White-collars and cadres	266	267
Total	***280***	***281***

Personnel training is of particular importance to the Group, which specifically schedules refresher and training periods.

8 Other administrative costs

The table below shows the other administrative costs in detail.

	31/12/2009	31/12/2008	Variations	%
Director and legal representative fees	528	573	(45)	(7.78%)
Director and legal representative fee contributions	38	37	1	2.06%
Telephones	247	238	9	3.62%
Commissions	43	14	29	211.44%
Advertising fees	146	149	(3)	(2.23%)
Total	**1,002**	**1,011**	**(9)**	**(0.90%)**

The other administrative expenses sustained in 2009 do not show any significant deviation compared to the previous period and register a total fall-off of Euro 9 thousand.

9 Financial performance

The table below shows the details of financial performance.

	31/12/2009	31/12/2008	Variations	%
Subsidiaries share-holdings dividends	412	658	(246)	(37.34%)
Associated companies share-holdings dividends	155	182	(27)	(14.98%)
Financial income from other share-holding	12	6	7	120.08%
Interest on bank deposits and equivalent	162	480	(318)	(66.24%)
Profits on exchanges	0	0	(0)	(100.00%)
Total financial income	**741**	**1,325**	***(584)***	**(44.1%)**
Interest on bank overdrafts and loans	(1)	(34)	32	(95.58%)
Losses on exchanges	(1)	0	(1)	-
Total financial charges	***(3)***	***(34)***	***31***	**(92.6%)**
Net financial income and (charges)	**739**	**1,292**	**(553)**	**(42.81%)**

Returns are made up of dividends from holdings to the amount of Euro 579 thousand, showing an increase compared to Euro 845 thousand in the previous financial period, and interest received on liquid assets and equivalent means (current account deposits and capitalisation insurance policies) to the sum of Euro 162 thousand compared to Euro 480 thousand in the previous year, considerably less due to there being a reduced financial availability during the period and a fall in earnings.
Insignificant financial expenses, mainly refer to temporary overdrafts on current accounts, interests on payment deferments and losses in exchange rates.

10 Revaluations and depreciations

The Euro 10 thousand devaluation amount registered in the 2009 period refers to a reduction in value of activities available for sale (holding in the listed company Class Editori S.p.A.); in 2008 the same activities suffered a devaluation of Euro 456 thousand.

11 Income taxes

Income taxes	*31/12/2009*	*31/12/2008*	*Variations*	*%*
Tax pre-payments	23	(7)	29	(447.17%)
Deferred taxes	(32)	0	(32)	-
Current taxes	1,331	2,596	(1,265)	(48.73%)
Total income taxes	**1,322**	**2,589**	**(1,267)**	**(48.95%)**

The taxes ascribable to this period were estimated taking the results of the period and the norms in force into account and they represent the best possible estimate of the tax expenses ascribable to the period in question.

RECONCILIATION BETWEEN TAX EXPENSES IN THE BALANCE AND THEORETICAL TAX EXPENSES				
Theoretical rates	**IRES**	27.5%	**IRAP**	3.90%
	Taxable	**Tax**	**Taxable**	**Tax**
Pre-tax result	**3,701**		**3,701**	
Theoretical tax		**1,018**		**144**
Temporary differences deductible in later periods				
Director remuneration	(20)			
Representation expenses	(60)			
Total temporary tax variations on the increase	**(80)**	**(22)**	**0**	**0**
Permanent differences				
To IRES / IRAP income increases	553		18,768	
To IRES / IRAP income decreases	(1,593)		(7,868)	
Total permanent differences	**(1,041)**	**(286)**	**10,900**	**425**
Taxable fiscal income	**2,581**		**14,601**	
Taxable income / current tax on the period's income	**2,581**	**710**	**14,601**	**569**
Effective rate on the pre-tax result	**IRES**	**19.17%**	**IRAP**	**15.39%**

SUMMARY OF THEORETICAL TAX EXPENSES AND TOTAL EFFECT				
	Period 2009		*Period 2008*	
Current IRES tax	710	19.17%	1,895	26.23%
Current IRAP tax	569	15.39%	731	10.11%
Total current taxes and effective rates	**1,322**	**34.56%**	**2,625**	**36.34%**

SUMMARY OF THE TEMPORARY DIFFERENCES AND EFFECTS ON THE ECONOMIC ACCOUNT

Description of the temporary differences	Pre-paid tax at 31.12.2008			Pre-paid tax at 31.12.2009			Economic account
Deductible differences	Taxable	Rate	(a - b) (a)	Taxable	Rate	Tax (b)	(a - b)
Representation expenses	43	*31.40%*	13	23	*31.40%*	7	6
Shareholding devaluation	0	*27.50%*	0	0	*27.50%*	0	0
Directors' remunerations	60	*27.50%*	17	0	*27.50%*	0	17
Total			***30***			***7***	***23***

Description of the temporary differences	Deferred tax at 31.12.2008			Deferred tax at 31.12.2009			Economic account
Taxable differences	Taxable	Rate	(a - b) (a)	Taxable	Rate	Tax (b)	(a - b)
TFR discounting back	483	*27.50%*	133	367	*27.50%*	101	-32
Land revaluation	388	*31.40%*	122	388	*31.40%*	122	0
Land depreciation	72	*31.40%*	22	72	*31.40%*	22	0
Building revaluation	8,051	*31.40%*	2,528	8,051	*31.40%*	2,528	0
Building depreciation	438	*31.40%*	137	438	*31.40%*	137	0
Electronic machinery depreciation	24	*31.40%*	7	24	*31.40%*	7	0
Software depreciation	1,150	*31.40%*	361	1,150	*31.40%*	361	0
Licensing depreciation	21	*31.40%*	7	21	*31.40%*	7	0
Phone system depreciation	0	*31.40%*	0	0	*31.40%*	0	0
Assets and furniture depreciation	0	*31.40%*	0	0	*31.40%*	0	0
System depreciation	-66	*31.40%*	-21	-66	*31.40%*	-21	0
Total			***3,298***			***3,265***	***-32***

12 Earnings per share

The basic earnings per share is calculated by dividing the year's net profit ascribable to the ordinary shareholders of the Head Company by the weighed average number of ordinary shares in circulation during the year. The number of ordinary shares in circulation does not change during the year of the period and no other types of share are admitted.

There are no options, contracts or convertible financial instruments or equivalent that give their owners the right to acquire ordinary shares, therefore, the basic profit per share and the dissolved profit per share agree.

