CAD IT S.p.A.

First half report at 30th June 2007

(Translation from the Italian original which remains the definitive version)

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

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First half report 2007

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

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Corporate bodies

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
Director

MICHAEL JOHN MARGETTS
Director

FRANCESCO ROSSI
Independent Director

LAMBERTO LAMBERTINI
Independent Director

STATUTORY AUDITORS [1]

GIANNICOLA CUSUMANO
Chairman

GIAN PAOLO RANOCCHI
Statutory Auditor

RENATO TENGATTINI
Statutory Auditor

CESARE BRENA
Substitute Statutory Auditor

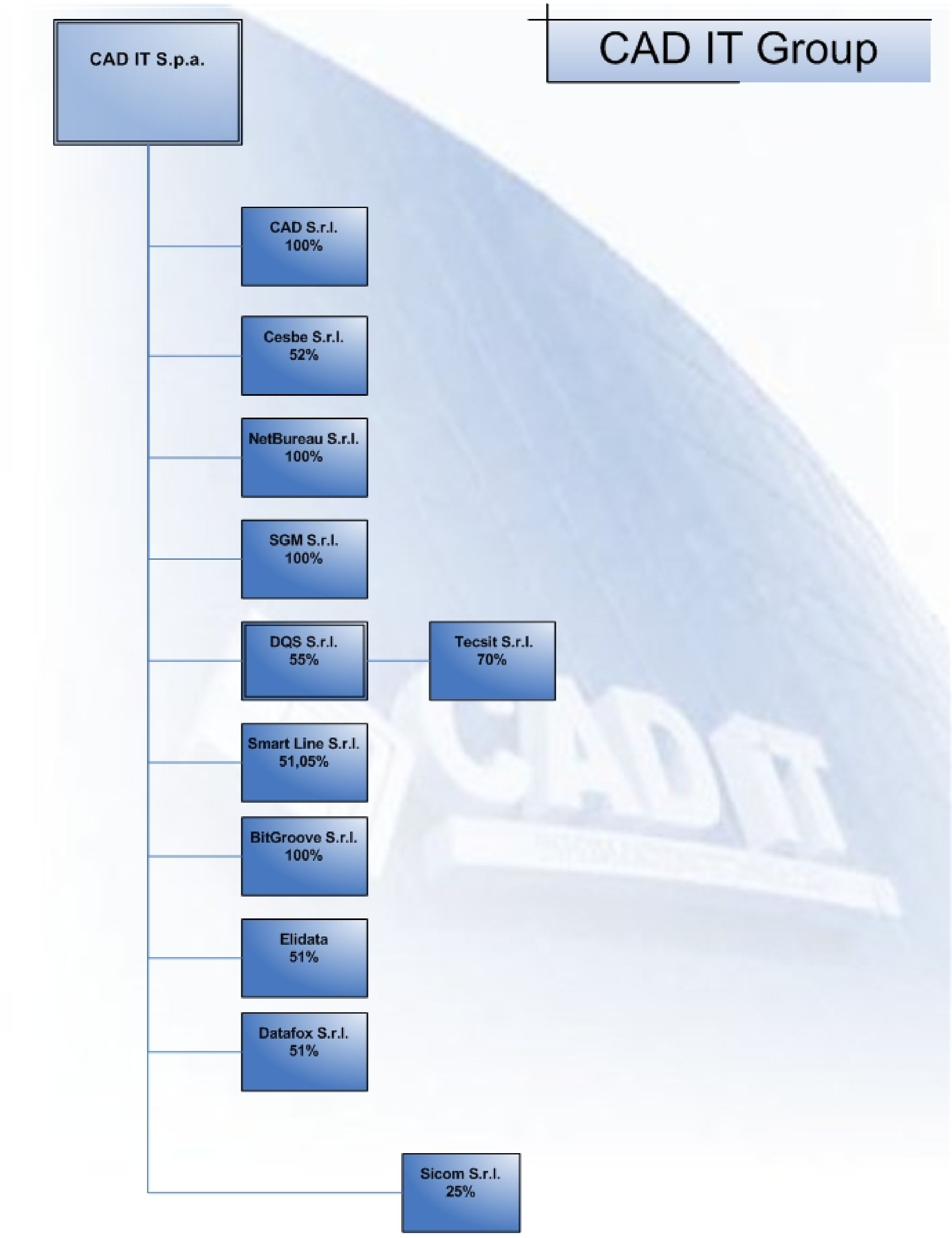
LUCA SIGNORINI
Substitute Statutory Auditor

AUDITORS

BDO SALA SCELSI FARINA
Società di Revisione per Azioni

(1) *Appointed on 28 April 2006; office expires with the shareholders' meeting for the approval of the 2008 financial statements.*

The Chairman and Managing Director of the parent company CAD IT S.p.A., Giuseppe Dal Cortivo, is authorised to perform all ordinary and extraordinary administrative duties, excluding only those which can not be delegated by law and those assigned to the Board of Directors by article 19 of the company by-laws.
The main powers reserved in the statute to the Board of Directors are:the examination and approval of the strategic, industrial and financial plans of the company; the purchase, sale, exchange or transfer of fixed assets and real estate rights; the granting of collateral on fixed assets; the set up of new subsidiaries and the take-over, acquisition or sale of corporate investments; the acquisition, sale, exchange or transfer of the whole company or of business lines; the underwriting of obligations, commitments and responsibilities which, either singularly or jointly with other connected negotiations, come to more than €4,000,000; the nomination of managing directors; the release of warranties and real or personal guarantees of any kind to the sum of more than €2,000,000 for each individual transaction and, if in the interest of subjects other than the Company and its subsidiaries, to any sum whatsoever; the examination and preventive approval of significant transactions including those with company related parties and company subsidiaries; verification of the appropriateness of the administrative and organisational structure and the general accounting, the internal control system and any conflicts of interest.
The managing directors, Giampietro Magnani and Luigi Zanella, will have full ordinary administrative power including the faculty to prepare reports and to order banking transactions, within the limits of account availability and credit worthiness, with the power to act alone with their single signature to the maximum amount of Euro 1,000,000 (one million) for each individual transaction and with the joint signature of another managing director for amounts exceeding Euro 1,000,000 (one million) up to a maximum of Euro 3,000,000 (three million) for each individual transaction. Moreover, each of them will also be authorised to acquire and/or sell registered moveable assets with their single signature.
The Managing Director Paolo Dal Cortivo is authorised to represent the company before the institutional investors and the shareholders, and before Borsa Italiana S.p.A., the Italian Stock Exchange company, and Consob.
The Managing Directors are authorised to represent the company to the extent, and within the limits, of the proxies received.



CAD IT Group at 30/06/2007

Directors' report on management

This Directors' report on management is attached to CAD IT's six-monthly consolidated report at 30th June 2007 and explains the main aspects of the Group's consolidated profit and loss account and the consolidated patrimonial-financial situation. Moreover, this document also includes the Parent Company accounting tables as of the same reference date.
The CAD IT S.p.A. consolidated half-year Report has been drafted in accordance with the international accounting standards (IAS/IFRS), as required by regulation no. 1606 and adopted by the European Union in 2002.
Unless otherwise indicated, the monetary amounts in the accounting tables and those referred to in the comments are shown in thousands of Euros.

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, Mantua, Prato 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 60% of Italian banking outlets.
In addition, the Group boasts long-standing activity in the industrial sector and the capacity to offer solutions for e-business, credit and industrial companies in constant evolution..
Solutions for Local Taxes 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 treasury and tax collection.

Summary of the Group results

	Period 2007 01/01 - 30/06		*Period 2006 01/01 - 30/06*		*Variations*	*%*
Production value	27,499	100.0%	25,955	100.0%	1,544	5.9%
Added value	22,109	80.4%	20,544	79.2%	1,565	7.6%
Gross operational result (EBITDA)	6,265	22.8%	4,590	17.7%	1,675	36.5%
Operational result (EBIT)	5,271	19.2%	3,806	14.7%	1,465	38.5%
Ordinary result	5,349	19.5%	3,894	15.0%	1,455	37.4%
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 income result analyses

The CAD IT Group closed its 2007 first half financial period with an improvement in production revenues and income margins compared to the same period 2006. The results achieved highlight the Group's ability to obtain positive results by focusing on production and offering new products and services and by acquiring new users and new market segments.
Profits for the period stand at Euro 2,812 thousand compared to Euro 1,115 thousand in the first six months in 2006, showing an increase of 152%.
This improvement in profits is mainly due to an increase in production revenues during the six months (+5.9%), which in turn is due to higher income from sales and services (+11.1%) which reached Euro 25,913 thousand (Euro 23,321 thousand in the six months of the previous year) correlated with lower resource allocation to new product development activities, which were contained, in accordance with the Company programme, at Euro 1,502 thousand compared to Euro 2,478 thousand in the first six months of 2006(-39.4%).
Added value rose to Euro 22,109 thousand compared to Euro 20,544 thousand in the previous period, increasing the high marginality to 80.4% (79.2% in the first six months of 2006).
Income margins, EBITDA (+36.5%) and EBIT (+38.5%), were decidedly greater, standing at Euro 6,265 thousand and Euro 5,271 thousand respectively compared with Euro 4,590 thousand and Euro 3,806 thousand in the previous year.
Labour costs in the first six months of 2007 came to Euro 14,599 thousand, Euro 205 thousand less (-1.4%) compared to the same period in 2006. Labour costs include the difference resulting from discounting back TFR amounts, as a consequence of the recent reform, in respect of the previous value recorded at 31st December 2006, accounted for as a reduction of a definite benefit plan, in accordance with paragraph 109 of IAS 19.
Amortization and funding in the first half of the year came to Euro 994 thousand compared to Euro 784 thousand in the first half of 2006. The increase is mainly due to a growth in intangible asset amortizations arising from the start up of an amortization plan for internally developed and completed software procedures, in execution of programmed investment plans.
The balance between income and expenses was in credit by Euro 78 thousand (previously Euro 89 thousand).
Other positive aspects of the six months in question are the trend of the appreciation and depreciation entry for profits from assets available for sale (including the amount previously registered in the specific appreciation fund), which generated appreciation to the value of Euro 548 thousand, and the positive outcome of investments connected to Sicom S.r.l. which generated a Euro 63 thousand appreciation.
The pre-tax result and third party share came to Euro 5,960 thousand (+73.4%) compared to the Euro 3,437 thousand of the previous period.
Income taxes came to Euro 2,972 thousand (previously Euro 2,203 thousand).
The Group's Net Financial Position at 30 June 2007 was in credit by Euro 8,562 thousand (previously Euro 9,169 thousand).

