

The CAD IT Board of Directors approves the Interim Management Report at 30th September 2010

The CAD IT Group closes the **third quarter 2010** with a **Value of Production** of Euro 13 million.

EBITDA stood at Euro 1.4 million.

EBIT and **Result of the period net of pre-third party share** were both equal to Euro 0.5 million.

The **Net Consolidated Financial Position** at 30th September 2010 is **in credit** by Euro 1.3 million.

In the **first nine months** of 2010, the **Value of Production** was Euro 39 million.

EBITDA was Euro 3.4 million.

EBIT and **Result of the period net of pre-third party share** were Euro 0.5 and 0.8 million respectively.

The CAD IT Board of Directors has also approved the **new procedure on related-party transactions** and the **harmonization of the Company Bylaws** with the mandatory provisions of Legislative Decree no. 27/2010.

The Board of Directors of CAD IT S.p.A., leader in the Italian financial software market and quoted in the STAR segment of Borsa Italiana, today approved the Interim Management Report at 30th September 2010.

The main consolidated results of the **third quarter 2010** are as follows:

- **Value of Production** of Euro 13 million compared to Euro 13.3 million in the third quarter of 2009;
- **Gross Operational Result (EBITDA)** of Euro 1.4 million, corresponding to 10.8% of the Value of Production, compared to Euro 2.3 million in the third quarter of 2009 (17.3% of the Value of Production);
- **Operational Result (EBIT)** of Euro 0.5 million, corresponding to 3.5% of the Value of Production, compared to Euro 1.4 million in the third quarter of 2009 (10.8% of the Value of Production);

- **Result of the period net of pre-third party share** of Euro 0.5 million, corresponding to 3.8% of the Value of Production, compared to Euro 1.6 million in the third quarter of 2009 (11.6% of the value of Production).

The **short-term Net Consolidated Financial Position** at 30th September 2010 is **in credit** by Euro 1.3 million compared to the Euro 3.7 million registered at 30th June 2010, the Euro 5.1 million registered at 31st December 2009.

In order to give a complete report, below are the main consolidated results of the **first nine months of 2010**:

- **Value of Production** was equal to Euro 39 million compared to Euro 40.6 million in the same period of the previous year. The increase in internal work capitalised under fixed assets in the first nine months stands at Euro 3.2 million compared to Euro 3 million in the same period in 2009. **Net sales** equal Euro 35.9 million in the first nine months of 2010 compared to Euro 36.8 million in the first nine months of 2009;
- **Gross Operational Result** (EBITDA) of Euro 3.4 million, corresponding to 8.8% of the Value of Production, compared to Euro 6.4 million in the first nine months of 2009 (15.8% of the Value of Production);
- **Operational Result** (EBIT) of Euro 0.5 million, corresponding to 1.4% of the Value of Production, compared to the Euro 3.8 million in the first nine months of 2009 (9.4% of the Value of Production);
- **Result of the period net of pre-third party share** of Euro 0.8 million, corresponding to 2.1% of the Value of Production, compared to Euro 4.1 million in the same period of the previous year (10% of the Value of Production).

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

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The Board of Directors of CAD IT S.p.A. has approved the **new procedure on related-party transactions**, in accordance with Consob Resolution 17221 of 12th March 2010, as amended by Consob Resolution 17389 of 23th June 2010.

The Board of Directors of CAD IT S.p.A. has also approved the **harmonization of the Company Bylaws** with the mandatory provisions of Legislative Decree no. 27/2010 implementing Directive 2007/36/EC on the exercising of certain shareholders' rights in listed companies.

Consolidated Income Statement Third Quarter 2010

(in thousands of Euro)