Earnings per share	*2009*	*2008*	*2007*	*2006*
Net profit ascribable to ordinary shares (Euro thousands)	2,380	4,635	6,567	2,690
Weighed average number of ordinary shares in circulation	8,980,000	8,980,000	8,980,000	8,980,000
Net profit ascribable to ordinary shares for basic profit per share (Euro)	**0.265**	***0.516***	***0.731***	***0.300***

13 Property, plant and equipment

The caption "property, plant and equipment" is composed as follows:

Property, plant and equipment	*31/12/2009*	*31/12/2008*	*Variations*	*%*
Land	1,527	1,527	0	0.00%
buildings	14,636	14,755	(120)	(0.81%)
Plant and equipment	1,811	2,044	(233)	(11.42%)
Other assets	673	726	(53)	(7.27%)
Total property, plant and equipment	**18,646**	**19,052**	**(406)**	**(2.13%)**

In the period, the item "property, plant and equipment" varied as follows:

	Land and buildings	*Plant and machinery*	*Other tangible fixed assets*	*Total*
Purchase or production cost	8,787	3,712	2,368	14,867
Previous years revaluations	8,439			8,439
Previous years depreciation and write-downs	(943)	(1,667)	(1,643)	(4,254)
Adjustments to previous years write-downs				
Opening value	***16,282***	***2,044***	***726***	***19,052***
Purchases		4	283	287
Transfers				-
Reduction in accumulated depreciation due to disposals		2	72	74
Disposals		(2)	(77)	(79)
Revaluations for the period				
Depreciation and write-downs for the period	(120)	(238)	(330)	(688)
Adjustments to write-downs for the period				
Total tangible fixed assets	***16,162***	***1,811***	***673***	***18,646***

Land and buildings include property and land, accounted for separately, belonging to CAD IT S.p.A..
There are no restrictions on the legal ownership and possession of assets, systems and machinery to guarantee liabilities. There are no contractual restrictions for buying assets, systems or machinery.
The purchasing of new tangible assets during the year came to a total of Euro 287 thousand, of which the greater part (Euro 283 thousand) were for “other tangible assets”, voice that included the purchasing of electronic machinery, managerial instruments characteristic of the Company’s activities.
During the year property, installations and machinery were not subject to any value reductions that required registration in the balance.

14 Intangible fixed assets

The caption "intangible fixed assets" is composed as follows:

Intangible fixed assets	*31/12/2009*	*31/12/2008*	*Variations*	*%*
Industrial patents and similar rights	6,605	7,186	(581)	(8.08%)
Licences, trademarks and similar rights	429	139	289	207.52%
Assets under development	10,542	8,008	2,534	31.64%
Total Intangible fixed assets	**17,576**	**15,334**	**2,242**	**14.62%**

In the period, "Intangible fixed assets" varied as follows:

	Industrial patents and similar rights	*Licences, trademarks and similar rights*	*Assets under development and payments on account*	*Total*
Purchase or production cost	11,274	1,064	8,008	20,347
Previous years revaluations				
Previous years depreciation and write-downs	(4,088)	(925)		(5,013)
Adjustments to previous years write-downs				
Opening value	***7,186***	***139***	***8,008***	***15,334***
Purchases		438	4,330	4,768
Transfers	1,797		(1,797)	-
Reduction in accumulated depreciation due to disposals				
Disposals				
Revaluations for the period				
Depreciation and write-downs for the period	(2,377)	(148)		(2,526)
Adjustments to write-downs for the period				
Total intangible fixed assets	***6,605***	***429***	***10,542***	***17,576***

The voice “industrial patent rights and works of ingenuity” is almost entirely made up of software procedures developed by the CAD IT; during the financial period, this registration increased by Euro 1,797 thousand due to the reclassification of procedures completed and available for sale or use which were previously registered to ongoing intangible assets. The values are registered in credit to the directly sustained cost, including costs relating to the use of internal resources as well as any possible additional accessory fees that may occur. In respect of the principle that correlates costs and revenues, such costs are amortized as of the moment in which they are available for use and in terms of the product’s lifecycle, estimated at five years. The amortizations of this voice in the 2009 financial period came to Euro 2,377 thousand, increasing compared with Euro 2,246 thousand of 2008 financial period.

The caption “Licences, trademarks and similar rights” principally includes the licensed out software bought by third parties used for programming activities.

The voice assets under development refers to investments in the 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 very shortly, even by law, in credit and financial institutions as well as in the field of public and industrial administration. These assets are listed as receivable on the basis of the directly sustained cost.

The fundamental condition for their registration in patrimonial credit is that said costs concern clearly defined, distinguishable and measurable products or processes and that they relate to projects that are both technically

feasible and economically recoverable through revenues that will develop in the future by application of the project itself.
These assets have undergone no reduction in value during the year that need to be registered in the balance

15 Investments

Investments	31/12/2009	31/12/2008
In subsidiary companies	14,681	14,681
in associated companies	3	3
Total Investments	**14,684**	**14,684**

Investments are shown at purchase cost.
The value of holdings in controlled companies stands at Euro 14,681 thousand, while the value of holdings in affiliated companies is Euro 3 thousand. There were no variations during the financial period.
The balance values and the fraction of net patrimony concerning controlled and affiliated companies are shown below. The figures are taken from civil law balances drafted in accordance with the national accounting standards and approved by the administrative organs of the respective companies opportunely adjusted on the basis of international accounting standards.

Investments in subsidiary companies

COMPANY NAME	QUOTA CAPITAL (euro)	PERCENTAGE OF INVESTMENT	NET PROFIT or LOSS (euro/000)	SHAREHOLDERS' EQUITY WITHOUT NET PROFIT OR LOSS (euro/000)	QUOTAHOLDERS' EQUITY HELD (euro/000)	CARRYING VALUE (euro/000)
CAD S.r.l.	130,000	100.00%	162	1,896	2,059	5,824
CeSBE S.r.l.	10,400	52.00%	(89)	3,461	1,754	57
Datafox	99,999	51.00%	(145)	259	58	454
Netbureau S.r.l.	50,000	100.00%	13	62	75	133
SGM S.r.l.	100,000	100.00%	(11)	1,188	1,177	3,220
DQS S.r.l.	11,000	55.00%	(105)	159	30	3,263
Bit Groove S.r.l.	15,500	100.00%	16	39	55	285
Elidata S.r.l.	20,000	51.00%	147	700	432	781
SMART Line S.r.l.	102,700	51.05%	(78)	779	358	664
TOTAL			**(90)**	**8,543**	**5,996**	**14,681**

Investments in associated companies

COMPANY NAME	QUOTA CAPITAL (euro)	PERCENTAGE OF INVESTMENT	NET PROFIT or LOSS (euro/000)	SHAREHOLDERS' EQUITY WITHOUT NET PROFIT OR LOSS (euro/000)	QUOTAHOLDERS' EQUITY HELD (euro/000)	CARRYING VALUE (euro/000)
Sicom S.r.l.	10,400	25.00%	653	227	220	3

In relation to 31st December 2008, there were no variations in the holding share in controlled and affiliated companies.