Market

The market continues to undergo a period of numerous mergers and takeovers in the Italian financial institute sector brought about by the need to reach the necessary critical mass in order to operate on the European market and by new concentration operations of the large banking groups. In this context, the CAD IT Group has begun to reap the results of investments and efforts made in previous financial periods and poses the assumption that investment into Research and Development will continue over the years in order to maintain the strategic position of leadership in the Italian market with favourable prospects for internationalising its own activities.

Significant events of the period

On February 5th 2007, CAD IT and Xchanging, the business processing services company announced the signing of an exclusive 3 year partnering agreement.
The partnering agreement reinforces the objectives of the original letter of intent, signed in November 2005, which comprised the following:

• CAD IT will be the preferred supplier of application solutions for the Xchanging Financial Services division. Xchanging will involve CAD IT in all the international projects aimed at delivering software solutions for the financial services sector.

• Xchanging and CAD IT will continue their analysis of the business potential of the Italian market for business process services. Xchanging will be CAD IT's preferred partner for business services in Italy.

This agreement further strengthens CAD IT and Xchanging's strategic alliance as they maximise synergies to exploit the Italian and international market.
On 30th April 2007 the Ordinary Shareholders' Meeting decided the distribution of an ordinary dividend of 0.29 Euro per share, in increase of 61% regarding the 0.18 Euro per share of dividend 2005. The dates for coupon detachment and dividend payments was the 14th and 17th of May 2007 respectively.
Furthermore, the Ordinary Shareholders' Meeting extended the appointment of the auditing firm BDO Sala Scelsi Farina for the auditing of CAD IT SpA and subsidiary accounts for a further three years, an appointment that will therefore end when the Shareholder Meeting approves the balance for year ending 31.12.2014.
In relation to the CAD IT S.p.A. Statute, the Extraordinary Shareholders' Meeting approved proposals to modify the following articles: 2 (Head Office and address); 4 (Purpose: possibility to apply to the capital risk market); 6 (Shareholder Meetings: effect of decisions in terms of absent or dissenting shareholders, approval and modification of "shareholder meeting regulations"); 8 and 9 (Shareholder Meetings: right to intervene and to be represented by delegation); 10 (Shareholder Meetings: meeting chairmanship and nomination of the secretary); 11 (Shareholder Meetings: constitution and deliberation of ordinary and extraordinary shareholder meetings); 12 (Shareholder Meetings: the summoning of the annual ordinary shareholder meeting); 14 (Directorship: the number and requirements of directors, modality of director nomination, candidature and lists, chairman nomination, duration of office, powers of the Board of Directors and non delegable matters, statute adjustment powers in accordance with the law).
Moreover, the CAD IT S.p.A. Extraordinary Shareholders' Meeting introduced some new articles: article 7 concerning the modalities for summoning a meeting on the request of a large number of shareholders representing at least one tenth of the company capital or on request of the Board of Auditors or of two of its members; article 8 regarding the integration of a list of matters to be discussed at the meeting on the request of a large number of shareholders representing at least one fortieth of the company capital and article 25 relating to the manager appointed for the drafting of company accountancy documents.
The report showing the modifications made to the Statute is available to shareholders on the CAD IT S.p.A. company web site at www.cadit.it, as well as at Borsa Italiana S.p.A.
On April CAD IT has announced that the Banca Popolare dell'Emilia Romagna group will be using its new software procedure to manage local taxes. The solution developed by CAD IT will enable nominated bodies to carry out all operations regarding management of tributary and non tributary tax collection. The Banca Popolare dell'Emilia Romagna group, through its own treasury services for public bodies and thanks to the CAD IT software procedure, will offer the market a new solution which will see a global management of income and services for Public bodies. CAD IT will supply the software procedure, maintenance service and aid in training the end user. The solution that takes into account the most innovative development procedures (Service Oriented Architecture and Web Based) is made up of a series of "Operating Modules" completely compatible with each other that allow the management of all operations laid down by governing rules and which perfectly complies to various e-government projects. The application allows one to excel the management of returns and the activity of Voluntary and Compulsory Taxes in specific and independent modules which are formed according to the needs of the individual customer.
During the current period, development and sales activities of new products for both consolidated clients and new types of customer have been continuing.

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 platform, which is a fundamental element for the Group's strategic growth.

Activity is also intense, in collaboration with Bit Groove and DataFox, in the production of specialised modules for the business intelligence area.

CeSBE S.r.l. continues to work towards the technological and functional sophistication of solutions for Trading On Line.

The CAD IT Group, taking advantage of the collaboration of NetBureau, is working intensely to create a procedure for keeping company shareholder registers at companies with a large body of shareholders.

SGM S.r.l., has developed vertical solutions of the new (ERP) SIGMAWEB management system for companies of all sizes. Among these, verticalization into the world of fashion and the food sector (managing production line marking off) are beginning to emerge.

Smart Line S.r.l. is now investing to enrich its own offer range of solutions and services for Public Administration and authorities for the management of local taxes.

Elidata S.r.l. continues to invest in furthering the functions of its own platform for linking up to financial markets and for the operational stock market room.

Activity to develop new software modules for thr foreign market is also continuing.

The CAD IT Group, in the context of the development of its own products, is also creating solutions linked to new norms and further procedures aimed at the diversification into new business sectors such as Insurance and Local Taxation.

Investments

Summary of investments	*1° half 2007*	*1° half 2006*	*year 2006*
Intangible fixed assets	45	27	83
Assets under development and payments on account	1,502	2,428	4,406
Plant, machinery, equipment and other tangible fixed assets	220	284	489
Total investments in tangible and intangible fixed assets	*1,768*	*2,740*	*4,979*
Shareholdings and financial investments	-	-	-
Total shareholdings and financial investments	*(0)*	*(0)*	*(0)*
Total investments	*1,768*	*2,740*	*4,979*

Investments in tangible and intangible fixed assets made by the consolidated companies in the the first half 2007 amount to Euro 1,768 thousand (Euro 2,740 thousand in the same previous year period).

The consisting amount of investments is a consequence of strategic decisions taken by the directors' meeting and management that approved investments to develop several new products needed by credit institutions.

The investment plan foresees a gradual reduction during the current year and following years in terms of the values of the previous financial periods.

Investments in intangible fixed assets mainly regard the development and purchasing of software for licensing to the clients or instrumental software to be used by the Group for its own activity.

Relationships with Group companies

During the financial period concerned, the Group's companies carried out operations with the controlled companies and businesses subject to CAD IT control. The patrimonial and economic effects of the operations carried out between companies consolidated with the integral method have been omitted in the consolidated balance with the exception of:

- services concerning the development of software procedures to be sold or instruments for the traditional activities of the Group's companies that are registered among intangible fixed assets;
- other operations, of insignificant amount, regarding the assignment of instrumental assets for the purchaser.

Relationships between the Group's companies are governed on the basis of contractual relations drawn up by the respective administration organs bearing in mind the quality of the assets and services involved and the competitive conditions of the market and adapting the interests of the Group.

The table below gives a summary of the income and service performances, as well as the credit and debit position of all the Group's consolidated companies, as of 30/06/2007:

Company	***Costs***	***Capitalized costs***			***Turnover***	***Receivables***	***Payables***
		Increases in internal work	*Software licences and rights*	*Other assets*			
Cad It S.p.a.	2,795	540		4	6,860	10,322	9,015
Cad S.r.l.	7,514			0	1,442	5,349	11,258
Cesbe S.r.l.	261				1,055	3,734	597
NetBureau S.r.l.	7				355	443	229
DQS S.r.l.	4				848	863	3
SGM S.r.l	16				331	859	81
SmartLine Line S.r.l.	29				67	87	326
BitGroove S.r.l.	204			2	374	395	404
Elidata S.r.l.	43				7	87	202
Datafox S.r.l.	52				134	209	58
Tecsit S.r.l.	1						176
Totali	**10,925**	**540**	**-**	**7**	**11,472**	**22,348**	**22,348**

There have been no abnormal or unusual transactions between the CAD IT Group's companies in this financial period.

CAD IT S.p.A.'s relations with its subsidiaries are shown at the bottom of the accounting tables.

Shares held by managerial and controlling organs

Shares held by directors and auditors in the main company and its subsidiaries:

Name and surname	Company	Number of shares held at 31. 12.2006		Number of shares bought	Number of shares sold	Number of shares held at 30.06.2007	
Dal Cortivo Giuseppe	Cad It S.p.A.	1,329,234	(1)	0	0	1,329,234	(1)
Magnani Giampietro	Cad It S.p.A.	1,325,721	(1)	0	0	1,325,721	(1)
Rizzoli Maurizio	Cad It S.p.A.	1,395,936	(2)	0	0	1,395,936	(2)
Zanella Luigi	Cad It S.p.A.	1,328,180	(3)	0	0	1,328,180	(3)
Dal Cortivo Paolo	Cad It S.p.A.	5,481		0	0	5,481	
Margetts Michael John	Cad It S.p.A.	0		0	0	0	
Lamberto Lambertini	Cad It S.p.A.	0		0	0	0	
Francesco Rossi	Cad It S.p.A.	0		0	0	0	
Cusumano Giannicola	Cad It S.p.A.	0		0	0	0	
Ranocchi Gian Paolo	Cad It S.p.A.	0		0	0	0	
Tengattini Renato	Cad It S.p.A.	60		0	0	60	

(1) of which in spouse's name: 370,885
(2) of which in spouse's name: 351,264
(3) of which in spouse's name: 380,985

Payments for any security of the main company or its direct or indirect subsidiaries to Board members or auditors are shown in the balance notes.

Corporate Governance

On 13th February 2007, the Board of Directors approved the revision of the Organisational and Managerial Model including a new procedure to regulate the organisational and procedural aspects, the request process and fruition of financing carried out by European Community and national bodies for staff training within the Group's companies.
On 27th March 2007, the Board of Directors approved the annual report for 2006 on Corporate Governance aimed at supplying the CAD IT S.p.A. shareholders with adequate information about its company administration system and the degree to which the company adheres to said system in terms of the new Self Governance Code for market quoted companies promoted by Borsa Italiana S.p.A..
On 15th May 2007, the Board of Directors also nominated the manager responsible for drafting the company accounting documentation as of 1st July 2007.