	III Quarter 2010		III Quarter 2009		Variations	
	€/000	% on PV	€/000	% on PV	€/000	%
Income from sales and services to third parties	11,872	91.6%	11,445	85.9%	427	3.7%
Changes in ongoing orders	28	0.2%	23	0.2%	5	20.8%
Asset increases due to internal work	1,090	8.4%	1,479	11.1%	(389)	(26.3%)
Other revenue and receipts	8	0.1%	376	2.8%	(368)	(97.8%)
Production value	12,998	100.0%	13,323	100.0%	(325)	(2.4%)
Costs for raw	(243)	(1.9%)	(220)	(1.6%)	(24)	10.8%
Service costs	(3,074)	(23.7%)	(2,803)	(21.0%)	(271)	9.7%
Other operational costs	(198)	(1.5%)	(194)	(1.5%)	(4)	2.1%
Added value	9,484	73.0%	10,107	75.9%	(623)	(6.2%)
Labour costs	(7,435)	(57.3%)	(7,211)	(54.1%)	(224)	3.1%
Other administrative expenses	(650)	(5.0%)	(587)	(4.4%)	(63)	10.7%
Gross operational result (EBITDA)	1,399	10.8%	2,309	17.3%	(911)	(39.4%)
Allocation to Credit Depreciation Fund	(8)	(0.1%)	(1)	(0.0%)	(7)	784.3%
Intangible fixed asset amortization	(738)	(5.7%)	(671)	(5.0%)	(66)	9.9%
Tangible fixed asset amortization	(199)	(1.5%)	(199)	(1.5%)	0	(0.2%)
Operational result (EBIT)	455	3.5%	1,438	10.8%	(983)	(68.4%)
Financial income	17	0.1%	24	0.2%	(7)	(29.3%)
Financial expenses	(24)	(0.2%)	(15)	(0.1%)	(9)	60.1%
Ordinary result	448	3.4%	1,447	10.9%	(999)	(69.0%)
Revaluations and depreciations	139	1.1%	124	0.9%	15	12.2%
Income taxes ¹	(4)	(0.0%)	(4)	(0.0%)	0	(0.4%)
Pre-tax result	582	4.5%	1,566	11.8%	(984)	(62.8%)
Pre-tax result for the period attributable to:						
Non- controlling interests	93	0.7%	15	0.1%	78	508.5%
Owners of the parent	489	3.8%	1,551	11.6%	(1,062)	(68.5%)

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

Consolidated Income Statement First 9 Months 2010

(in thousands of Euro)

	Period 2010 01/01 – 30/09		Period 2009 01/01 – 30/09		Variations of the period	
	€/000	% on PV	€/000	% on PV	€/000	%
Income from sales and services to third parties	35,857	92.0%	36,761	90.5%	(904)	(2.5%)
Changes in ongoing orders	(115)	(0.3%)	(60)	(0.1%)	(55)	93.0%
Asset increases due to internal work	3,236	8.3%	3,019	7.4%	217	7.2%
Other revenue and receipts	24	0.1%	879	2.2%	(854)	(97.2%)
Production value	39,002	100.0%	40,599	100.0%	(1,597)	(3.9%)
Costs for raw	(616)	(1.6%)	(857)	(2.1%)	241	(28.1%)
Service costs	(8,207)	(21.1%)	(8,047)	(19.8%)	(160)	2.0%
Other operational costs	(559)	(1.4%)	(606)	(1.5%)	47	(7.8%)
Added value	29,619	75.9%	31,088	76.6%	(1,469)	(4.7%)
Labour costs	(24,199)	(62.1%)	(22,849)	(56.3%)	(1,350)	5.9%
Other administrative expenses	(1,983)	(5.1%)	(1,817)	(4.5%)	(166)	9.1%
Gross operational result (EBITDA)	3,437	8.8%	6,422	15.8%	(2,985)	(46.5%)
Allocation to Credit Depreciation Fund	(71)	(0.2%)	(70)	(0.2%)	(1)	1.4%
Intangible fixed asset amortization	(2,238)	(5.7%)	(1,954)	(4.8%)	(283)	14.5%
Tangible fixed asset amortization	(586)	(1.5%)	(584)	(1.4%)	(2)	0.4%
Operational result (EBIT)	542	1.4%	3,814	9.4%	(3,271)	(85.8%)
Financial income	62	0.2%	159	0.4%	(97)	(61.0%)
Financial expenses	(53)	(0.1%)	(43)	(0.1%)	(10)	22.3%
Ordinary result	552	1.4%	3,930	9.7%	(3,378)	(86.0%)
Revaluations and depreciations	306	0.8%	347	0.9%	(41)	(11.8%)
Income taxes ²	(4)	(0.0%)	(4)	(0.0%)	0	(0.4%)
Pre-tax result	853	2.2%	4,272	10.5%	(3,419)	(80.0%)
Pre-tax result for the period attributable to:						
Non- controlling interests	34	0.1%	214	0.5%	(180)	(84.2%)
Owners of the parent	819	2.1%	4,058	10.0%	(3,239)	(79.8%)

²The interim management report is presented without calculating the income taxes for the period; the amount shown is related to the tax variations calculated when drafting the annual balance and the punctual determination of said taxes that was calculated later when the income tax return was declared.