The company annually verifies the holding values at least once a year or more often if there are indications of value losses.
The recoverable value of investments is verified by determining the value in use.
The evaluation of the CAD IT Group companies was made through a *Discounted Cash Flow* (DCF), the most common calculation method in financial markets. Operational cash flow forecasts are based on the most recent budget plans approved by the Board of Directors and relate to the period 2010–2012 which take into account the concrete company growth possibilities based on past data and on management forecasts. The financial flows that go over this period have been calculated with great care using a growth rate of nil. The putting into effect rate used is the weighed average of capital estimated at 9.65%.
The main assumptions used by the Directors for discounting back prospective financial flows in order to make an analysis of the holding value are reported below:
the equation used for estimating the weighed average cost of capital is the following

$$k = k_b\ (1\text{-}TC)\ (B/V) + k_p\ (P/V) + k_s\ (S/V)$$

where:
k_b = interest rate in case of debt
TC = marginal tax rate of the economic bodies being evaluated
B = market value of the debt of a company
V = total market value of a company.
k_p = advisability cost of risk capital
P = market value of the privileged shares
k_s = advisability cost of own capital determined by the market
S = market value of the net capital.
The cost of capital was identified as k_S = 9.65%.
The permanent growth rate of the company being evaluated was chosen by taking it as 0% a year despite the CAGR of the income and profits of each being greater.
The value of the companies was determined as a summation of discounted back cash flows (Free Cash Flow), of the remaining value and the net financial position. In brief we can say:
COMPANY VALUE = ± NET FINANCIAL POSITION + DISCOUNTED BACK CASH FLOWS + REMAINING VALUE
If we want to translate this equation into mathematical terms, we could show it in the following way:
N.P.V.= company value (Net Present Value)
P.F.N. = Net Financial Position
FCF = cash flow
k = cost of capital
N = explicit period
g = growth rate of the implicit period
$N.P.V. = \pm P.F.N. + \sum^{N}_{i} FCF\ (1+k)^{-N} + (FCF_{N+1} / k\text{-}g)\ \{[1/[1+(k\text{-}g)]^{N}\}$

16 *Financial assets available for sale*

This point involves Class Editori S.p.A. and CIA S.p.A. shares, companies listed on Borsa Italiana SpA. The two holdings are registered in the Financial Statement at stock exchange value at the Financial Statement date. The profits and losses registered after a *fair value* evaluation at each Financial Statement date for this asset are registered to net patrimony with the exception of those value losses that must be registered in the profit and loss account.
The table below illustrates the value variations of these holdings during the year 2009:

Holding	31/12/2009		31/12/2008	
	No, of shares held	Fair value €/000	No, of shares held	Fair value €/000
Class Editori S.p.a. (CLE)	559,112	375	Class Editori S.p.a. (CLE)	559,112
Cia S.p.a. (CIA)	1,230,509	406	Cia S.p.a. (CIA)	1,230,509
Total		**781**	***Total***	

17 Credits due to prepaid taxes

Credits due to prepaid taxes are made up of assets in this period or previous periods and will probably create a taxable income. Credits for pre-paid IRES and IRAP taxes are mainly in reference to time differences (deductible over the next few financial periods).

18 Inventories

Leftover stock includes finished products and goods for a total amount of Euro 28 thousand compared to Euro 30 thousand at 31.12.2008.

19 Other financial assets

Commercial credits and other credits are made up as follows:

	31/12/2009	31/12/2008	Variations	%
Credits to clients	25,770	19,801	5,969	30.1%
Credit depreciation fund	(229)	(166)	(63)	38.0%
Credit towards subsidiaries	3,270	2,999	271	9.0%
Credit towards associated companies	-	-	-	-
Accrued income and deferred expenses	489	428	60	14.1%
Other credits	201	155	46	30.0%
Total trade receivables and other credits	***29,501***	***23,218***	***6,283***	**27.1%**

Credits to clients are entirely due within 12 months: the accounting value of commercial credits and other credits is approximate to their fair value and mainly made up of credits to public administration, banking institutions and insurance companies.

The high sum of credits towards clients is conditioned by the size of the value of the contracts, which is often considerable, as well as the contractual terms of payment which usually state that the balance of the amounts due are to be paid after the procedures supplied have been approved.

The company evaluated the credits to the probable break-up value. This evaluation is made analytically for expired credits and on expiry of a greater length of time than the average receipt time and on a lump-sum basis for the other credits, depending on the past incidence of losses that the company finds for sales during the invoicing year.

Regarding credits that are considered uncollectable, an allocation fund has been set up to the amount of Euro 229 thousand which ensures a cover of 0.89% of the total amount of credits towards clients. This fund was determined on the basis of past data regarding losses on credits and is considered proportionate.

Among the commercial credits and other credits, Euro 3,551 thousand (of which Euro 3,269 thousand towards the Group's companies) were towards correlated parties, as explained in note 33.

The item Accruals and deferred charges entirely refers to deferred charges made up of the following:

	31/12/2009	31/12/2008
Software assistance	74	94
Advertising expenses	10	1
Third party benefit expenses	74	-
Telephone charges	11	4
Administrative services	265	284
Various insurances	17	21
External collaborations	-	20
Hardware assistance	21	-
Various	17	4
Total Accrued costs	***489***	***428***

The total sum of the point on other credits showed the following results:

Credits towards other	*31/12/2009*	*31/12/2008*	*Variations*	*%*
Receivables for advances on travel expenses	0	1	(1)	(91.8%)
Payments on account to suppliers	162	112	50	44.3%
Other	39	42	(2)	(5.6%)
Total credits towards other	***201***	***155***	***46***	**30.0%**

20 Tax credits

The entry of Euro 1,576 thousand, showing a decrease compared to the previous period (Euro 4,520 thousand), was mainly made up of credit towards Inland Revenue for the excess payment of down payments in IRES (Euro 876 thousand) and IRAP (Euro 92 thousand) paid in 2009, of tax credit in accordance with Article 1, paragraphs 280 to 283, of law no. 296 of 27th December 2006, awarded on research and development costs (Euro 415 thousand) and tax credits relating to an IRES reimbursement deriving from a 10% deductibility in IRAP paid in 2004-2007 (Euro 193 thousand).

21 Cash and other equivalent assets

	31/12/2009	*31/12/2008*	*Variations*	*%*
Bank and postal accounts	3,190	9,413	(6,223)	(66.1%)
Cash-on-hand and cash equivalents	7	6	1	21.7%
Insurance policies capitalised	2,305	2,234	71	3.2%
Total Cash and other equivalent assets	***5,502***	***11,652***	***(6,150)***	**(52.8%)**

The bank and postal account deposits are made up of cash-on-hand in current bank accounts for Euro 3,190 thousand, decrease by Euro 6,223 thousand compared to 31st December of previous financial period.
It is possible to redeem the capitalisation insurance policy at any time and reimbursement is made within 20 days with no particular significant expense. The returns are variable in relation to the annually calculated revaluation rate. The guaranteed minimum annual rate is 2.50%.

22 Company capital

The company capital, entirely registered, deposited and unchanged over the period, amounted to euro 4,669,600. It was subdivided into 8,980,000 ordinary shares with a nominal value of euro 0.52 each and all with

equal rights.
The ordinary shares are registered and indivisible and each one gives the right to a vote at the ordinary and extraordinary shareholders' meetings, as well as to the faculty of carrying out other company and patrimonial rights in accordance with the law and the statute.
Neither CAD IT S.p.A. nor its controlled companies own CAD IT or their own shares, not even through trustee companies or third parties.
CAD IT's net patrimony at 31.12.2009, including the financial period result, came to Euro 57,077 thousand compared to Euro 59,052 thousand at 31.12.200. Patrimony reduction is due to the distribution of dividend during 2009 financial period, as the Ordinary Shareholders' Meeting decided.