Financial instruments and risk management

Given the type of financial instruments in its possession, the Group is not subject to exchange risks or significant risks regarding interest rates and liquidity.
As for credit risk, the Group constantly monitors credits so that its clients respect payment terms and in order to contain the risk of any possible losses. The Group mainly operates with banks and companies controlled by banks and in past periods the event of credit losses concerning said clients has been minimal.
No operations were carried out using derivate instruments during the period since it is not the company's

policy to carry out these kind of operations, whether for cover purposes or for negotiation.

Other Information

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.
In the balance report, no alternative performance indicators have been adopted with the exception of the net financial position, shown in the balance notes, for which no reclassifications have been made in terms of balance figures and relative explanations are supplied and linked to the patrimonial status entries concerned, as defined in the CESR Recommendations.
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.

Important events since 30th June 2007 and foreseeable development

The Board of Directors has placed maximum attention on the needs of the market, on management and development strategy orientation, coordinating the use of the Group's resources to maintain the high level of efficiency and achievement of favourable economic results.
During this financial period, the Group's strategy of enriching the client portfolio, thanks to new products and new versions of the products traditionally on offer (multi-platform, multi-lingual, multi-currency, etc.), of enlarging the geographic market of reference, of widening the size range of clients that can be serviced (e.g. now even small banks) and of taking its offers to new sectors (e.g. insurance companies, trust companies, etc.) will continue.
Moreover, the intense planning activity with Xchanging, through which the CAD IT Group aims to increase its income in Italy and to geographically diversify its own business, continues.
During this current year and in the years to follow, activities to guarantee compliance to the MiFID directive have been, and will be, intensified. This will have a positive impact on the Group's results.

On behalf of the Board of Directors
The Chairman
(Giuseppe Dal Cortivo)

Consolidated financial statements of the Group

Consolidated income statement

	NOTES	Period 2007 01/01 - 30/06		Period 2006 01/01 - 30/06		Variations €/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	2-14	1,502	5.5%	2,478	9.5%	(977)	(39.4%)
of which related parties	*38*	*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	*2*	*27,499*	*100.0%*	*25,955*	*100.0%*	*1,544*	*5.9%*
Costs for raw	4	(520)	(1.9%)	(573)	(2.2%)	53	(9.3%)
Service costs	5	(4,479)	(16.3%)	(4,482)	(17.3%)	3	(0.1%)
Other operational costs	6	(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	7	(14,599)	(53.1%)	(14,805)	(57.0%)	205	(1.4%)
Other administrative expenses	8	(1,245)	(4.5%)	(1,149)	(4.4%)	(96)	8.3%
of which related parties	*38*	*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	14	(571)	(2.1%)	(381)	(1.5%)	(190)	49.8%
- Tangible fixed asset amortization	13	(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	9	162	0.6%	148	0.6%	15	9.8%
Financial charges	9	(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	10	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	11	(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	NOTES		30/06/2007	30/06/2006	Variations	Var. %
		Assets				
		A) **NON-CURRENT ASSETS**				
20,592	13	Assets, equipment and machinery	20,396	20,810	(414)	(1.99%)
14,452	14	Intangible assets	15,428	12,922	2,506	19.40%
8,309	15	Goodwill	8,309	8,309	-	-
152	16-17	Holdings	152	153	(2)	(1.13%)
2,787	18	Other financial assets available for sale	2,925	2,691	233	8.67%
46		Other non-current credits	54	55	(1)	(1.61%)
322	19	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**			0	
660	20	Stock	654	639	15	2.39%
392	21	Ongoing orders	450	454	(4)	(0.83%)
26,276	22	Commercial credits and other credits	33,110	27,074	6,036	22.29%
54	23	Tax credits	289	82	208	254.66%
-		Financial assets at fair value trough profit or loss	-	-		
9,529	24-37	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%**
-	25	C) Non-current assets for sale	-	-		
83,572		**TOTAL ASSETS**	**92,152**	**83,629**	**8,524**	**10.19%**
		Liabilities				
		A) Equity				
4,670	26	Company capital	4,670	4,670	0	-
34,997	27	Reserves	36,183	35,337	846	2.39%
14,918	28	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	26	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	30	Liabilities due to deferred taxes	3,692	3,432	260	7.57%
6,915	31	TFR and quiescence reserves	6,143	6,458	(316)	(4.89%)
25	32	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	33	Commercial debts	7,847	6,335	1,512	23.87%
3,227	34	Tax debts	5,999	3,195	2,804	87.78%
1,138	35	Short-term financing	1,195	670	525	78.37%
6,497	36	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%**

Statement of changes in equity

Statement of changes in equity	**Notes**	**Attribution to the shareholders of the Main Company**					**Minority Interests**	**Total**
		Company capital	**Reserves**	**Accumulated profit (loss) net of period result**	**Period result**	**Group's net patrimony**		
31-dic-06	*26-27-28*	4,670	34,997	11,957	2,961	54,585	2,708	57,293
Increase (decrease) in equity reserves			1,185			1,185	0	1,185
Increase in revaluation reserves								
Allocation of the period to reserves				2,961	(2,961)			
Dividend distribution	29			(2,604)		(2,604)	(243)	(2,847)
Effects on consolidation reserves								
Company capital increases								
Period result					2,812	2,812	176	2,989
Period end total	***26-27-28***	***4,670***	***36,183***	***12,314***	***2,812***	***55,978***	***2,641***	***58,620***

Statement of changes in equity	**Attribution to the shareholders of the Main Company**					**Minority Interests**	**Total**
	Company capital	**Reserves**	**Accumulated profit (loss) net of period result**	**Period result**	**Group's net patrimony**		
31-dec-05	*4,670*	*35,298*	*12,059*	*1,517*	*53,543*	*2,570*	*56,113*
Increase (decrease) in equity reserves		40			40	56	96
Increase in revaluation reserves							
Allocation of the period to reserves			1,517	(1,517)			
Dividend distribution			(1,616)		(1,616)	(120)	(1,736)
Effects on consolidation reserves			(2)		(2)		(2)
Company capital increases							
Period result				1,115	1,115	120	1,235
Period end total	***4,670***	***35,337***	***11,957***	***1,115***	***53,079***	***2,626***	***55,705***

Consolidated Cash Flow Statement

31/12/2006	NOTES		30/06/2007	30/06/2006
		OPERATING ACTIVITIES		
2,961		**Profit (loss) for the period**	2,812	1,115
		Amortisation and depreciation:		
825	13	- Tangible fixed assets	389	403
835	14	- Intangible fixed assets	571	381
(160)		Financial income and charges, net	(101)	(88)
		Accruals:		
1,429	32	- 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)	32	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)	20-21	(Increase)/Decrease in inventory	(53)	(110)
(93)	22	(Increase)/Decrease in accrued income and deferred expenses	(536)	(396)
696	33	Increase/(Decrease) in accounts due to creditors	(706)	89
(256)	33	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 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)	14	(Increase)/Decrease in intangible fixed assets	(1,547)	(2,456)
(474)	13	(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	9	Cashed Interest	145	131
1		(Increase)/Decrease in investments in associated companies	0	(1)
300	18	(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)	18	Increase/(Decrease) in reserve for fin, assets avail, for sale	1,185	40
(2)		Effects on consolidation reserve	0	(2)
138	26	Third party net patrimony	(67)	56
(1,616)	29	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**

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 company is listed in the STAR segment 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.

1 Accounting policies and evaluation criteria more important

This six-monthly 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 and is particularly in accordance with IAS 34 – *Interim financial reporting.* The balance tables are set out in accordance with the IAS 1 – *Presentation of financial statements,* while the notes contain the minimum content if relevant and not shown elsewhere in the interim reporting, in accordance with IAS 34.
The accounting standards adopted are the same as those used for drafting the last annual balance and have been applied in the same manner throughout the periods shown and for all the Group's companies intermediary balances, drafted in accordance with Italian accounting standards, opportunely amended; there have been no modifications in the comparative information.
This document comprises consolidated financial statements, notes to the said financial statements, administrative staff observations on how management is progressing and the most important factors of the financial period, and the financial statements regarding the parent company.
The consolidated balance has been drafted using the evaluation criterion of past cost, except for financial instruments available for sale, which are assessed at *fair value,* and the holdings in subsidiaries, which are assessed in accordance with the equity method. Moreover, where some land and buildings have been included in *First Time Adoption*, the *fair value* has been used instead of the cost.
This half report 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. Since they are estimates, the results obtained are not necessarily the same as the results portrayed.
The estimates and hypotheses are reviewed on a regular basis. Any variations deriving from an accounting estimate review are shown in the period in which the review was made if such review only affects that period. If the review affects the current and future periods, the variation is recorded in the period in which the review is made and in the relative subsequent periods.

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 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.

Subsidiary companies

The consolidation area includes the Parent company and the companies it controls, that is, where it has the power to determine financial and managerial policies of a business in order to reap benefits from said company's activities.
Subsidiary companies are consolidated from the date in which control was effectively transferred to the Group and are no longer consolidated as from the date that control becomes external to the Group.
These companies are consolidated using the integral consolidation method. In order to prepare the consolidated data, the patrimonial, economic and financial situations of the subsidiary and associate companies have been used as prepared by the Group's individual companies at the reference dates, opportunely reclassified and amended to reflect the application of the homogeneous accounting standards.
In drafting the consolidated balance all the balances and significant transactions between the Group's companies have been eliminated, as are all unrealised infra-group profit and loss transactions.

Associated companies

The share in associated companies, that is those companies in which the Group has significant influence, is evaluated using the net patrimony method, as defined in IAS 28 – Investments in Associates. The profits or losses relevant to the Group are included in the consolidated balance from the date in which this considerable influence began up to the moment it ceases.

