

The CAD IT Board of Directors approves the Interim Management Report at 30th September 2012

The CAD IT Group closes the third quarter 2012 with a Production Value of Euro 13.9 million.

EBITDA stood at Euro 3.3 million.

EBIT and Result of the period net of third party share were equal to Euro 2.2 and 2.4 million respectively.

The Consolidated Net short-term Financial Position at 30th September 2012 is in credit by Euro 3.6 million.

In the first nine months of 2012, the Production Value was Euro 40.4 million.

EBITDA was Euro 6.2 million.

EBIT and Result of the period net of third party share were equal to Euro 3.4 and 3.7 million respectively.

The Board of Directors of CAD IT S.p.A., leader in the Italian financial software market and listed in the STAR segment of Borsa Italiana, today approved the Interim Management Report at 30th September 2012.

The main consolidated results of the **third quarter 2012** are as follows:

- **Production Value** of Euro 13.9 million compared to Euro 14 million in the third quarter of 2011. During the three months in question the internal work capitalized for the development of new products (internal work capitalized under fixed assets) came to Euro 1.1 million compared to Euro 0.7 million in the same period of the previous year;
- **Gross Operational Result (EBITDA)** of Euro 3.3 million, corresponding to 23.8% of the Production Value, in line compared to Euro 3.3 million registered in the third quarter of 2011 (23.5% of the Production Value);
- **Operational Result (EBIT)** of Euro 2.2 million, corresponding to 15.8% of the Production Value compared to Euro 2.4 million in the third quarter of 2011 (16.8% of the Production Value);

- **Result of the period net of third party share** of Euro 2.4 million, corresponding to 17.3% of the Production Value, compared to Euro 2.3 million in the third quarter of 2011 (16.7% of the Production Value).

The **Consolidated Net short-term Financial Position** at 30th September 2012 is in credit by Euro 3.6 million, compared to Euro 9.8 million registered at 30th June 2012 and to Euro 5.4 million registered at 31st December 2011.

In order to give a complete report, below are the main consolidated results of the **first nine months of 2012**:

- **Production Value** was equal to Euro 40.4 million compared to Euro 40.2 million in the same period of the previous year. During the nine months in question the internal work capitalized under fixed assets came to Euro 3 million compared to Euro 2.6 million in the same period of the previous year. **Net sales** were equal to Euro 37.4 million, in line compared to those registered in the first nine months of 2011;
- **Gross Operational Result (EBITDA)** of Euro 6.2 million, corresponding to 15.3% of the Production Value, showing a growth compared to Euro 5.7 million in the first nine months of 2011 (14.1% of the Production Value);
- **Operational Result (EBIT)** of Euro 3.4 million, corresponding to 8.5% of the Production Value, showing a growth compared to Euro 3 million in the first nine months of 2011 (7.4% of the Production Value);
- **Result of the period net of third party share** of Euro 3.7 million, corresponding to 9.1% of the Production Value, showing a growth compared to Euro 3.1 million in the same period of the previous year (7.8% of the Production Value).

The revenues arising from the sale of software and services were in line compared to those registered in the previous year, while the research and development activities in which the company has always believed and invested are going on. In the first nine months of 2012, the operative results have improved following cost optimisation strategies, particularly in regard to reducing third party service expenditure.

Contrary to the trend in the market of reference, CAD IT has increased its workforce by employing a further 11 people.

Compared to the end of the previous quarter, the decrease in the Net Financial Position of the Group was due to tax payments, summer bonuses and production incentives paid to the employees as well as due to the delay in receiving of some significant receipts, cashed immediately after the end of the quarter.

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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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Consolidated Income Statement Third Quarter 2012

(in thousands of Euro)