23 Reserves

	31/12/2009	*31/12/2008*	*Variations*	*%*
Share surcharge reserve	35,246	35,246	-	-
Re-evaluation reserve for fin. assets available for sale	235	100	135	135.8%
Total Reserves	***35,481***	***35,346***	***135***	**0.4%**

The variation of the evaluation reserve for assets available for sale comes from the variation in fair value at 31 December 2009 of the holding in the quoted company Class Editori Spa and CIA S.p.A., directly registered in the net patrimony reserve.

ANALYSIS OF THE AVAILABILITY AND DISTRIBUTION POSSIBILITY OF STOCKHOLDERS' EQUITY (art. 2427 no. 6bis civil code)	
There are no restrictions to the possibility of using derivates in the statutory arrangements	
In the three previous financial periods Stockholders' equity was used to a total of	-
– The legal reserve has already reached a fifth of the company capital (art. 2430 c.c.).	
The Stockholders' equity quotas that cannot be distributed are:	
–cover for long-term costs that have not yet been amortized (art. 2426, no. 5 c.c.):	17,147
Total Stockholders' equity quota that cannot be distributed:	17,147

Nature/description	Amount at 31.12.2009	Use possibility (*)	Available Amount	Summary of the uses made in the three previous financial periods:	
				for loss coverage	for loss coverage
Capital	4,670				
Capital reserves:					
Reserve from share overpayment	35,246	a - b - c	35,246	-	-
Profit reserves:					
Legal reserve	934	b	-	-	-
Available joint profit reserve	10,908	a - b - c	10,908	-	-
Valuation reserve for financial assets available for sale	235	-	-	-	-
IAS transition reserve	2,119	-	-	-	-
Previous profits	585	-	-	-	-
Profit for the period	2,380	a - b - c	2,380		
Total	57,077		48,534	-	-
Amount that can not be distributed			17,147		
Amount that can be distributed			31,387		

(*) legend: a = company capital increase b = loss coverage c = shareholder distribution

24 Accumulated profit/(losses)

	31/12/2009	31/12/2008	Variations	%
Previous profits/losses	585	585	-	-
Legal reserve	934	934	-	-
IFRS transition reserve	2,119	2,119	-	-
Available joint profit reserve	10,908	10,763	145	1.3%
Profit/loss for the period	2,380	4,635	(2,255)	(48.7%)
Total accumulated profits/losses	***16,926***	***19,036***	***(2,110)***	**(11.1%)**

Previous period profit refers to the difference between the profits for the 2004 period calculated with the IAS/IFRS accounting standards compared to calculation with the national accounting standards.
The IFRS transition reserve covers any differences that may have occurred when the international accounting standards were first adopted on 1st January 2004 and was changed for the actual application of the IAS 32 and 39 standards on 01/01/05 when assessing financial assets available for sale, in accordance with the IFRS 1 accounting standard.
The available joint profit reserve increased by Euro 145 thousand due to the effect of undistributed profits in the previous period.

25 Dividends paid and decided

On 29th April 2009, on the basis of the results for the 2008 financial period, which confirmed the company's ability to generate positive income margins, the Shareholders' Meeting approved the distribution of a Euro 0.50 ordinary dividend per share to the total sum of Euro 4,490 thousand; the coupons were released on 11th May 2009 and payment made on 14th May 2009.

26 Liabilities due to deferred taxes

Deferred taxes amounted to Euro 3,265 thousand (3,298 previous period) and took into account the taxable time differences resulting from time differences of the accounting value of an asset or liability compared to its recognised value for tax purposes. In particular they mainly referred to the fiscal effect of adjustments made at the FTA, the taxation of which was deferred to future periods. For the particulars of this entry, please refer to the table "Situation of temporary differences and effects on the profit and loss account" in note 11.

27 Employees' leaving entitlement and quiescence reserves

The point concerning the severance pay (TFR) fund shows the movements resulting from annual allocations made on the basis of the evaluations of external actuaries based on the IAS 19 and the uses carried out concerning end of working contract resolutions or advance payments.

Employees' leaving entitlement	*31/12/2009*	*31/12/2008*	*Variations*	*%*
at 1 January	3,117	3,201	(85)	(2.6%)
Discounting back	14	(104)	118	(113.3%)
Allocation of period	117	283	(166)	(58.5%)
Utilisation	(70)	(264)	194	(73.3%)
Closing balance	***3,178***	***3,117***	***61***	**2.0%**

In order to carry out the mathematical evaluation, the database of each employee (salary, matured TFR net of any advance payments, age, sex, qualification, etc.) was given to the external actuaries by the companies' qualified offices. The hypothetical specifications on the employees in service regarding both their demographic evolution and their future economic characteristics, were calculated on the basis of some past company series, on similar experience and on market figures as well as on the basis of some indications supplied by the companies themselves in terms of their experience and sensitivity to company events.

In particular, in determining the present value of future services that are expected to be necessary in order to settle obligations deriving from working activities carried out in the current period and previous periods, the following were calculated:

- the present value regarding future forecasted services relating to working activities carried out in previous periods;
- the welfare cost regarding present work services, i.e. the increase in the present value of obligations resulting from work being carried out in the current period;
- the interest allowed given by the increase that the present value of the obligations is subject to during a period because of the fact that the date of payment of a benefit becomes one period closer.

The results of the mathematical evaluations on the basis of the IAS for TFR at 31 December 2009 have shown a cost in previous financial periods of Euro 3,024 thousand and interest allowed for the current year of Euro 122 thousand.

28 Commercial debts

The entire point shows the following trend:

	31/12/2009	*31/12/2008*	*Variations*	*%*
Debts towards subsidiaries	15,894	12,636	3,258	25.8%
Debts towards associeted companies	78	107	(29)	(26.9%)
Debts towards suppliers	2,743	1,947	796	40.9%
Accrued expenses and deferred income	203	211	(8)	(3.9%)
Total Commercial debts	***18,918***	***14,901***	***4,017***	**27.0%**

Debts towards suppliers are referred to as current debts for supplies of goods and services received, including those regarding investments in intangible assets.
Among the sales debits, Euro 15,984 thousand are towards correlated parties almost entirely towards the Group's companies (Euro15,894 thousand) as indicated in note 33.
The deferred income refers entirely to income that was already invoiced regarding annual ordinary maintenance contracts on user licences and mainly pertaining to next financial period.

29 Tax debts

The entry of Euro 1,994 thousand (Euro 5,014 thousand in the previous period) mainly includes tributary debts for the company's ongoing taxes and those included in consolidated tax towards Inland Revenue (Euro 213 thousand), the debt for value added tax (Euro 980 thousand) and the withholding taxes applied by the company for tax substitution activities towards employees and collaborators (Euro 802 thousand).