Property, plant and equipment

Tangible fixed assets are shown at purchase cost, including any costs that may be directly ascribable and necessary for activating the asset and putting it to the use for which it was purchased. In reference to land and buildings listed in *First Time Adoption*, the fair value was used instead of the cost.
Tangible fixed assets are shown at net value of the relative accumulated depreciations and losses due to the reduction in value determined in accordance with the modalities described below.
Tangible fixed assets are amortised in constant rates during the course of their expected useful life cycle, i.e. the estimated period of time in which the asset will be put to company use. Whenever significant parts of tangible fixed assets have different estimated useful life cycles, said components are amortised separately.
The value to be depreciated is given by the registered value of the asset net of any loss in value and reduced

by its assumed value at the end of its useful life cycle, if significant and reasonably calculable. The useful life cycle and the cash value are reassessed annually and any changes, where necessary, are brought in with a perspective application.
The main economic-technical tax rates used are the following:

- industrial buildings: 3%
- electrical equipment: from 5 to 10%
- air conditioning equipment: from 6 to 15%
- telephone systems: 20%
- alarm systems: from 10 to 30%
- furniture and fittings: 12%
- electrical machinery: 15%
- electronic machines and computers: 20%
- vehicles: 25%

Land, both without buildings or next to civil and industrial constructions, is accounted for separately and not amortised as it is considered an element with an unlimited useful life cycle.
In order to calculate any losses due to depreciation, the accounting value of intangible fixed assets is subject to verification.
At the time of elimination or when no future economic benefit can be expected from the use of an asset, it is eliminated from the balance and the eventual loss or profit (calculated as the difference between the assignment value and the taxation value) is shown in the economic account of the year in which the asset is eliminated.

Financial leasing

Assets owned through financial leasing contracts, through which all the risks and benefits tied to the property are transferred to the Group, are registered among the Group assets at their fair value or, if this value is lower, at the present value of the minimum payments due for the leasing and depreciated by applying coherent criteria to the other assets. The corresponding liability towards the lessor is registered in the balance among the financial debts.

Intangible fixed assets

Intangible fixed assets are shown as such when it is likely that they will bring in future economic benefits for the company and when the asset cost can be feasibly determined.
Intangible fixed assets, having a defined useful life cycle, are subsequently registered net of the relative accumulated amortizations and any losses due to a 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, such costs are amortized as from the date shown for the sales of the products in relation to the project concerned and according to the life cycle calculated for the products themselves, estimated over about five years, which is taken as not less than the period of effective use. 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.

Goodwill

Goodwill resulting from the purchase of controlled and incorporate companies is initially registered at cost and is the overbalance of the purchase cost in respect of the purchaser's share of the fair value of the assets and liabilities and the potential liabilities at the date of purchase.
After the initial registration, goodwill is no longer amortised and is decremented of any losses in accumulated value, calculated according to the IAS 36 Asset value reduction.
Goodwill is subject to an annual analysis of retrievableness or at shorter intervals if something happens or changes in circumstances arise, which could cause losses in value.
Goodwill deriving from purchases made prior to 1st January 2004 is registered at the recorded value ascribed to it in the last balance drafted on the basis of the previous accounting standards (31st December 2003). In fact, during the preparation of the opening balance in accordance with the international accounting standards, none of the purchase transactions made prior to 1st January 2004 have been re-considered.
The start-up relating to holdings in associated companies is included in the value of these companies.

Impairment loss

The Group annually verifies the accountable value of intangible and tangible assets or more often whenever there is an indication that assets may have suffered a value loss.
If the charged value exceeds the recoverable value, the assets are devalued to reflect their recoverable value, represented by the greatest figure between the net price and use value. In defining the use value, expected future financial flows are discounted back using a pre-tax discount rate that reflects the current market estimations in reference to the cost of money at the time and the specific risks of the asset in question. For an asset that does not generate widely independent financial flows, the return value is determined in relation to the unit generating the financial flows of which the asset is a part. The value losses are accounted for in the 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 the *fair value i*s the market value as of the reference date. 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. Financial investments are classified as liquid assets only when they have a short expiry (i.e. at three months or less from the purchase date).

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: the actuarial calculations have therefore excluded the component relating to future increases in salary. The difference resulting from the new calculation compared to the previous value registered at 31st December 2006, has been accounted for as a reduction of a definite benefit plan, in accordance with paragraph 109 of IAS 19, the difference thus appearing in the Profit and Loss account in the first six months of 2007.

Risk and obligation funds

In accordance with the IAS 37, the allocations are shown when there is an ongoing obligation (legal or implicit) that stems from a past event, whenever an outlay may be necessary to satisfy the obligation and a feasible estimation may be made on the obligation amount.

If the effect of updating the assumed cash value is significant, the allocations are calculated by updating the expected future financial flows at a pre-tax discount rate that reflects the current market evaluation of the cash value in relation to time. When updating has been done, the increase in the allocation caused by the passing of time is shown as a financial obligation

Commercial debts and other current liabilities

The commercial debts, whose deadlines are within normal commercial terms, are not updated and are registered at cost (identified by their nominal value).

Financial liabilities are initially shown at cost, which corresponds to the fair value of the liability, net of transition costs, which are directly attributable to the issue of the liability itself.

After the initial determination, the financial liabilities are assessed with the criterion of amortized cost using the original effective tax rate method.

Revenues and costs

The revenues and costs are determined in accordance with the qualifying economic principle to the amount to which the fair value can be feasibly determined.
Depending on the type of operation, the revenues are determined on the basis of the specific criteria reported below:

- the revenues for services are determined with reference to the point at which they stand on the basis of the same criteria used for determining the position of ongoing orders. If it is not possible to feasibly determine the revenue values, they are then calculated until they concur with the amount of expenses sustained and which are deemed recoverable.
- the profits from the sale of goods are shown when significant risks and benefits of the ownership of the goods are transferred to the purchaser, the sale price is agreed or can be determined and payment is collected.

As for sales concerning assistance and/or maintenance services carried out with the annual subscription formula, the accrual is calculated in proportion with time.
The costs are ascribed in the balance according to the same criteria as those for revenue acknowledgment.

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.

2 Revenues

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

	Period 2007 01/01 - 30/06		*Period 2006 01/01 – 30/06*		*Variations*	*%*
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%)
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%*

Service and sales include any income from the sale of licensed out software, maintenance services for software updating, the use of personalised applicative packages, the sale of hardware, consultancy services and information technology system design.
Increases in intangible assets due to internal work include the activities carried out by the staff of CAD IT and the Group's companies concerning the development of new procedures aimed at the sale of licensed products or instrumental goods for the company's traditional business.
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 and geographical areas

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	**30/06/2007**				
	Finance	*Manufacturing*	*Not allocated/General*	*Elisions*	*Consolidated*
External revenues	25,528	1,971			27,499
Intersegment revenues	1,360	700		(2,060)	
Total revenues	26,888	2,671		(2,060)	27,499
Costs	(21,040)	(2,537)	(712)	2,060	(22,228)
Gross Operating Result (EBITDA)	6,734	242	(712)		6,265
Operating Result (EBIT)	5,848	134	(712)		5,271
Net financial income (expenses)			78		78
Revaluations and devaluations	611				611
Result	6,460	134	(634)		5,960
Income taxes			(2,972)		(2,972)
Third party share (profit)/loss					(176)
Financial period profit (loss)					2,812
Assets	88,153	3,401	598		92,152
Liabilities	21,856	1,986	9,691		33,533

Disclosures for business segments	**30/06/2006**				
	Finance	*Manufacturing*	*Not allocated/General*	*Elisions*	*Consolidated*
External revenues	24,050	1,905			25,955
Intersegment revenues	1,547	785		(2,332)	
Total revenues	25,597	2,690		(2,332)	25,955
Costs	(21,351)	(2,446)	(684)	2,332	(22,149)
Gross Operating Result (EBITDA)	4,894	381	(684)		
Operating Result (EBIT)	4,247	244	(684)		4,590
Net financial income (expenses)	-		88		88
Revaluations and devaluations	(457)				(457)
Result	3,790	244	(596)		3,437
Income taxes			(2,203)		(2,203)
Third party share (profit)/loss					(120)
Financial period profit (loss)					1,115

Assets	79,913	3,374	342	83,629
Liabilities	18,857	2,440	6,627	27,924

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

4 Purchase Costs

Purchase costs	**30/06/2007**	**30/06/2006**	**Variations**	**%**
Raw materials, consumables and supplies:				
Hardware-Software purchases for sale	342	354	(12)	(3.37%)
Consumable Hardware purchases	61	103	(42)	(40.97%)
Other purchases	112	109	4	3.46%
Variations in raw material stock	5	8	(3)	(34.44%)
Total purchase costs	**520**	**573**	**(53)**	**(9.26%)**

Costs for purchasing hardware and software for sale refer to purchases made for orders that clients had already confirmed and are substantially stable over the two six month periods in question.

5 Service costs

Services costs	**30/06/2007**	**30/06/2006**	**Variations**	**%**
External collaboration	2,669	2,577	91	3.55%
Travelling expenses and fee reimbursement	664	716	(52)	(7.30%)
Other service costs	1,146	1,189	(42)	(3.55%)
Total	**4,479**	**4,482**	**(3)**	**(0.07%)**

Service costs in the first six months of 2007 amounted to Euro 4,479 thousand, substantially stable compared to the same period of the previous year (Euro 4,482 thousand). In particular, the cost of external collaboration increased by Euro 91 thousand (+3.55%) compared to a Euro 52 thousand reduction (-7.30%) in expenses and transfer fees and Euro 42 thousand (-3.55%) for other service expenses.

6 Other operational costs

The table below shows the details of other operational costs slightly higher than the first six months of the previous period (+9.96%).

Other operational costs	**30/06/2007**	**30/06/2006**	**Variations**	**%**
Third party benefit expenses	342	313	29	9.24%
Various management charges	50	43	7	15.24%
Total	**391**	**356**	**35**	**9.96%**

Third party benefit expenses mainly refer to long-term vehicle and equipment rental.

7 Labour costs and Employees

Labour costs amounted to Euro 14,599 thousand and are as follows:

Labour costs	30/06/2007	30/06/2006	Variations	%
Salaries and wages	11,162	10,976	186	1.69%
Payroll taxes	3,312	3,341	(29)	(0.87%)
Severance pay	62	424	(362)	(85.47%)
Retirements and the like	0	0	-	-
Other costs	64	64	-	-
Total	**14,599**	**14,805**	**(205)**	**(1.39%)**

Salary and wage expenses in the first six months of 2007 increased by Euro 186 thousand (+1.69%) compared to the first six months of 2006, even though the average number of employees was lower, while total labour costs decreased by Euro 205 thousand (-1.39%) due to the difference resulting from discounting back TFR, as a consequence of the recent reform, in respect of the previous value recorded at 31st December 2006, accounted for as a reduction of a definite benefit plan, in accordance with paragraph 109 of IAS 19.

