

CAD IT: THE BOARD OF DIRECTORS APPROVES THE HALF-YEARLY REPORT AT 30th JUNE 2007

In the first six months of 2007, the CAD IT Group registered **Production Revenues** of Euro 27.5 million, **an increase of 5.9%** compared to the Euro 26 million of the first half of 2006.

All income margins are increasing:

EBITDA stood at Euro 6.3 million compared to Euro 4.6 million in the first six months of 2006 **(+36.5%)**;

EBIT stood at Euro 5.3 million compared to Euro 3.8 million in the first six months of 2006 **(+38.5%)**;

Net profit stood at Euro 2.8 million compared to Euro 1.1 million in the first six months of 2006 **(+152.3%)**.

The **Net Consolidated Financial Position** is **in credit** by Euro 8.6 million showing an **increase** compared to the Euro 8.1 million registered at 31st December 2006 despite paying dividends of Euro 2.6 million.

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 Six Monthly Report at 30th June 2007.

The consolidated Profit and Loss Account results relating to the first half of 2007 are as follows:

- **Production Revenues** of Euro 27.5 million (Euro 26 million in the first half of 2006). Production Revenues show a **5.9% growth** despite the reduction in intangible fixed assets which, over the six months, came to Euro 1.5 compared to Euro 2.5 million for the same period of the previous year. **Sales revenues grew by 11.1%** (from Euro 23.3 million to Euro 25.9 million);
- **Gross Operational Result (EBITDA)** of Euro 6.3 million (22.8% of Production Revenues), showing a **36.5% increase** compared to the Euro 4.6 million registered in the first six months of 2006 (17.7% of Production Revenues);
- **Operational Result (EBIT)** of Euro 5.3 million (19.2% of Production Revenues) showing a **38.5% increase** compared to the Euro 3.8 million of the first half of 2006 (14.7% of Production Revenues);
- **Net profit** of Euro 2.8 million (10.2% of Production Revenues), **an increase of 152.3%** compared to the Euro 1.1 million registered in the first six months of 2006 (4.3% of Production Revenues).

The **Net Consolidated Financial Position** at 30th June 2007 is **in credit** by Euro 8.6 million showing **an increase** compared to the Euro 8.1 million at 31st December 2006. This increase is mainly due to cash flows generated by the company's operating activities, despite paying about Euro 2.6 million in dividends last May.

Consolidated Profit and Loss Account

	Period 2007		Period 2006		Variations	
	01/01 - 30/06		01/01 - 30/06		€/000	%
Income from sales and services	25,913	94.2%	23,321	89,9%	2,592	11,1%
Variations in stock of products being elaborated						
Changes in ongoing orders	58	0.2%	118	0,5%	(60)	(51,0%)
Asset increases due to internal work	1,502	5.5%	2,478	9,5%	(977)	(39,4%)
of which related parties	540	2.0%	1,084	4,2%	(544)	(50,2%)
Other revenue and receipts	27	0.1%	38	0,1%	(11)	(28,1%)
Production value	27,499	100.0%	25,955	100,0%	1,544	5,9%
Costs for raw	(520)	(1.9%)	(573)	(2,2%)	53	(9,3%)
Service costs	(4,479)	(16.3%)	(4,482)	(17,3%)	3	(0,1%)
Other operational costs	(391)	(1.4%)	(356)	(1,4%)	(35)	10,0%
Added value	22,109	80.4%	20,544	79,2%	1,565	7,6%
Labour costs	(14,599)	(53.1%)	(14,805)	(57,0%)	205	(1,4%)
Other administrative expenses	(1,245)	(4.5%)	(1,149)	(4,4%)	(96)	8,3%
of which related parties	554	2.0%	525	2,0%	29	5,5%
Gross operational result (EBITDA)	6,265	22.8%	4,590	17,7%	1,675	36,5%
Allocation to Credit Depreciation Fund	(34)	(0.1%)			(34)	
Amortizations:						
- Intangible fixed asset amortization	(571)	(2.1%)	(381)	(1,5%)	(190)	49,8%
- Tangible fixed asset amortization	(389)	(1.4%)	(403)	(1,6%)	15	(3,7%)
Operational result (EBIT)	5,271	19.2%	3,806	14,7%	1,465	38,5%
Financial receipts	162	0.6%	148	0,6%	15	9,8%
Financial charges	(84)	(0.3%)	(59)	(0,2%)	(25)	42,1%
Ordinary result	5,349	19.5%	3,894	15,0%	1,455	37,4%
Revaluations and depreciations	611	2.2%	(457)	(1,8%)	1,068	(233,9%)
Pre-tax and pre-third party share result	5,960	21.7%	3,437	13,2%	2,523	73,4%
Income taxes	(2,972)	(10.8%)	(2,203)	(8,5%)	(769)	34,9%
Third party (profit)loss for the period	(176)	(0.6%)	(120)	(0,5%)	(56)	47,0%
Profit (loss) for the period	2,812	10.2%	1,115	4,3%	1,698	152,3%