30 Other debts

Details of other debts are as shown:

	31/12/2009	*31/12/2008*	*Variations*	*%*
Social security charges payable	1,469	1,437	32	2.2%
Towards directors	-	60	(60)	(100.0%)
Towards staff for deferred salaries and pay	2,352	2,314	38	1.7%
Total other debts	***3,822***	***3,811***	***11***	**0.3%**

Debts towards welfare institutions included matured contributory debts on current monthly salaries as well as the quota for deferred maturing salaries.

31 Net financial position

The net financial availability at the end of the 2009 period was in credit by Euro 5,502 thousand, Euro 6,150 thousand less than the previous period (-52.8%).
Since there is no long-term financing, the net financial position will shortly coincide with the total position.

Net financial position/(indebtedness)	*31/12/2009*	*31/12/2008*	*Variations*	*%*
Bank and postal accounts	3,190	9,413	(6,223)	(66.1%)
Money and Cheques	7	6	1	21.7%
Capitalisation insurance policies	2,305	2,234	71	3.2%
Short-term debts towards banks	-	-	-	-
Net short-term financial position/(indebtedness)	**5,502**	**11,652**	***(6,150)***	**(52.8%)**
Long-term loans net of current portion	-	-	-	-
Net long-term financial position/(indebtedness)	**-**	**-**	**-**	**-**
Net financial position/(indebtedness)	***5,502***	***11,652***	***(6,150)***	**(52.8%)**

In particular, cash-on-hand and in bank accounts came to Euro 3,190 thousand. Capitalisation insurance policies of Euro 2,305 thousand were contractually available on 20-day prior request without any significant tax expenses.
As a link between the data of the net financial position statement and the balance statement, it is hereby reported that: cash in bank accounts and capitalisation insurance policies are registered in the patrimonial status as "Cash and other equivalent assets"; short-term financial debts are registered as "Payables due to banks current portion"; long-term financing is registered in the patrimonial status as "Long-term loans".

The decrease in financial availability caused by a greater use of resources for investment activities (Euro -4,309 thousand), is partially compensated by liquidity generated by traditional business (Euro +2,649 thousand). Financial management has also absorbed considerable liquidity (Euro -4,490 thousand) mainly due to the effect of profit distribution in the previous period. Please refer to CAD IT cash flow statement for details.

32 Important events since 31st December 2009

Subsequent to 31st December 2009, there have been no events of particular importance to significantly influence the shareholders' equities or economic results of CAD IT.
For further information on the foreseeable development of management, refer to the management report in the specific paragraph.

33 Related parties transactions

Any commercial relations between the Group's companies are governed by normal market conditions.
The summary of income and costs, despite the credit and debit position at 31st December 2009 between the Group's subsidiaries, is shown in the specific note on management relations.
The following table shows the incidence of transactions with correlated parties on the respective balance entry:

Transaction incidence with correlated parties	*Total*	*Correlated Parties*	
		Absolute value	*% on Tot.*
A) Transaction or position incidence with correlated parties on entries in the Profit and Loss account			
Income from sales and services	45,146	2,120	4.70%
Service costs	(25,147)	(18,113)	72.03%
Labour costs	(17,291)	(439)	2.54%
Other administrative expenses	(1,002)	(566)	56.47%
B) Transaction or position incidence with correlated parties on entries in the Patrimonial situation			
Commercial credits and other credits	29,501	3,551	12.04%
TFR and pension funds	3,178	122	3.84%
Commercial debts	18,918	15,984	84.49%
Other debts	3,822	91	2.38%
C) Transaction or position incidence with correlated parties on financial flows			
Cashed dividends	579	567	97.88%

Except for previously mentioned relations, no other relations with other correlated parties of an economic-patrimonial nature of any significant worth have been taken into account.
Revenues with correlated parties mainly concern services carried out towards controlled companies (Euro 1,596 thousand), Xchanging (Euro 299 thousand), which holds a 10% share in CAD IT, and the affiliated company Sicom S.r.l. (Euro 221 thousand). Service costs towards correlated parties include services carried out by controlled companies (Euro 17,564 thousand) and the affiliated company Sicom S.r.l. (Euro 408 thousand), CAD IT Board of Auditor fees and those relating to translation and language training services supplied by a company partly owned by one of the CAD IT directors (Euro 84 thousand).
Labour costs to correlated parties regard remunerations to employees of the Company who have a family relationship or affinity with the CAD IT directors and those managers with strategic responsibilities.

The other administrative expenses relating to correlated parties concern remunerations for the position of director given to CAD IT directors
Credits towards correlated parties are mainly made up of the parent company's credits towards the affiliated company Sicom (Euro 264 thousand).
Debits towards correlated parties are mainly made up of commercial debts for the above-mentioned services that have not yet expired (Euro 15,894 thousand), debts towards employees for remuneration accruals (Euro 90 thousand) and severance pay (Euro 122 thousand).
With the exception of the above relations, no further significant relations of an economic-patrimonial nature are held with correlated parties.
The following table shows the incidence of transactions with correlated parties for the 2008 financial period:

Transaction incidence with correlated parties – Period 2008	*Total*	*Correlated Parties*	
		Absolute value	*% on Tot.*
A) Transaction or position incidence with correlated parties on entries in the Profit and Loss account			
Income from sales and services	48,115	1,903	3.95%
Service costs	22,245	17,118	76.95%
Labour costs	17,630	423	2.40%
Other administrative expenses	1,011	610	60.29%
B) Transaction or position incidence with correlated parties on entries in the Patrimonial situation			
Commercial credits and other credits	23,218	3,010	12.96%
TFR and pension funds	3,117	78	2.50%
Commercial debts	14,901	12,804	85.92%
Other debts	3,811	93	2.43%
C) Transaction or position incidence with correlated parties on financial flows			
Intangible assets purchases	(2,691)	1,042	-38.70%
Cashed dividends	845	840	99.34%

34 Fees paid to Members of the Board of Directors, Statutory Auditors and Executives with Strategic Responsibilities

As required by art. 78 of the Consob Issuer Regulations, remunerations to be paid for any reason by the issuer or companies it directly or indirectly controls, to the members of management and control, and the managers with strategic responsibilities, are shown in the table below[4].
During 2007 financial period, the manager responsible for drafting the accounting documentation was nominated, with duties assigned beginning as of 1st July 2007, in accordance with law no. 262 of 28th December 2005 regarding "Instructions for the safeguarding of savings and financial market discipline."