The figures relating to the precise number of employees currently working in the CAD IT Group are shown below:

Category employees	*labour force at 30/06/2007*	*labour force at 31/12/2006*	*labour force at 30/09/2006*	*labour force at 30/06/2006*	*labour force at 31/12/2005*
Management	18	18	18	19	18
White-collars and cadres	592	601	605	605	621
Blue-collars	1	1	1	1	1
Apprentices	3	3	2	3	4
Total	*614*	*623*	*626*	*628*	*644*

The number of CAD IT Group staff, at the end of the first half 2007 was 9 persons less than at 31st december 2006. The average number of employees over the six months 2007 was 617 persons while this figure was 634 over the first half 2006.

The following table shows data regarding the CAD IT Group employees:

Category of employees	*Average number 1° half 2007*	*Average number 1° half 2006*	*Average number 2006*
Management	18	19	19
White-collars and cadres	595	611	608
Blue-collars	1	1	1
Apprentices	3	3	3
Total	***617***	***634***	***630***

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

During the six months CAD IT received an “Educational Business” award by Confindustria Verona for having integrated training into its mission by including it among its strategic objectives, in the awareness that human capital should be exploited by favouring the broadening and divulgence of knowledge.

8 Other administrative costs

The table below shows the other administrative costs in detail.

Other administrative costs	30/06/2007	30/06/2006	Variations	%
Director and legal representative fees	682	653	30	4.59%
Director retirement	14	12	1	8.09%
Director and legal representative fee contributions	82	61	21	34.07%
Telephones	306	304	2	0.65%
Commissions	56	0	56	
Advertising fees	106	120	(14)	(11.31%)
Total	**1,245**	**1,149**	**96**	**8.32%**

Other administrative costs include Euro 554 thousand to remunerations paid to correlated parties including those from subsidiaries, as shown in note 38.

9 Financial performance

The net financial income is Euro 78 thousand as the following table clearly shows.

Financial performance and net financial position	30/06/2007	30/06/2006	Variations
Financial income from assets available for sale	17	17	(0)
Interest on bank deposits and equivalent	145	130	15
Financial income	**162**	**147**	15
Interest on bank overdrafts and loans	(54)	(51)	(3)
Interest on debts for financial leasing	(7)	(8)	1
Losses on exchanges	(23)	-	(23)
Financial charges	**(84)**	**(59)**	(25)
Financial income and charges, net	**78**	**88**	(10)

The trend of income and expenses is substantially in line with the first six months of the previous year. Income is made up of dividends and interest earned with particular reference to capitalization insurance policies classifiable as available liquid assets.
Financial expenses mainly refer to temporary overdrafts on bank accounts.

10 Revaluations and depreciations

Revaluations and depreciations	30/06/2007	30/06/2006	Variations
Holding revaluation evaluated with the net patrimony method	63	36	27
Assets available for sale devaluation at the fair value		(435)	(435)
Alienated assets available for sale revaluation	548		548
Devaluation of shareholdings (loss cover)		(58)	58
Total revaluations and depreciations	**611**	**(457)**	**1,068**

Reassessment of the holdings evaluated by the equity method concern the associated company Sicom S.r.l., both in 2007 and in 2006.

The assessment for assets available for sale refers to holdings in Class Editori S.p.A. ad Cia S.p.A., evaluated at fair value.

11 Income taxes

Incombe taxes	30/06/2007	30/06/2006	Variations	%
Tax pre-payments	6	(17)	23	(133.81%)
Deferred taxes	146	76	70	92.09%
Current taxes	2,820	2,144	676	31.55%
Total income taxes	**2,972**	**2,203**	**769**	**34.91%**

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.
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, for the three years 2007-2009, which concerns the determination of a global income that corresponds to the algebraic sum of all net 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 and also allows for intergroup dividends to be totally excluded.
Tax incidence on the gross result was 49.9%, while at 30/06/2006 was 64.1%, and at 31/12/2006 was 56.2%. Such high incidence was mainly due to the effect of IRAP, the burden of which on the results is particularly high because of the taxability of staff and collaborator costs. This incidence tends to become less as pre-tax results improve.

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	*Period 2007 01/01 – 30/06*	*Period 2006 01/01 – 30/06*
Net profit ascribable to ordinary shares in thousands of euro	2,812	1,115
Weighed average number of ordinary shares in circulation	8,980,000	8,980,000
Net profit ascribable to ordinary shares for basic profit per share in Euro	0.313	0.124

13 Property, plant and equipment

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

Property, plant and equipment	30/06/2007	30/06/2006	Variations	%
Land	1,527	1,527	0	0.00%
Buildings	15,263	15,386	(123)	(0.80%)
Plant and equipment	2,399	2,642	(243)	(9.18%)
Other assets	1,207	1,256	(49)	(3.87%)
Total property, plant and equipment	**20,396**	**20,810**	**(414)**	**(1.99%)**

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

Tangible fixed assets	*Land and buildings*	*Plant and machinery*	*Industrial and commercial equipment*	*Other tangible fixed assets*	*Total*
Purchase or production cost	9,140	4,039	22	5,351	18,552
Previous years revaluations	8,439				8,439
Previous years depreciation and write-downs	(727)	(1,527)	(11)	(4,131)	(6,397)
Adjustments to previous years write-downs				(2)	(2)
Opening value	***16,851***	***2,512***	***11***	***1,218***	***20,592***
Variations in consolidation area					
Purchases		19	5	196	220
Transfers					
Reduction in accumulated depreciation due to disposals		16		270	286
Disposals		(19)		(295)	(314)
Revaluations for the period					
Depreciation and write-downs for the period	(61)	(129)	(2)	(197)	(389)
Adjustments to write-downs for the period					
Total tangible fixed assets	***16,790***	***2,399***	***15***	***1,192***	***20,396***

Land and buildings have been revaluated at FTA at fair value as a substitute of cost and is calculated by an external expert. For further information regarding this point, please refer to the attached document on transition to the international accounting standards.

The accounting value of the Group's buildings includes the sum of € 277 thousand relating to owned assets based on financial leasing contracts.

The purchasing of new tangible assets during the year came to a total of Euro 220 thousand of which Euro 196 thousand were for "other tangible assets" that mainly included the purchasing of electronic machinery and computers, managerial instruments characteristic of the Group's activities.

There are no restrictions on the legal ownership and possession of assets, systems and machinery to guarantee liabilities with the exception of property held in leasing. There are no contractual restrictions for buying assets, systems or machinery.

These assets have undergone no reduction in value during the year that need to be registered in the balance.

14 Intangible fixed assets

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

Intangible fixed assets	30/06/2007	30/06/2006	Variations	%
Industrial patents and similar rights	3,928	3,159	769	24.34%
Licences, trademarks and similar rights	135	118	17	14.55%
Assets under development	11,364	9,644	1,720	17.84%
Others	0	0	0	
Total Intangible fixed assets	**15,428**	**12,922**	**2,506**	**19.40%**

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

Intangible fixed assets	*Industrial patents and similar rights,*	*Licences, trademarks and similar rights*	*Assets under development and payments on account*	*Other*	*Total*
Purchase or production cost	4,615	3,087	10,684	23	18,410
Previous years revaluations					
Previous years amortisation and write-downs	(970)	(2,964)		(23)	(3,957)
Adjustments to previous years write-downs		(1)			(1)
Opening value	***3,646***	***122***	***10,684***	***0***	***14,452***
Variations in consolidation area					
Purchases		45	1,502		1,547
Transfers	821		(821)		
Reduction in accumulated amortisation due to disposals					
Disposals					
Revaluations for the period					
Amortisation and write-downs for the period	(539)	(32)			(571)
Adjustments to write-downs for the period					
Total intangible fixed assets	***3,928***	***135***	***11,364***	***0***	***15,428***

The voice “industrial patent rights and works of ingenuity” is almost entirely made up of software procedures developed by the CAD IT Group and which were previously listed under the voice ongoing assets and have been reclassified as they are now ready for use.
The caption “Licences, trademarks and similar rights” principally includes the licensed out software bought by third parties used by the Group 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 most important projects included in the assets are the following:

- SIBAC GS – an integrated banking system for large systems designed for the whole banking and financial sector;
- SID – a managerial information technology system developed for the business intelligence area of the banking system;
- Libro Soci – a procedure for the management of quoted company books designed for the whole banking system;
- Fiscalità locale (Local taxation)– a procedure for the management of local taxes designed for the public administration and public body sector;
- GPM4 – this is a procedure aimed mainly at banks and financial companies who deal with savings as it manages property patrimony by simulating investment portfolios.

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.
The values are registered at credit to the directly sustained cost including the cost concerning the use of internal company resources as well as any extra expenses that may be added to the original cost. In respect of the principle that correlates cost and gain, these costs are depreciated as from the date of the sale of products correlated to these projects and in terms of the life-cycle of the products themselves, which is estimated at five years.
These assets have undergone no reduction in value during the year that need to be registered in the balance.
The following table is an analytical summary of CAD IT's intangible purchases from other companies in the Group.