	III Quarter 2012		III Quarter 2011		Period variations	
	€/000	% PV	€/000	% PV	absolute	%
Income from sales and services	12,772	91.7%	13,232	94.2%	(459)	(3.5%)
Changes in ongoing orders	(17)	(0.1%)	22	0.2%	(39)	(179.3%)
Asset increases due to internal work	1,147	8.2%	708	5.0%	439	62.1%
Other revenue and receipts	30	0.2%	79	0.6%	(49)	(62.2%)
Production value	13,932	100.0%	14,040	100.0%	(108)	(0.8%)
Purchase costs	(93)	(0.7%)	(103)	(0.7%)	11	(10.3%)
Service costs	(2,258)	(16.2%)	(2,512)	(17.9%)	254	(10.1%)
Other operational costs	(157)	(1.1%)	(166)	(1.2%)	9	(5.5%)
Added value	11,424	82.0%	11,258	80.2%	166	1.5%
Labour costs	(7,613)	(54.6%)	(7,449)	(53.1%)	(164)	2.2%
Other administrative expenses	(493)	(3.5%)	(514)	(3.7%)	21	(4.1%)
Gross operational result - EBITDA	3,319	23.8%	3,296	23.5%	23	0.7%
Allocation to fund and credit depreciation	0	0.0%	(2)	(0.0%)	2	(106.3%)
Intangible fixed asset amortization	(966)	(6.9%)	(785)	(5.6%)	(181)	23.0%
Tangible fixed asset amortization	(149)	(1.1%)	(157)	(1.1%)	8	(5.1%)
Operational result - EBIT	2,204	15.8%	2,352	16.8%	(148)	(6.3%)
Financial income	52	0.4%	21	0.2%	31	145.1%
Financial expenses	(26)	(0.2%)	(25)	(0.2%)	(1)	3.4%
Ordinary result	2,229	16.0%	2,347	16.7%	(118)	(5.0%)
Revaluations and depreciations	206	1.5%	111	0.8%	95	85.1%
Pre-tax result	2,436	17.5%	2,459	17.5%	(24)	(1.0%)
Pre-tax result attributable to:						
Non- controlling interests	29	0.2%	117	0.8%	(89)	(75.5%)
Owners of the parent	2,407	17.3%	2,342	16.7%	65	2.8%

Consolidated Income Statement First 9 Months 2012

(in thousands of Euro)

	Period 01/01 - 30/09/2012		Period 01/01 - 30/09/2011		Period variations	
	€/000	% PV	€/000	% PV	absolute	%
Income from sales and services	37,355	92.6%	37,429	93.0%	(74)	(0.2%)
Changes in ongoing orders	(17)	(0.0%)	35	0.1%	(52)	(148.6%)
Asset increases due to internal work	2,956	7.3%	2,645	6.6%	312	11.8%
Other revenue and receipts	63	0.2%	124	0.3%	(62)	(49.5%)
Production value	40,357	100.0%	40,234	100.0%	123	0.3%
Purchase costs	(341)	(0.8%)	(537)	(1.3%)	196	(36.4%)
Service costs	(6,997)	(17.3%)	(7,627)	(19.0%)	631	(8.3%)
Other operational costs	(553)	(1.4%)	(515)	(1.3%)	(38)	7.3%
Added value	32,466	80.4%	31,555	78.4%	911	2.9%
Labour costs	(24,735)	(61.3%)	(24,249)	(60.3%)	(486)	2.0%
Other administrative expenses	(1,545)	(3.8%)	(1,615)	(4.0%)	70	(4.3%)
Gross operational result - EBITDA	6,186	15.3%	5,691	14.1%	495	8.7%
Allocation to fund and credit depreciation	(2)	(0.0%)	(46)	(0.1%)	43	(94.5%)
Intangible fixed asset amortization	(2,316)	(5.7%)	(2,175)	(5.4%)	(142)	6.5%
Tangible fixed asset amortization	(447)	(1.1%)	(479)	(1.2%)	32	(6.7%)
Operational result - EBIT	3,420	8.5%	2,991	7.4%	429	14.3%
Financial income	134	0.3%	62	0.2%	71	114.2%
Financial expenses	(59)	(0.1%)	(68)	(0.2%)	9	(13.7%)
Ordinary result	3,495	8.7%	2,985	7.4%	509	17.1%
Revaluations and depreciations	444	1.1%	339	0.8%	105	31.0%
Income taxes ¹	3	0.0%	0	0.0%	3	-
Pre-tax result	3,942	9.8%	3,325	8.3%	617	18.6%
Pre-tax result attributable to:						
Non- controlling interests	283	0.7%	194	0.5%	89	45.7%
Owners of the parent	3,659	9.1%	3,130	7.8%	529	16.9%

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 Statement of Comprehensive Income

(in thousands of Euro)

	III Quarter 2012	III Quarter 2011	Period 2012 01/01 – 30/09	Period 2011 01/01 – 30/09
Pre-tax result for the period	2,436	2,459	3,942	3,325
Gains/(Losses) on fair value of available-for-sale financial assets	-	(25)	-	(111)
Reclassification adjustments: gains realized on disposal of available-for-sale	(11)	-	(27)	-
Total Comprehensive income	2,425	2,435	3,915	3,214
Profit/(loss) for the period attributable to:				
Non-controlling interests	29	117	283	194
Owners of the parent	2,396	2,317	3,632	3,020

Consolidated Statement of Financial Position

(in thousands of Euro)