[4] (in accordance with outline 1, attachment 3c, of Consob Regulation no. 11971)

Name and Surname	Role	Company name	Term of office	End of Office term	Remunerations for role	Bonuses and other incentives	Indemnity at termination of office	Other remunerations
Dal Cortivo Giuseppe	Chairman and Managing Director	CAD IT Spa	01/01-31/12	Balance approval 31/12/11	150	-	-	-
	Legal representative	CAD Srl	01/01-31/12	indefinite	87	-	-	87
	Director	CESBE Srl	01/01-31/12	indefinite	9	-	-	9
	Director	BITGROOVE Srl	01/01-31/12	Balance approval 31/12/11	9	-	-	9
	Director	DQS Srl	01/01-31/12	Balance approval 31/12/11	8	-	2	8
	Director	SICOM Srl	01/01-31/12	indefinite	6	-	-	6
Magnani Giampietro	Managing Director	CAD IT Spa	01/01-31/12	Balance approval 31/12/11	150	-	-	-
	Chairman and Managing Director	CAD Srl	01/01-31/12	Balance approval 31/12/09	87	-	-	87
	Director	BITGROOVE Srl	01/01-31/12	indefinite	15	-	-	15
	Director	NETBUREAU Srl	01/01-31/12	Balance approval 31/12/11	6	-	-	6
	Director	SMART LINE SRL	01/01-31/12	Balance approval 31/12/10	12	-	-	12
Rizzoli Maurizio	Director	CAD IT Spa	01/01-31/12	Balance approval 31/12/11	16	-	-	-
Zanella Luigi	Managing Director	CAD IT Spa	01/01-31/12	Balance approval 31/12/11	149	-	-	-
	Legal representative	CAD Srl	01/01-31/12	indefinite	87	-	-	87
	Director	CESBE Srl	01/01-31/12	indefinite	9	-	-	9
	Director	BITGROOVE Srl	01/01-31/12	Balance approval 31/12/11	9	-	-	9
	Director	DQS Srl	01/01-31/12	Balance approval 31/12/11	8	-	3	8
	Director	SICOM Srl	01/01-31/12	indefinite	6	-	-	6
Dal Cortivo Paolo	Managing Director	CAD IT Spa	01/01-31/12	Balance approval 31/12/11	19	-	-	97
Margetts Michael	Director	CAD IT Spa	01/01 - 30/04	Balance approval 31/12/08	3	-	-	-
Lambertini Lamberto	Director	CAD IT Spa	01/01-31/12	Balance approval 31/12/11	16	-	-	-
Rossi Francesco	Director	CAD IT Spa	01/01-31/12	Balance approval 31/12/11	16	-	-	-
Sohler Matthias Wolfgang	Director	CAD IT Spa	01/05-31/12	Balance approval 31/12/11	9	-	-	-
Cusumano Giannicola	Chairman Statutory Auditor	CAD IT Spa	01/01-30/04	Balance approval 31/12/08	8	-	-	-
	Statutory Auditors	CAD Srl	01/01-31/12	Balance approval 31/12/09	5	-	-	5
Ranocchi Gianpaolo	Statutory Auditors	CAD IT Spa	01/01-31/12	Balance approval 31/12/11	16	-	-	-
	Chairman Statutory Auditor	CAD Srl	01/01-31/12	Balance approval 31/12/09	7	-	-	7
Tengattini Renato	Statutory Auditors	CAD IT Spa	01/01-31/12	Balance approval 31/12/11	16	-	-	-
Riccardo Ferrari	Chairman Statutory Auditor	CAD IT Spa	01/05-31/12	Balance approval 31/12/11	17	-	-	-
Managers with strategic responsibilites		CAD IT Spa	01/01-31/12		-	-	-	72
TOTAL					**955**		**5**	**539**

The remunerations for this position include specific emoluments decided by the meeting even if they have not been paid, tokens for participating at company meetings and any lump-sum expense reimbursements.
Bonuses and other incentives include the variable part of emoluments in relation to reaching the objectives set by the remuneration committee, as established during the meeting.
Other remunerations include emoluments for positions in subsidiary companies, employee salaries (gross of welfare and tax costs to be paid by the employee, excluding those obligatory collective welfare costs to be paid by the company and put aside in the TFR fund) and all other remunerations deriving from other services supplied.
Severance pay includes redundancy pay.
At the moment there are no ongoing stock option plans.
Shares held by administrative and managerial organs are shown in the specific point regarding management relations.

35 Warranties

The credit lines granted by banks but currently not utilised are guaranteed by mortgages of € 12,395 thousand on buildings.

36 Other information

There have been no transactions or any non recurrent significant events, as defined in the Consob DEM/6064293 communication, in the present financial period or the previous one.
CAD IT has not drawn up any contracts containing clauses that depend on continual financial funding (covenant) nor any agreements where a subject – to whom a loan has been granted – must behave accordingly (negative pledge).
The company has earmarked Euro 65 thousand for tax amendments relating to previous periods, an object of partial controversy, in estimation of payments towards Inland Revenue.

37 Financial statement approval

The present annual plan budgetary was approved by the CAD IT S.p.A. Board of Directors on 12/03/2010 and will be an item for approval at the shareholders' meeting to be held on 29/04/2010 in first call and on 30/04/2010 in second call.

ATTESTATION OF THE FINANCIAL STATEMENTS IN ACCORDANCE WITH ART. 154 BIS OF LEGISLATIVE DECREE NO. 58/98

1. The undersigned, Giuseppe Dal Cortivo, Chairman of the CAD IT S.p.A. Board of Directors, and Maria Rosa Mazzi, the manager responsible for drafting the CAD IT S.p.A. company accounting documents, hereby declare, bearing in mind the content of art. 154-bis, paragraphs 3 and 4 of legislative decree no. 58 of 24th February 1998 in terms of:

- the adequacy in relation to the characteristics of the company and
- the effective application,

of the administrative and accounting procedures for drafting the balance sheet during the 2009 financial period.

2. Moreover, it is hereby declared that the balance sheet:

a) has been drafted in accordance with the international accounting standards (IFRS) – adopted by the European Union – in compliance with regulation (EC) no. 1606/2002 of the European Parliament and Council on 19th July 2002;

b) corresponds to the results in the accounting books and documents;

c) appropriately gives a true and correct representation of the Company's patrimonial, economic and financial situation.

3. The management report includes a reliable analysis of the management trend and result as well as the company's situation, together with a description of the main risks and uncertainties to which the company is exposed.

Verona, 12 March 2010

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

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

ATTACHMENT 1 – INFORMATION IN ACCORDANCE WITH ART. 149-DUODECIES OF CONSOB ISSUER REGULATION

The following table, drafted in accordance with art. 149-duodecies of the Consob Issuer Regulation, shows the compensations regarding the 2008 financial period for auditing services and other services carried out by BDO S.p.A..
No services were carried out by entities belonging to its network.

Type of service	*Receiver*	*Compensations*
Accounting audit	CAD IT S.p.A.	€ 11,913
Accounting audit	Subsidiaries	€ 46,543
Total		**€ 58,456**

The above compensations are adjusted annually in accordance with the Istat index, as provided for in the contract and in compliance with decisions made at the Shareholders' Meeting on 28.4.2006, which charged the audit company with the work.