Intangible asset purchases from CAD Srl	7
Total intangible asset purchases	**7**
Intangible asset development from CAD Srl	490
Intangible asset development from Netbureau	50
Total intangible asset purchases	**540**
TOTAL INTANGIBLE ASSET PURCHASES FROM SUBSIDIARY COMPANIES	**547**

15 Goodwill

The Group verifies the recovery of goodwill at least once a year or more often if there are indications of a value loss. During the six month period, situations indicating that assets may be impaired and may need a formal estimation of their recoverable value have not been found.
The goodwill acquired in an aggregation of companies is allocated, at the time of purchase, to the Cash Generating Unit (CGU) from which benefits connected to the aggregation are expected.
In particular, with regard to the CGU of the Group, these concern the controlled companies that represent the smallest identifiable group of activities that generate in-coming financial flows and which are largely independent of the in-coming financial flows from other activities or groups of activities.
The accounting value of goodwill has been allocated to the CGU as follows at the date of First Time Adoption:

Company	*Goodwill accounting value*
CAD S.r.l.	3,295
Cesbe S.r.l.	28
Netbureau S.r.l.	5
S.G.M. S.r.l.	1,224
D.Q.S. S.r.l.	2,279
Bit Groove S.r.l.	202
Elidata S.r.l.	617
Smart Line S.r.l.	443
Datafox	217
Totale	**8,309**

The recoverable value of the CGU 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. The results obtained by applying this method were

compared to those obtained with the Market Multiple method and in all cases the results proved coherent. Operational cash flow forecasts are based on the most recent budget plans approved by the Board of Directors and relate to the period 2006 – 2010 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 8.16%.
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 kS = 8.16%.
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 Subsidiary companies and Consolidation area

The consolidation area, compared to the situation at 30/06/2006, has not changed.
In order to prepare the consolidated balance, the companies included in the CAD IT Group consolidation using the integral method are as follows:

	Company name	Registered office	Share / Quota capital EURO	Percentage of investment	Percentage of investment of the Group
	consolidated using the integral method				
	CAD IT S.p.A.	Verona	4,669,600	Parent company	
	Cad S.r.l.	Verona	130,000	100.00%	100.00%
	Cesbe S.r.l.	Verona	10,400	52.00%	52.00%
	Netbureau S.r.l.	Milan	50,000	100.00%	100.00%
	S.G.M. S.r.l.	Padova	100,000	100.00%	100.00%
	D.Q.S. S.r.l.	Roma	11,000	55.00%	55.00%
	Bit Groove S.r.l.	Verona	15,500	100.00%	100.00%
	Elidata S.r.l.	Castiglione D'Adda (LO)	20,000	51.00%	51.00%
	Smart Line S.r.l.	Avellino	102,700	51.05%	51.05%
	Datafox	Florence	99,999	51.00%	51.00%
(1)	Tecsit S.r.l.	Roma	75,000	70.00%	38.50%

(1) Held through DQS S.r.l.

17 Investments in associates

The holding in Sicom S.r.l. was evaluated with the equity method. The reference values used for evaluating this holding with the equity method and the relative reference data on the patrimonial situation are shown in the following table:

Company name	Quotaholders' equity including profit for the period	Profit for the period	Percentage of investment	Investment value of the Group	Carrying value in the consolidated year report
Sicom S.r.l.	607	253	25.00%	152	152

18 Other financial assets available for sale

This point involves Class Editori S.p.A. and CIA S.p.A. shares respectively quoted in the Standards and Expands segment, managed by Borsa Italiana S.pA. The two holdings are stable investments due to their strategic function in existing collaboration agreements with the Group and are registered in the balance at market value at the balance date.

The profits and losses registered after a *fair value* evaluation at each balance date for this asset, by verifying the conditions laid down in the accounting standards, 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:

Holding	No, of shares held 30/06/2007:	*fair value* 30/06/2007 €/000	No, of shares held 31/12/2006:	*fair value* 31/12/2006 €/000	No, of shares held 30/06/2006:	*fair value* 30/06/2006 €/000
Class Editori S.p.a. (CLE)	1,209,403	2,334	1,694,171	2,426	1,694,171	2,365
Cia S.p.a. (CIA)	1,230,509	591	1,694,171	361	1,694,171	326
TOTAL		**2,925**		**2,787**		**2,691**

19 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) and past losses that the Group's companies made.

20 Inventories

Leftover stock, which is modestly significant, includes products being elaborated or semi-elaborated and finished products and goods. The entire point for the period in question is made up as follows:

inventory	30/06/2007	30/06/2006	Variations	%
Raw materials, consumables and supplies	-	-	-	
Products being elaborated or semi-elaborated	91	91	-	
Finished goods	564	548	15	2.78%
Total final inventory	**654**	**639**	**15**	**2.39%**

21 Ongoing work to order

Ongoing work to order was registered at a total € 450 thousand and includes jobs that were in their final stages, evaluated on the basis of the principle of the completion percentage (cost-to-cost).

Ongoing work to order	30/06/2007	30/06/2006	Variations	%
Ongoing work to order	450	454	(4)	(0.83%)
Total Ongoing work to order	**450**	**454**	**(4)**	**(0.83%)**

22 Other financial assets

Commercial credits and other credits are made up as follows:

Trade receivables and other credits	30/06/2007	30/06/2006	Variations	%
Trade receivables	32,144	26,336	5,808	22.05%
Accrued income and deferred expenses	875	641	234	36.42%
Other credits	92	97	(5)	(5.46%)
Total trade receivables and other credits	**33,110**	**27,074**	**6,036**	**22.29%**

Credits to clients are entirely due within 12 months; the accounting value of commercial credits and other credits is approximate to their fair value.
Commercial credits are mainly in favour of the Group's Banking Institute clients.
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 Group 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 Group 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 117 thousand (€ 342 thousand in previous period) which ensures a cover of 0.36% 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.

Trade receivables, net	30/06/2007	30/06/2006	Variations	%
Associated companies	2	2	-	-
Trade receivables	32,259	26,676	5,582	20.93%
Bad debt provision	(117)	(342)	226	(65.91%)
Total trade receivables	**32,144**	**26,336**	**5,808**	**22.05%**

% Coverage of bad debt provision	0.36%	1.27%

The point Accrued accruals and payables refers to accrued income to the sum of Euro 17 thousand and the remaining amount to accrued income made up as follows:

Accrued costs	30/06/2007	30/06/2006
Software assistance	564	344
Advertising expenses	12	39
Third party benefit expenses	61	35
Telephone charges	64	63
Administrative services	4	19
Various insurances	67	50
Various	48	32
Hardware assistance	3	5
System maintenance	21	16
Associative fees	12	10
Office management costs	1	22
Total Accrued costs	**858**	**636**

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

Credits towards other	30/06/2007	30/06/2006	Variations	%
Receivables from social security institutions	7	9	(2)	(22.85%)
Receivables for advances on travel expenses	12	8	5	59.23%
Payments on account to suppliers	7	16	(8)	(53.35%)
Other	59	59	0	0.30%
Guarantee deposits	6	5	1	10.38%
Total credits towards other	**92**	**97**	**(5)**	**(5.46%)**

23 Tax credits

This entry is mainly made up of the sums paid for direct taxes (IRES and IRAP) during the financial period.

24 Cash and other equivalent assets

Cash and other equivalent assets	30/06/2007	30/06/2006	Variations	%
Bank and postal accounts	4,969	3,797	1,172	30.86%
Cheques on hand				
Cash-on-hand and cash equivalents	19	15	4	27.09%
Insurance policies capitalised	5,087	6,348	(1,262)	(19.87%)
Total Cash and other equivalent assets	**10,075**	**10,161**	**(85)**	**(0.84%)**

The bank and postal account deposits are made up of cash-on-hand in current bank accounts.
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%.

25 Non current assets held for sale

There were no non-current assets of the Group to be classified as held for sale.

26 Company capital

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

Group net patrimony

The Group net patrimony at 30/06/2007 came to Euro 58,620 thousand compared to Euro 55,705 thousand at 30/06/2006 and compared to Euro 57,293 thousand at 31/12/2006.

Third party net patrimony

This point refers to the patrimony quota of the controlled companies that, on the basis of the 'Equity ratios', belongs to third parties. It was made up of:

Minority interests	30/06/2007	30/06/2006	Variations
Minority quotaholders of Cesbe S.r.l.	1,666	1,636	30
Minority quotaholders of Datafox S.r.l.	149	171	(22)
Minority quotaholders of Tecsit S.r.l.	14	42	(28)
Minority quotaholders of DQS S.r.l.	250	265	(15)
Minority quotaholders of Elidata srl	390	437	(47)
Minority quotaholders of Smart Line S.r.l.	174	76	98
Total minority interests	**2,641**	**2,626**	**15**

27 Reserves

Reserves	30/06/2007	30/06/2006	Variations	%
Own shares				
Share surcharge reserve	35,246	35,246		
Re-evaluation reserve				
Re-eval. res for fin. assets available for sale	936	91	846	931.13%
Total Reserves	36,183	35,337	846	2.39%

The variation of the evaluation reserve for assets available for sale comes from the variation in fair value at 30/06/07 of the holding in the quoted company Class Editori Spa and CIA S.p.A., directly registered in the net patrimony reserve, net of amounts relating to the transfers carried out in the period.

28 Accumulated profit/losses

Accumulated profits/losses	30/06/2007	30/06/2006	Variations	%
Previous profits/losses	179	585	(406)	(69.34%)
Legal reserve	934	934	0	0.00%
Statutory reserve				
IFRS transition reserve	2,119	2,119	(0)	(0.00%)
Consolidation reserve	(1,400)	(2,077)	677	(32.58%)
Available joint profit reserve	10,482	10,396	86	0.82%
Period profits/losses	2,812	1,115	1,698	152.31%
Total	**15,126**	**13,072**	**2,054**	**15.71%**

The IFRS transition fund 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 reserve of undivided profits increased by Euro 86 thousand due to the effect of undistributed profits in the previous period.

29 Dividends paid

On the basis of the results of the 2006 period, which confirm the Veronese Group's ability to generate positive income margins, the distribution of an ordinary dividend of Euro 0.29 per share, with coupon detachment on 14 May 2007 and payment on 17 May 2007, was approved at the Shareholders' Meeting on 30 April 2007.

30 Financing

The total amount to € 318 thousan. € 232 thousand of this point refers to the registration of the amount of debt funding determined by property leasing in accordance with the financial method.

A further medium-term debt towards a banking institute of € 86 thousand was also registered.

31 Liabilities due to deferred taxes

Deferred taxes amounted to Euro 3,692 thousand 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.

32 Employees' leaving entitlement and quiescence reserves

Employees' leaving entitlement and quiescence reserves	30/06/2007	30/06/2006	Variations	%
Employees' leaving entitlement (TFR)	6,108	6,271	(163)	(2.59%)
Fund due to director end of term of office treatment	32	185	(153)	(82.51%)
Other quiescence reserves	2	2		
Total	6,143	6,458	(316)	(4.89%)

The point concerning the 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	30/06/2007
Balance at 1 January	6,895
Variations in consolidation area	
Actuarial (gain)/loss	(751)
Accruals	196
Utilisation	(231)
Closing balance	6,108

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 30/06/2007 are shown below:

TFR on the basis of IAS at 30/06/2007	Previous years' costs	Current year's costs	Current year's interest allowed	Actuarial gain(loss)
6,108	5,913	54	142	751

The following table shows the effects on the fund during the period due to director end of term of office treatment.