Consolidated Statement of Comprehensive Income

(in thousands of Euro)

	III Quarter 2010	III Quarter 2009	Period 2010 01/01 –30/09	Period 2009 01/01 –30/09
Profit/(loss) for the period	582	1,566	853	4,272
Gains/(Losses) on fair value of available for sale financial assets	18	85	(143)	206
Total comprehensive income	600	1,652	710	4,478
Profit/(loss) for the period attributable to:				
Non-controlling interests	93	15	34	214
Owners of the parent	507	1,636	676	4,265

Consolidated Balance Sheet

(in thousands of Euro)

31/12/2009	ASSETS	30/09/2010	30/09/2009
	A) Non-Current Assets		
19,212	Property, plant and equipment	18,784	19,352
17,747	Intangible assets	18,894	17,270
8,309	Goodwill	8,309	8,309
220	Investments	476	404
781	Other financial assets available for sale	638	861
72	Other non-current credits	91	72
244	Credits due to deferred taxes	244	232
46,583	TOTAL NON-CURRENT ASSETS	47,436	46,499
	B) Current Assets		
112	Inventories	158	130
312	Ongoing orders	197	293
28,905	Trade receivables and other credits	32,935	31,220
1,791	Tax credits	1,480	2,410
6,379	Cash on hand and other equivalent assets	5,231	7,903
37,498	TOTAL CURRENT ASSETS	40,000	41,955
84,081	TOTAL ASSETS	87,436	88,454

31/12/2009	EQUITY AND LIABILITIES	30/09/2010	30/09/2009
	A) Equity		
4,670	Company capital	4,670	4,670
35,481	Reserves	35,338	35,552
16,354	Accumulated profits/losses	14,928	18,427
56,505	TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	54,936	58,649
2,489	Third party Equity	2,522	3,027
58,993	TOTAL EQUITY	57,458	61,676
	B) Non-current liabilities		
179	Financing	157	186
3,452	Deferred tax liabilities	3,452	3,497
6,317	Employee benefits and quiescence provisions	6,589	6,139
135	Expense and risk provisions	75	25
10,083	TOTAL NON-CURRENT LIABILITIES	10,273	9,847
	C) Current liabilities		
4,393	Trade payables	6,910	7,577
2,644	Current tax payables	2,013	1,635
1,286	Short-term financing	3,897	916
6,682	Other liabilities	6,884	6,803
15,005	TOTAL CURRENT LIABILITIES	19,704	16,932
84,081	TOTAL LIABILITIES AND EQUITY	87,436	88,454

Consolidated Cash Flow Statement

(in thousands of Euro)

Cash Flow Statement of CAD IT Group	Period 2010	Period 2009
	01/01 – 30/09	01/01 – 30/09
A) OPERATING ACTIVITIES		
Profit (loss) for the period	819	4,058
Amortisation, revaluation and depreciation:		
- Property, plant and equipment amortisation	586	584
- Intangible fixed asset amortisation	2,238	1,954
- revaluation of investments and financial assets available for sale	(306)	(347)
- depreciation of investments and financial assets available for sale	0	0
Allocations (utilization) of provisions:	212	(136)
Financial performance:		
- Net financial receipts (charges)	(9)	(116)
- Profit / (losses) on exchanges	(1)	(1)
Working capital variations	(1,562)	(4,038)
Income taxes paid	0	(343)
Interest paid	(52)	(42)
(A) - Cash flows from (used in) operating activities	1,925	1,574
B) INVESTMENT ACTIVITIES		
Investments in activities		
- Property, plant and equipment purchases	(163)	(322)
- Intangible assets purchases/development	(3,385)	(3,435)
- increase in other fixed assets	(22)	(11)
Disinvestment activities		
- Property, plant and equipment transfers	4	6
- Decrease in other fixed assets	2	4
Cashed Interest	56	147
Cashed dividends	56	167
(B) - Cash flows from (used in) investment activities	(3,452)	(3,444)
C) FINANCING ACTIVITIES		
Medium/long term financing repayment	(22)	(20)
Effects on consolidation reserve	0	0
Third party net patrimony	34	22
Dividends paid	(2,245)	(4,490)
(C) - Cash flows from (used in) financing activities	(2,233)	(4,488)
(A+B+C) - Total cash and other equivalent assets flows	(3,759)	(6,359)
Opening cash balances and equivalents	5,093	13,346
Closing cash balances and equivalents	1,333	6,987

THE CAD IT GROUP

CAD IT is at the head of a group that represents one of the most dynamic organisations in the Italian Information Technology sector.

The group aims its operations at the banking-insurance sector, the business world and public administration, and has been offering software solutions, maintenance, customizing, integration and other correlated services, from application management to outsourcing and consulting to training for over 30 years.

The CAD IT Group, with head offices in Verona, operates in Italy through its own branches and associated companies in Milan, Rome, Prato, Bologna, Padua and Mantua.

CAD IT is leader in the Italian software market for the banking sector with its main product, Financial Area, a programme which completely manages all functions connected to the negotiation, settlement and administration of security transactions, debentures, derivatives (in any currency) and adopted by the majority of Italian banking outlets.

In addition, the Group boasts a long-standing activity in the industrial sector and the capacity to offer solutions for e-business, credit and industrial companies in constant evolution.

Solutions for Public Administration is the most recent sector but one which capitalises the Group's traditional skills, such as its twenty-year experience in the development of systems for the computerisation of public bodies.

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