SUMMARY FINANCIAL STATEMENTS OF CAD IT GROUP COMPANIES

SUMMARY FINANCIAL STATEMENTS OF THE CONSOLIDATED

SUBSIDIARY COMPANIES INCLUDED IN THE CONSOLIDATION AREA

(article 2429 of the Italian Civil Code)

CAD SRL

REGISTERED OFFICE: Via Torricelli, 37 - 37100 VERONA

QUOTA CAPITAL: € 130,000,00

% OF INVESTMENT OF CAD IT S.p.A: 100%

	31/12/2009	*31/12/2008*
TURNOVER	10,445,437	10,508,739
GROSS OPERATING RESULT	569,000	509,013
NET OPERATING PROFIT	550,678	484,580
FINANCIAL INCOME AND CHARGES, NET	2,046	47,322
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAXATION	552,724	531,902
NET PROFIT / (LOSS) FOR THE YEAR	193,813	144,771
TANGIBLE FIXED ASSETS, NET	26,309	11,870
WORKING CAPITAL, NET	3,790,064	3,634,921
INVESTED CAPITAL, NET	1,831,192	1,585,412
EMPLOYEES' LEAVING ENTITLEMENT	1,985,181	2,061,379
QUOTAHOLDERS' EQUITY	1,871,091	1,677,277
(NET SHORT-TERM INDEBTEDNESS) / FINANCIAL POSITION	39,899	91,865

CESBE SRL

REGISTERED OFFICE: Via Torricelli, 37 - 37100 VERONA
QUOTA CAPITAL: € 10,400
% OF INVESTMENT OF CAD IT S.p.A: 52%

	31/12/2009	31/12/2008
TURNOVER	3,360,494	3,691,965
GROSS OPERATING RESULT	74,416	775,827
NET OPERATING PROFIT	1,262	772,058
FINANCIAL INCOME AND CHARGES, NET	9,652	44,550
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAXATION	10,914	816,608
NET PROFIT / (LOSS) FOR THE YEAR	(78,903)	488,577
TANGIBLE FIXED ASSETS, NET	7,095	10,251
WORKING CAPITAL, NET	3,594,962	3,620,469
INVESTED CAPITAL, NET	3,124,809	3,214,456
EMPLOYEES' LEAVING ENTITLEMENT	477,248	416,264
QUOTAHOLDERS' EQUITY	3,350,618	3,829,522
(NET SHORT-TERM INDEBTEDNESS) / FINANCIAL POSITION	295,809	615,066

NETBUREAU SRL

REGISTERED OFFICE: Via Morigi, 13 - MILANO
QUOTA CAPITAL: € 50,000
% OF INVESTMENT OF CAD IT S.p.A: 100%

	31/12/2009	31/12/2008
TURNOVER	837,439	778,122
GROSS OPERATING RESULT	45,173	56,123
NET OPERATING PROFIT	43,807	46,538
FINANCIAL INCOME AND CHARGES, NET	145	858
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAXATION	43,952	47,396
NET PROFIT / (LOSS) FOR THE YEAR	13,015	15,291
TANGIBLE FIXED ASSETS, NET	275	4,386
WORKING CAPITAL, NET	164,331	125,814
INVESTED CAPITAL, NET	54,508	39,619
EMPLOYEES' LEAVING ENTITLEMENT	110,098	90,581
QUOTAHOLDERS' EQUITY	67,562	54,548
(NET SHORT-TERM INDEBTEDNESS) / FINANCIAL POSITION	13,054	14,929

DQS SRL

REGISTERED OFFICE: Via Silvio d'Amico, 10 - 00145 ROMA

QUOTA CAPITAL: € 11,000.00

% OF INVESTMENT OF CAD IT S.p.A: 55%

	31/12/2009	31/12/2008
TURNOVER	3,783,622	4,747,773
GROSS OPERATING RESULT	29,771	110,580
NET OPERATING PROFIT	(39,542)	44,392
FINANCIAL INCOME AND CHARGES, NET	(17,970)	(18,537)
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAXATION	(57,512)	25,855
NET PROFIT / (LOSS) FOR THE YEAR	(93,002)	(65,133)
TANGIBLE FIXED ASSETS, NET	212,560	217,375
WORKING CAPITAL, NET	1,199,199	834,842
INVESTED CAPITAL, NET	1,021,708	616,687
EMPLOYEES' LEAVING ENTITLEMENT	390,051	435,531
QUOTAHOLDERS' EQUITY	13,040	106,043
(NET SHORT-TERM INDEBTEDNESS) / FINANCIAL POSITION	(991,996)	(415,853)

SGM SRL

REGISTERED OFFICE: Galleria Spagna, 28 - 35100 PADOVA

QUOTA CAPITAL: € 100,000

% OF INVESTMENT OF CAD IT S.p.A: 100%

	31/12/2009	31/12/2008
TURNOVER	682,724	1,199,874
GROSS OPERATING RESULT	159,103	247,190
NET OPERATING PROFIT	2,482	80,188
FINANCIAL INCOME AND CHARGES, NET	119	(1,998)
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAXATION	2,601	78,190
NET PROFIT / (LOSS) FOR THE YEAR	(13,545)	16,672
TANGIBLE FIXED ASSETS, NET	154,148	310,520
WORKING CAPITAL, NET	1,118,077	979,688
INVESTED CAPITAL, NET	1,168,707	1,176,997
EMPLOYEES' LEAVING ENTITLEMENT	103,518	113,211
QUOTAHOLDERS' EQUITY	1,174,102	1,187,646
(NET SHORT-TERM INDEBTEDNESS) / FINANCIAL POSITION	5,395	10,649

SMART LINE SRL

REGISTERED OFFICE: Via Torricelli 44/A - VERONA
QUOTA CAPITAL: € 102,700.00
% OF INVESTMENT OF CAD IT S.p.A.: 51.05%

	31/12/2009	31/12/2008
TURNOVER	1,290,455	2,358,064
GROSS OPERATING RESULT	71,359	825,856
NET OPERATING PROFIT	(67,727)	688,961
FINANCIAL INCOME AND CHARGES, NET	2,725	5,662
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAXATION	(65,002)	694,623
NET PROFIT / (LOSS) FOR THE YEAR	(74,698)	426,424
TANGIBLE FIXED ASSETS, NET	454,687	469,115
WORKING CAPITAL, NET	479,989	(267,431)
INVESTED CAPITAL, NET	622,287	(96,432)
EMPLOYEES' LEAVING ENTITLEMENT	312,389	298,115
QUOTAHOLDERS' EQUITY	678,547	753,246
(NET SHORT-TERM INDEBTEDNESS) / FINANCIAL POSITION	56,260	849,678

BIT GROOVE SRL

REGISTERED OFFICE: Via Torricelli, 44/A - 37100 VERONA
QUOTA CAPITAL: € 15,500
% OF INVESTMENT OF CAD IT S.p.A.:100 %

	31/12/2009	31/12/2008
TURNOVER	1,363,041	1,486,794
GROSS OPERATING RESULT	103,188	83,936
NET OPERATING PROFIT	51,320	21,063
FINANCIAL INCOME AND CHARGES, NET	288	7,638
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAXATION	51,608	28,701
NET PROFIT / (LOSS) FOR THE YEAR	18,519	(1,093)
TANGIBLE FIXED ASSETS, NET	46,410	89,326
WORKING CAPITAL, NET	43,158	(91,878)
INVESTED CAPITAL, NET	28,440	(59,249)
EMPLOYEES' LEAVING ENTITLEMENT	61,128	56,697
QUOTAHOLDERS' EQUITY	33,528	15,011
(NET SHORT-TERM INDEBTEDNESS) / FINANCIAL POSITION	5,088	74,260