Fund due to director end of term of office treatment	30/06/2007	30/06/2006	Variations	%
Balance at 1 January	19	173	(154)	(89.16%)
Accruals	14	12	1	8.09%
Utilisation	0	0	0	
Closing balance	**32**	**185**	**(153)**	**(82.51%)**

The decrease is due to the payment of End of Term of Office transactions in favour of the Board of Directors of the DQS associated company in force up to 20/04/2006.

33 Commercial debts

The entire point shows the following trend:

Trade accounts payable to creditors and other payable	30/06/2007	30/06/2006	Variations	%
Accounts payable to creditors	3,276	3,510	(234)	(6.67%)
Payments on account received	339	205	134	65.57%
Accrued expenses and deferred income	4,232	2,620	1,612	61.52%
Total	**7,847**	**6,335**	**1,512**	**23.87%**

Debts towards suppliers are referred to as current debts for supplies of goods and services received, including those regarding investments in intangible assets.

Accrued expenses and deferred earnings	30/06/2007	30/06/2006	Variations	%
Accrued liabilities	3	3	(0)	(2.79%)
Deferred earnings	4,230	2,617	1,612	61.60%
Total	**4,232**	**2,620**	**1,612**	**61.52%**

The deferred income refers almost entirely to income that was already invoiced regarding annual ordinary maintenance contracts on user licences and pertaining to the second half period.

34 Tax debts

The taxation debt point regards debts that the various companies of the Group included in the consolidation area have incurred with the inland revenue. They are debts due to income taxes, value added tax and to activities of tax substitution made by the various companies regarding their respective employees and collaborators and also includes estimated taxes chargeable in the period net of provisional paid tax.
At the time of drafting this balance there were no legal cases pending with the Financial Authorities.

35 Short-term financing

This point is made up of Euro 1,125 thousand from short-term funding to banking institutions outstanding at account and of Euro 70 thousand from debts within 12 months for financial leasing.

36 Other debts

Debts towards welfare institutions included matured contributory debts on current monthly salaries as well as the quota for deferred maturing salaries.
Staff debts refer to the current salaries for June 2007 and to accruals for deferred salaries that matured at the same date.
Details of other debts are as shown:

Other debts	30/06/2007	30/06/2006	Variations	%
Social security charges payable	2,740	2,294	446	19.44%
Towards directors	48	106	(58)	(54.84%)
Dividends to be distributed to shareholders (third parties)	152	152	(0)	(0.01%)
Towards staff for deferred salaries and pay	5,350	4,849	502	10.34%
Other	24	45	(21)	(46.93%)
Total	**8,313**	**7,445**	**869**	**11.67%**

37 Consolidated net financial position

The consolidated net financial availability was still positive at the end of the first half 2007 despite having paid a total of Euro 2,604 thousand in ordinary dividends to shareholders, in accordance with the decision made at the shareholders' meeting on 30th April 2007.
The amount of cash-on-hand at 30/06/2007 was Euro 8,880 thousand, a reduction of Euro 653 thousand and long-term financial availability was Euro 8,562 thousand compared to Euro 9,169 thousand at 30/06/2006.
In particular, cash-on-hand and in bank accounts came to Euro 4,989 thousand. Capitalisation insurance policies of Euro 5,087 thousand were contractually available on 30-day prior request without any significant tax expenses.

Variation in net financial position/(indebtedness)	30/06/2007	30/06/2006	Variations	%
Cash-on-hand and at bank	4,989	3,812	1,176	30.85%
Capitalisation insurance policies	5,087	6,348	(1,262)	(19.87%)
Payables due to banks current portion	(1,195)	(628)	(568)	90.47%
Net short-term financial position/(indebtedness	**8,880**	**9,533**	**(653)**	**(6.85%)**
Long-term loans	(318)	(364)	46	(12.62%)
Net long-term financial position/(indebtedness)	(318)	(364)	46	(12.62%)
Net financial position / (indebtedness)	**8,562**	**9,169**	**(607)**	**(6.62%)**

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" (Euro 10,075 thousand at 30/06/2007 and Euro 10,161 thousand at 30/06/2006); short-term financial debts are registered as "Payables due to banks current portion" (Euro 1,195 thousand at 30/06/2007 and Euro 670 at 30/06/2006 net of 42 thousands of Euro not considered in 2006); long-term financing is registered in the patrimonial status as "Long-term loans" (Euro 318 thousand at 30/06/2007 and Euro 364 at 30/06/2006).

As expected at the beginning of 2007, cash flows generated by traditional services were in credit (Euro 3.7 million) while programmed investment activities were still having a consistent effect on the use of financial available assets (1.7 million).
Please refer to CAD IT Group's financial report for cash flow details.

38 Transactions with related party

Relations between the Group's companies are administered on the basis of contractual relations drawn up by the respective administrative organs bearing in mind the quality of the assets and services involved and the competitive conditions of the market adapting the interests of the Group.
The summary of income and costs, despite the credit and debit position at 30 June 2007 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 to third parties	25,913	358	1.38%
Increases in intangible assets due to internal work	1,502	540	35.96%
Third party service costs	4,479	124	2.77%
Labour costs	14,599	176	1.21%
Other administrative expenses	1,245	554	44.50%
B Transaction or position incidence with correlated parties on entries in the Patrimonial situation			
Commercial credits and other credits	33,110	283	0.86%
TFR and pension funds	6,143	67	1.09%
Commercial debts	7,847	44	0.56%
Other debts	8,313	101	1.22%
C) Transaction or position incidence with correlated parties on financial flows			
(Increase)/Decrease in circulating credits	(6,298)	(248)	3.94%
Increase/(Decrease) in debts towards suppliers	(706)	(79)	11.20%
Increase/(Decrease) in other non-financial debts	1,816	(17)	(0.91%)

Except for previously mentioned existing relations, no other relations with other correlated parties of an economic-patrimonial nature of any significant worth have been taken into account.

39 Relations with administrative and managerial organs

The salaries for any main company or direct or in direct subsidiary company title given to the members of the Board of Directors and auditing board are shown in the following table, in accordance with art. no. 78 of Consob regulation no. 11971 of 14th May 1999, and subsequent modification and integration.
At 30 June 2007 neither directors with strategic duties nor any managing director are present. Furthermore, 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."

Name	Description of role		Term of office	End of Office term	remunerations for role	Bonuses and other incentives	Indemnity at termination of office	Other remunerations	Non-monetary benefits
Dal Cortivo	Chairman and Managing Director	CAD IT Spa	01/01/07 - 30/06/07	31/12/2008	72				
Giuseppe	Legal representative	CAD Srl	01/01/07 - 30/06/07	indefinite				43	
	Director	CESBE Srl	01/01/07 - 30/06/07	indefinite				3	
	Director	SICOM Srl	01/01/07 - 30/06/07	indefinite				2	
Magnani	Managing Director	CAD IT Spa	01/01/07 - 30/06/07	31/12/2008	72				
Giampietro	Chairman and Managing Director	CAD Srl	01/01/07 - 30/06/07	31/12/2009				43	
	Director	BITGROOVE Srl	01/01/07 - 30/06/07	indefinite				3	
	Director	SMART LINE SRL	01/01/07 - 30/06/07	31/12/2007				3	
Rizzoli Maurizio	Director	CAD IT Spa	01/01/07 - 31/12/07	31/12/2008	8				
Zanella Luigi	Managing Director	CAD IT Spa	01/01/07 - 30/06/07	31/12/2008	72				
	Legal representative	CAD Srl	01/01/07 - 30/06/07	indefinite				43	
	Director	CESBE Srl	01/01/07 - 30/06/07	indefinite				3	
	Director	DQS Srl	01/01/07 - 30/06/07	31/12/2008			2	6	
	Director	SICOM Srl	01/01/07 - 30/06/07	indefinite				2	
Dal Cortivo Paolo	Managing Director	CAD IT Spa	01/01/07 - 30/06/07	31/12/2008	10			53	
Margetts Michael	Director	CAD IT Spa	01/01/07 - 30/06/07	31/12/2008	7				
Lambertini Lamberto	Director	CAD IT Spa	01/01/07 - 30/06/07	31/12/2008	8				
Rossi Francesco	Director	CAD IT Spa	01/01/07 - 30/06/07	31/12/2008	8				
Cusumano	Chairman Statutory Auditor	CAD IT Spa	01/01/07 - 30/06/07	31/12/2008	12				
Giannicola	Statutory Auditors	CAD Srl	01/01/07 - 30/06/07	31/12/2009				2	
	Chairman Statutory Auditor	CESBE Srl	01/01/07 - 30/06/07	31/12/2009				1	
Ranocchi	Statutory Auditors	CAD IT Spa	01/01/07 - 30/06/07	31/12/2008	8				
Gianpaolo	Chairman Statutory Auditor	CAD Srl	01/01/07 - 30/06/07	31/12/2009				3	
Tengattini	Statutory Auditors	CAD IT Spa	01/01/07 - 30/06/07	31/12/2008	8				
Renato	Statutory Auditors	CESBE Srl	01/01/07 - 30/06/07	31/12/2009				1	
					285	-	2	211	-

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.
Non-monetary benefits include fringe benefits (according to a tax criterion) including any insurance policies.
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.

40 Important events since 30/06/2007

Subsequent to 30th June 2007, there have been no events of particular importance to significantly influence the shareholders' equities or economic results of the Group.
For further information on the foreseeable development of management, refer to the management report in the specific paragraph.

41 Warranties

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

42 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 and the Group's companies have 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 present first half report was approved by the CAD IT S.p.A. Board of Directors on 25/09/2007.

On behalf of the Board of Directors
The Chairman
(Giuseppe Dal Cortivo)

Financial statements of CAD IT S.p.A.