31/12/2011	ASSETS	30/09/2012	30/09/2011
	A) Non-Current Assets		
18,171	Property, plant and equipment	17,911	18,268
19,981	Intangible assets	20,782	19,784
8,309	Goodwill	8,309	8,309
330	Investments	580	506
460	Other financial assets available for sale	262	498
132	Other non-current credits	158	129
595	Credits due to deferred taxes	595	342
47,976	TOTAL NON-CURRENT ASSETS	48,598	47,837
	B) Current Assets		
70	Inventories	89	76
17	Ongoing orders	-	232
30,600	Trade receivables and other credits	30,645	32,363
257	Tax credits	1,412	898
7,107	Cash on hand and other equivalent assets	6,133	6,194
38,052	TOTAL CURRENT ASSETS	38,280	39,764
86,028	TOTAL ASSETS	86,878	87,600

31/12/2011	EQUITY AND LIABILITIES	30/09/2012	30/09/2011
	A) Equity		
4,670	Company capital	4,670	4,670
35,395	Reserves	35,368	35,321
15,291	Accumulated profits/losses	16,824	16,563
55,356	TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	56,863	56,554
2,489	Third party Equity	2,541	2,466
57,845	TOTAL EQUITY	59,403	59,021
	B) Non-current liabilities		
119	Financing	0	127
3,375	Deferred tax liabilities	3,375	3,442
6,724	Employee benefits and quiescence provisions	6,629	6,451
40	Expense and risk provisions	31	10
10,258	TOTAL NON-CURRENT LIABILITIES	10,035	10,029
	C) Current liabilities		
4,007	Trade payables	5,889	7,445
4,696	Current tax payables	2,147	2,376
1,705	Short-term financing	2,572	1,735
7,516	Other liabilities	6,831	6,994
17,925	TOTAL CURRENT LIABILITIES	17,439	18,550
86,028	TOTAL LIABILITIES AND EQUITY	86,878	87,600

Consolidated Cash Flow Statement

(in thousands of Euro)

Cash Flow Statement of CAD IT Group	Period 2012	Period 2011
	01/01 – 30/09	01/01 – 30/09
A) OPERATING ACTIVITIES		
Profit (loss) for the period	3,942	3,325
Amortisation, revaluation and depreciation:		
- Property, plant and equipment amortisation	447	479
- Intangible fixed asset amortisation	2,316	2,175
- revaluation of investments and financial assets available for sale	(444)	(339)
Allocations (utilization) of provisions:	(104)	23
Financial performance:		
- Net financial (receipts) charges	(75)	6
- Profit / (losses) on exchanges	(0)	(0)
Working capital variations	(695)	(2,787)
Income taxes paid	(1,859)	-
Interest paid	(59)	(68)
(A) - Cash flows from (used in) operating activities	3,470	2,814
B) INVESTMENT ACTIVITIES		
Investments in activities		
- Property, plant and equipment purchases	(189)	(99)
- Intangible assets purchases/development	(3,118)	(2,662)
- increase in other fixed assets	(40)	(35)
Disinvestment activities		
- Property, plant and equipment transfers	1	2
- Assets available for sale transfers	206	0
- Decrease in other fixed assets	14	0
Cashed Interest	134	62
Cashed dividends	159	162
(B) - Cash flows from (used in) investment activities	(2,834)	(2,569)
C) FINANCING ACTIVITIES		
Medium/long term financing repayment	(119)	(23)
Allocation of profits to directors of subsidiary companies	0	(12)
Distribution of profit reserves for withdrawal of a partner of a subsidiary	(120)	0
Dividends paid	(2,237)	0
(C) - Cash flows from (used in) financing activities	(2,476)	(35)
(A+B+C) - Total cash and other equivalent assets flows	(1,841)	210
Opening cash balances and equivalents	5,401	4,250
Closing cash balances and equivalents	3,561	4,459

Consolidated Net Financial Position

(in thousands of Euro)

Net consolidated financial position	30/09/2012	30/06/2012	31/12/2011	30/09/2011
Cash-on-hand and at bank	3,658	8,132	4,678	3,780
Capitalisation insurance policies	2,475	2,460	2,429	2,414
Payables due to banks current portion	(2,572)	(772)	(1,705)	(1,735)
Net short-term financial position/(indebtedness)	3,561	9,819	5,401	4,459
Long-term loans	(0)	(0)	(119)	(127)
Net long-term financial position/(indebtedness)	(0)	(0)	(119)	(127)
Net financial position/(indebtedness)	3,561	9,819	5,282	4,332

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 35 years.

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