ELIDATA SRL

REGISTERED OFFICE: Via Sanadolo, 19 - Caglione d'Adda - LO

QUOTA CAPITAL: € 20,000

% OF INVESTMENT OF CAD IT S.p.A.: 51%

	31/12/2009	*31/12/2008*
TURNOVER	975,287	1,375,486
GROSS OPERATING RESULT	244,601	645,459
NET OPERATING PROFIT	212,240	612,347
FINANCIAL INCOME AND CHARGES, NET	7,738	12,694
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAXATION	219,978	625,041
NET PROFIT / (LOSS) FOR THE YEAR	130,351	404,018
TANGIBLE FIXED ASSETS, NET	113,758	115,130
WORKING CAPITAL, NET	383,320	288,605
INVESTED CAPITAL, NET	441,455	358,868
EMPLOYEES' LEAVING ENTITLEMENT	55,623	44,867
QUOTAHOLDERS' EQUITY	749,567	1,019,215
(NET SHORT-TERM INDEBTEDNESS) / FINANCIAL POSITION	308,112	660,627

DATAFOX SRL

REGISTERED OFFICE: Via Torricelli 44/A - VERONA

QUOTA CAPITAL: € 99,999

% OF INVESTMENT OF CAD IT S.p.A.: 51%

	31/12/2009	*31/12/2008*
TURNOVER	330,294	734,599
GROSS OPERATING RESULT	(112,653)	(37,644)
NET OPERATING PROFIT	(136,775)	(63,644)
FINANCIAL INCOME AND CHARGES, NET	236	3,934
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAXATION	(136,539)	(59,710)
NET PROFIT / (LOSS) FOR THE YEAR	(143,179)	(58,537)
TANGIBLE FIXED ASSETS, NET	5,815	30,198
WORKING CAPITAL, NET	50,209	228,879
INVESTED CAPITAL, NET	43,795	231,846
EMPLOYEES' LEAVING ENTITLEMENT	12,229	27,231
QUOTAHOLDERS' EQUITY	101,508	244,688
(NET SHORT-TERM INDEBTEDNESS) / FINANCIAL POSITION	57,713	12,842

SUMMARY FINANCIAL STATEMENTS OF THE CONSOLIDATED
INDIRECT SUBSIDIARY COMPANIES INCLUDED IN THE CONSOLIDATION AREA
(article 2429 of the Italian Civil Code)

TECSIT SRL

REGISTERED OFFICE: Via Silvio D'Amico, 40 - 00145 ROMA

QUOTA CAPITAL: € 75,000.00

% OF INVESTMENT OF CAD IT S.p.A.: 70%

	31/12/2009	*31/12/2008*
TURNOVER	405,080	406,669
GROSS OPERATING RESULT	36,785	14,694
NET OPERATING PROFIT	31,425	9,067
FINANCIAL INCOME AND CHARGES, NET	(25,123)	(26,250)
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAXATION	6,302	(17,183)
NET PROFIT / (LOSS) FOR THE YEAR	(584)	(24,208)
TANGIBLE FIXED ASSETS, NET	9,616	14,565
WORKING CAPITAL, NET	247,015	279,186
INVESTED CAPITAL, NET	239,555	261,828
EMPLOYEES' LEAVING ENTITLEMENT	17,076	31,924
QUOTAHOLDERS' EQUITY	50,921	51,504
(NET SHORT-TERM INDEBTEDNESS) / FINANCIAL POSITION	(188,634)	(210,324)

SUMMARY FINANCIAL STATEMENTS OF THE ASSOCIATED COMPANIES

(article 2429 of the Italian Civil Code)

SICOM SRL

REGISTERED OFFICE: Via Verdi, 15/a - 46019 Viadana (MN)

QUOTA CAPITAL: € 10,400.00

% OF INVESTMENT OF CAD IT S.p.A.: 25%

	31/12/2009	***31/12/2008***
TURNOVER	3,042,208	3,091,079
GROSS OPERATING RESULT	971,765	1,243,406
NET OPERATING PROFIT	955,969	1,226,699
FINANCIAL INCOME AND CHARGES, NET	3,235	10,296
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAXATION	959,204	1,236,995
NET PROFIT / (LOSS) FOR THE YEAR	652,509	831,368
TANGIBLE FIXED ASSETS, NET	275,372	290,091
WORKING CAPITAL, NET	(284,334)	(38,581)
INVESTED CAPITAL, NET	(98,746)	186,401
EMPLOYEES' LEAVING ENTITLEMENT	89,784	65,109
QUOTAHOLDERS' EQUITY	879,720	847,209
(NET SHORT-TERM INDEBTEDNESS) / FINANCIAL POSITION	978,466	660,808

Tel: +39 0459690472
Fax: +39 0459690474
www.bdo.it

Via Pacinotti 4/B
37135 Verona
e-mail: verona@bdo.it

Auditor's report on the financial statements
in accordance with art. 156 of legislative decree n. 58 of 24 February 1998
(This report has been translated from the original Italian text
which was issued in accordance with the Italian legislation)

To the shareholders of
CAD IT S.p.A.

1. We have audited the financial statements including the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the related explanatory notes, of CAD IT S.p.A. as of and for the year ended December 31, 2009. These financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n. 38/2005 are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards recommended by Consob, the Italian Commission for Listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

   For the opinion on the financial statements of prior year, the data of which presented for comparative purposes have been reclassified to consider the changes to the financial statements' schemes required by the amendment of IAS 1, reference should be made to our auditor's report issued on April 10, 2009.

3. In our opinion, the statutory financial statements of CAD IT S.p.A. as of December 31, 2009 comply with International Financial Reporting Standards as adopted by European Union and the requirements of national regulations issued pursuant to art. 9 of legislative decree n. 38/2005; therefore, they are clearly stated and give a true and fair view of the financial position, the results of the operations and the cash flows of CAD IT S.p.A. for the year then ended.

4. The Directors of CAD IT S.p.A. are responsible for the preparation of the report on operations and the annual report on corporate governance and ownership structures, published in investor relations section of CAD IT S.p.A. web site, in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the report on operations and of the information provided by paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) of art. 123-bis of legislative decree n. 58/1998 included in the annual report on corporate governance and ownership structures, with the financial statements, as required by law. For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the report on operations and the information provided by paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) of art. 123-bis of legislative decree n. 58/1998, included in the annual report on corporate governance and ownership structures, are consistent with the financial statements of CAD IT S.p.A. as of December 31, 2009.

Verona, March 16, 2010

BDO S.p.A.

Signed by:
Alessandro Gigliarano
(Director)

Via Torricelli , 44/a
37136 Verona - Italy
Tel. +39 045 8211111
Fax. +39 045 8211110
www.cadit.it
cadit@cadit.it

CAD IT
INFORMATION TECHNOLOGY