Income statement

	Period 2007 01/01 - 30/06		Period 2006 01/01 - 30/06		Variations €/000	Variations %
Income from sales and services	15,917	94.9%	13,787	91.4%	2,130	15.5%
of which related parties	*7,219*	*43.0%*	*5,796*	*38.4%*	*1,423*	*24.5%*
Variations in stock of products being elaborated						
Changes in ongoing orders						
Asset increases due to internal work	835	5.0%	1,291	8.6%	(456)	(35.3%)
of which related parties	*540*	*3.2%*	*1,084*	*7.2%*	*(544)*	*(50.2%)*
Other revenue and receipts	22	0.1%	5	0.0%	18	393.9%
Production value	*16,774*	*100.0%*	*15,082*	*100.0%*	1,692	*11.2%*
Costs for raw	(118)	(0.7%)	(153)	(1.0%)	36	(23.2%)
Service costs	(4,546)	(27.1%)	(3,837)	(25.4%)	(709)	18.5%
of which related parties	*(2,871)*	*(17.1%)*	*(2,030)*	*(13.5%)*	*(840)*	*41.4%*
Other operational costs	(156)	(0.9%)	(58)	(0.4%)	(97)	166.4%
Added value	*11,954*	*71.3%*	*11,032*	*73.2%*	922	*8.4%*
Labour costs	(8,006)	(47.7%)	(7,682)	(82.7%)	(324)	4.2%
Other administrative expenses	(467)	(2.8%)	(438)	(4.7%)	(29)	6.6%
of which related parties	*307*	*1.8%*	*293*	*3.2%*	*15*	*5.1%*
Gross operational result (EBITDA)	*3,480*	*20.7%*	*2,912*	*19.3%*	569	*19.5%*
Allocation to Credit Depreciation Fund						!
Amortizations:						
- Intangible fixed asset amortization	(443)	(2.6%)	(259)	(2.8%)	(184)	71.0%
- Tangible fixed asset amortization	(316)	(1.9%)	(306)	(3.3%)	(10)	3.4%
Operational result (EBIT)	*2,722*	*16.2%*	*2,347*	*15.6%*	375	*16.0%*
Financial receipts	447	2.7%	279	3.0%	168	60.3%
Financial charges	(24)	(0.1%)	0	0.0%	(24)	-
Ordinary result	*3,145*	*18.7%*	*2,626*	*17.4%*	518	*19.7%*
Revaluations and depreciations	441	2.6%	(493)	(5.3%)	934	(189.5%)
Pre-tax and pre-third party share result	*3,586*	21.4%	*2,133*	14.1%	1,453	68.1%
Income taxes	(1,664)	(9.9%)	(1,259)	(13.6%)	(405)	32.2%
Third party (profit)loss for the period						
Profit (loss) for the period	***1,922***	***11.5%***	***874***	***5.8%***	***1,048***	***119.9%***

Balance sheet

31/12/2006	BALANCE SCHEET	30/06/2007	30/06/2006	Variations	Var. %
	Assets				
	A) NON-CURRENT ASSETS				
19,893	Assets, equipment and machinery	19,723	20,065	(342)	(1.70%)
13,953	Intangible assets	14,899	11,755	3,144	26.75%
-	Goodwill	-	-	0	
14,684	Holdings	14,684	14,684	0	-
2,787	Other financial assets available for sale	2,925	2,691	233	8.67%
18	Other non-current credits	19	17	1	6.92%
48	Credits due to deferred taxes	51	24	27	113.92%
51,383	**TOTAL NON-CURRENT ASSETS**	**52,301**	**49,237**	**3,064**	**6.22%**
				0	
	B) **CURRENT ASSETS**			0	
41	Stock	39	8	32	410.76%
-	Ongoing orders	-	-	0	
22,626	Commercial credits and other credits	24,460	21,623	2,837	13.12%
10,597	*of which related parties*	10,606	12,093	(1,487)	(12.30%)
0	Tax credits	-	4	(4)	(100.00%)
-	Financial assets at fair value trough profit or loss	-	-		
7,153	Cash on hand and other equivalent assets	7,136	7,717	(581)	(7.53%)
29,819	**TOTAL CURRENT ASSETS**	**31,635**	**29,352**	**2,283**	**7.78%**
-	C) Non-current assets for sale	-	-		
81,202	**TOTAL ASSETS**	**83,936**	**78,589**	**5,347**	**6.80%**
	Liabilities				
	A) Equity				
4,670	Company capital	4,670	4,670	0	-
34,997	Reserves	36,183	35,337	846	2.39%
	(1) Own shares			0	
35,246	(2) Share surcharge reserve	35,246	35,246	0	-
-	(3) Re-evaluation reserve	-	-	0	
(249)	(4) Re-eval. res for fin. assets available for sale	936	91	846	931.13%
				0	
16,724	Accumulated profits/losses	16,042	14,909	1,133	7.60%
585	(1) Previous profits/losses	585	585	(0)	(0.00%)
934	(2) Legal reserve	934	934	0	-
-	(3) Statutory reserve	-	-	0	
2,119	(4) IFRS transition reserve	2,119	2,119	0	-
-	(5) Consolidation reserve	-	-	0	
10,396	(6) Available joint profit reserve	10,482	10,396	86	0.82%
2,690	(7) Period profits/losses	1,922	874	1,048	119.86%
56,391	**TOTAL EQUITY OF THE GROUP**	56,894	54,915	1,979	3.60%
-	Third party Equity	-	-	0	
-	- Third party capital and e reserves	-	-	0	
-	- Third party profit/(losses)	-	-	0	
56,391	**TOTAL EQUITY**	**56,894**	**54,915**	**1,979**	**3.60%**

	B) non-current liabilities				
24	Financing	-	-	0	
3,433	Liabilities due to deferred taxes	3,433	3,274	159	4.87%
3,493	TFR and quiescence reserves	3,135	3,152	(16)	(0.52%)
-	Expense and risk reserves	-	-	0	
-	Other non current debts	-	-		
6,950	**TOTAL non-current liabilities**	**6,569**	**6,426**	**143**	**2.23%**
	C) current liabilities				
12,480	Commercial debts	11,695	12,142	(447)	(3.68%)
10,746	*of which related parties*	9,051	10,307	(1,256)	(12.18%)
1,866	Tax debts	4,010	1,279	2,731	213.50%
48	Short-term financing	48	-	48	
3,466	Other debts	4,721	3,827	893	23.34%
17,861	**TOTAL current liabilities**	**20,473**	**17,248**	**3,225**	**18.70%**
81,202	**TOTAL LIABILITIES AND EQUITY**	**83,936**	**78,589**	**5,347**	**6.80%**

Statement of changes in equity

Statement of changes in equity	***Company capital***	***Reserves***	***Accumulated profit (loss) net of period result***	***Period result***	***Group's net patrimony***
31-dic-06	4,670	34,997	14,035	2,690	56,391
Increase/decrease in equity reserves		1,185			1,185
Increase in revaluation reserves					
Allocation of the period to reserves			2,690	(2,690)	
Dividend distribution			(2,604)		(2,604)
Effects on consolidation reserves					
Company capital increases					
Period result				1,922	1,922
Period end total	***4,670***	***36,183***	***14,120***	***1,922***	***56,894***

Cash Flow Statement

Cash Flow Statement of CAD IT	30/06/2007	30/06/2006
<u>**OPERATING ACTIVITIES**</u>		
Profit (loss) for the period	1,922	874
Amortisation and depreciation:		
- Tangible fixed assets	316	306
- Intangible fixed assets	443	259
Financial income and charges, net	(446)	(280)
Accruals:		
- Employees' leaving entitlement	121	250
- Other provisions	0	0
Increase/(Decrease) in provisions for contingencies and other charges	0	0
Sub-total	**2,355**	**1,409**
Utilisation of employees' leaving entitlement	(478)	(198)
(Increase)/Decrease in receivables included under assets forming part of working capital	(1,669)	(121)
of which related parties	239	1,837
(Increase)/Decrease in inventory	2	0
(Increase)/Decrease in accrued income and deferred expenses	(165)	(181)
Increase/(Decrease) in accounts due to creditors	(2,260)	2,075
of which related parties	(1,663)	1,862
Increase/(Decrease) in accrued expenses and deferred income	1,475	63
Increase/(Decrease) in sums due to other financial institutions	0	0
Increase/(Decrease) in other non-financial payables	1,254	612
Increase/(Decrease) in in sums payable to taxation	2,140	1,524
Taxes paid in the financial period	0	0
Interest payment	(1)	1
Sub-total	**297**	**3,774**
(A) - Cash flows from (for) operating activities	**2,652**	**5,183**
<u>**INVESTING ACTIVITIES**</u>		
(Increase)/ Decrease in investments in subsidiary	0	(242)
(Increase)/Decrease in intangible fixed assets	(1,389)	(2,332)
(Increase)/Decrease in tangible fixed assets	(147)	(259)
(Increase)/Decrease in other fixed assets	(0)	(0)
Income from financial assets available for sale	17	17
Cashed Interest	110	97
(Increase)/Decrease financial assets available for sale	(138)	396
(B) - Cash flows from (for) investing activities	**(1,226)**	**(2,159)**
<u>**FINANCING ACTIVITIES**</u>	**0**	**0**
Increase/(Decrease) in reserve for fin, assets avail, for sale	1,185	40
Effects on consolidation reserve	0	0
Third party net patrimony	0	0
Distribution of dividends	(2,604)	(1,616)
Capital injections	0	0
(C) - Cash flows from (for) financing activities	**(1,419)**	**(1,577)**
(A+B+C) - Total cash flows	**7**	**1,447**
Opening liquid funds	**7,081**	**6,270**
Closing liquid funds	**7,088**	**7,717**

Relations with subsidiaries

As the mother company of all the companies, CAD IT entertains commercial and financial relations, at normal market conditions, with its subsidiaries.
In brief, the operations carried out during the period with the said companies are as follows:

Company	*Costs*	*Capitalized costs*			*Turnover*	*Receivables*	*Payables*
		Increases in internal work	*Software licences and rights*	*Other assets*			
Cad It S.p.a.	2,793	540		4	6,860	10,322	9,015
Cad S.r.l.	6,531				1,400	5,309	8,869
Cesbe S.r.l.	214				641	1,814	554
NetBureau S.r.l.	7				251	367	229
DQS S.r.l.	1				500	417	2
SGM S.r.l	5				124	527	70
SmartLine Line S.r.l.	25				22	54	326
BitGroove S.r.l.	28			2	372	395	65
Elidata S.r.l.	43					78	202
Datafox S.r.l.	5				31	55	6
Tecsit S.r.l.	1						1
	9,651	**540**		**7**	**10,200**	**19,337**	**19,337**

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