Consolidated balance sheet

31/12/2006		30/06/2007	30/06/2006	Variations	Var. %
Assets					
A) NON-CURRENT ASSETS					
20,592	Assets, equipment and machinery	20,396	20,810	(414)	(1.99%)
14,452	Intangible assets	15,428	12,922	2,506	19.40%
8,309	Goodwill	8,309	8,309	-	-
152	Holdings	152	153	(2)	(1.13%)
2,787	Other financial assets available for sale	2,925	2,691	233	8.67%
46	Other non-current credits	54	55	(1)	(1.61%)
322	Credits due to deferred taxes	309	279	30	10.87%
46,660	TOTAL NON-CURRENT ASSETS	47,573	45,219	2,354	5.20%
B) CURRENT ASSETS					
660	Stock	654	639	15	2.39%
392	Ongoing orders	450	454	(4)	(0.83%)
26,276	Commercial credits and other credits	33,110	27,074	6,036	22.29%
54	Tax credits	289	82	208	254.66%
-	Financial assets at fair value through profit or loss	-	-	-	-
9,529	Cash on hand and other equivalent assets	10,075	10,161	(85)	(0.84%)
36,912	TOTAL CURRENT ASSETS	44,579	38,410	6,170	16.06%
-	C) Non-current assets for sale	-	-	-	-
83,572	TOTAL ASSETS	92,152	83,629	8,524	10.19%
Liabilities					
A) Equity					
4,670	Company capital	4,670	4,670	0	-
34,997	Reserves	36,183	35,337	846	2.39%
14,918	Accumulated profits/losses	15,126	13,072	2,054	15.71%
54,585	TOTAL EQUITY OF THE GROUP	55,978	53,079	2,900	5.46%
2,708	Third party Equity	2,641	2,626	15	0.58%
2,408	- Third party capital and e reserves	2,465	2,506	(41)	(1.65%)
300	- Third party profit/(losses)	176	120	56	47.02%
57,293	TOTAL EQUITY	58,620	55,705	2,915	5.23%
B) non-current liabilities					
308	Financing	318	364	(46)	(12.62%)
3,546	Liabilities due to deferred taxes	3,692	3,432	260	7.57%
6,915	TFR and quiescence reserves	6,143	6,458	(316)	(4.89%)
25	Expense and risk reserves	25	25	0	-
-	Other non current debts	-	-	-	-
10,794	TOTAL non-current liabilities	10,178	10,279	(102)	(0.99%)
C) current liabilities					
4,623	Commercial debts	7,847	6,335	1,512	23.87%
3,227	Tax debts	5,999	3,195	2,804	87.78%
1,138	Short-term financing	1,195	670	525	78.37%
6,497	Other debts	8,313	7,445	869	11.67%
15,485	TOTAL current liabilities	23,355	17,644	5,711	32.37%
83,572	TOTAL LIABILITIES AND EQUITY	92,152	83,629	8,524	10.19%

Consolidated Cash Flow Statement

31/12/2006	30/06/2007	30/06/2006
OPERATING ACTIVITIES		
2,961 Profit (loss) for the period	2,812	1,115
Amortisation and depreciation:		
825 - Tangible fixed assets	389	403
835 - Intangible fixed assets	571	381
(160) Financial income and charges, net	(101)	(88)
Accruals:		
1,429 - Employees' leaving entitlement	62	424
0 - Other provisions	0	0
(154) Increase/(Decrease) in provisions for contingencies and other charges	14	12
5,736 Sub-total	3,746	2,247
(796) Utilisation of employees' leaving entitlement	(848)	(415)
(1,318) (Increase)/Decrease in receivables included under assets forming part of working capital	(6,298)	(1,814)
(69) (Increase)/Decrease in inventory	(53)	(110)
(93) (Increase)/Decrease in accrued income and deferred expenses	(536)	(396)
696 Increase/(Decrease) in accounts due to creditors	(706)	89
(256) Increase/(Decrease) in accrued expenses and deferred income	3,931	2,063
(53) Increase/(Decrease) in sums due to other financial institutions	0	(53)
92 Increase/(Decrease) in other non-financial payables	1,816	1,039
4,356 Increase/(Decrease) in in sums payable to taxation	2,696	1,888
(2,337) Taxes paid in the financial period	0	0
(120) Interest payment	(61)	(59)
101 Sub-total	(60)	2,233
5,836 (A) - Cash flows from (for) operating activities	3,686	4,480
INVESTING ACTIVITIES		
0 (Increase)/ Decrease in investments in subsidiary companies valued using the equity method	0	0
(4,439) (Increase)/Decrease in intangible fixed assets	(1,547)	(2,456)
(474) (Increase)/Decrease in tangible fixed assets	(192)	(270)
13 (Increase)/Decrease in other fixed assets	(8)	4
17 Income from financial assets available for sale	17	17
263 Cashed Interest	145	131
1 (Increase)/Decrease in investments in associated companies	0	(1)
300 (Increase)/Decrease financial assets available for sale	(138)	396
(4,319) (B) - Cash flows from (for) investing activities	(1,723)	(2,179)
FINANCING ACTIVITIES		
(0) Increase/(Decrease) in IFRS transition reserve	0	0
(300) Increase/(Decrease) in reserve for fin, assets avail, for sale	1,185	40
(2) Effects on consolidation reserve	0	(2)
138 Third party net patrimony	(67)	56
(1,616) Distribution of dividends	(2,604)	(1,616)
0 Capital injections	0	0
(1,780) (C) - Cash flows from (for) financing activities	(1,485)	(1,522)
(263) (A+B+C) - Total cash flows	478	779
8,347 Opening liquid funds	8,084	8,347
8,084 Closing liquid funds	8,562	9,126

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, 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 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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