



Quarterly report as at 30 June 2007

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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.

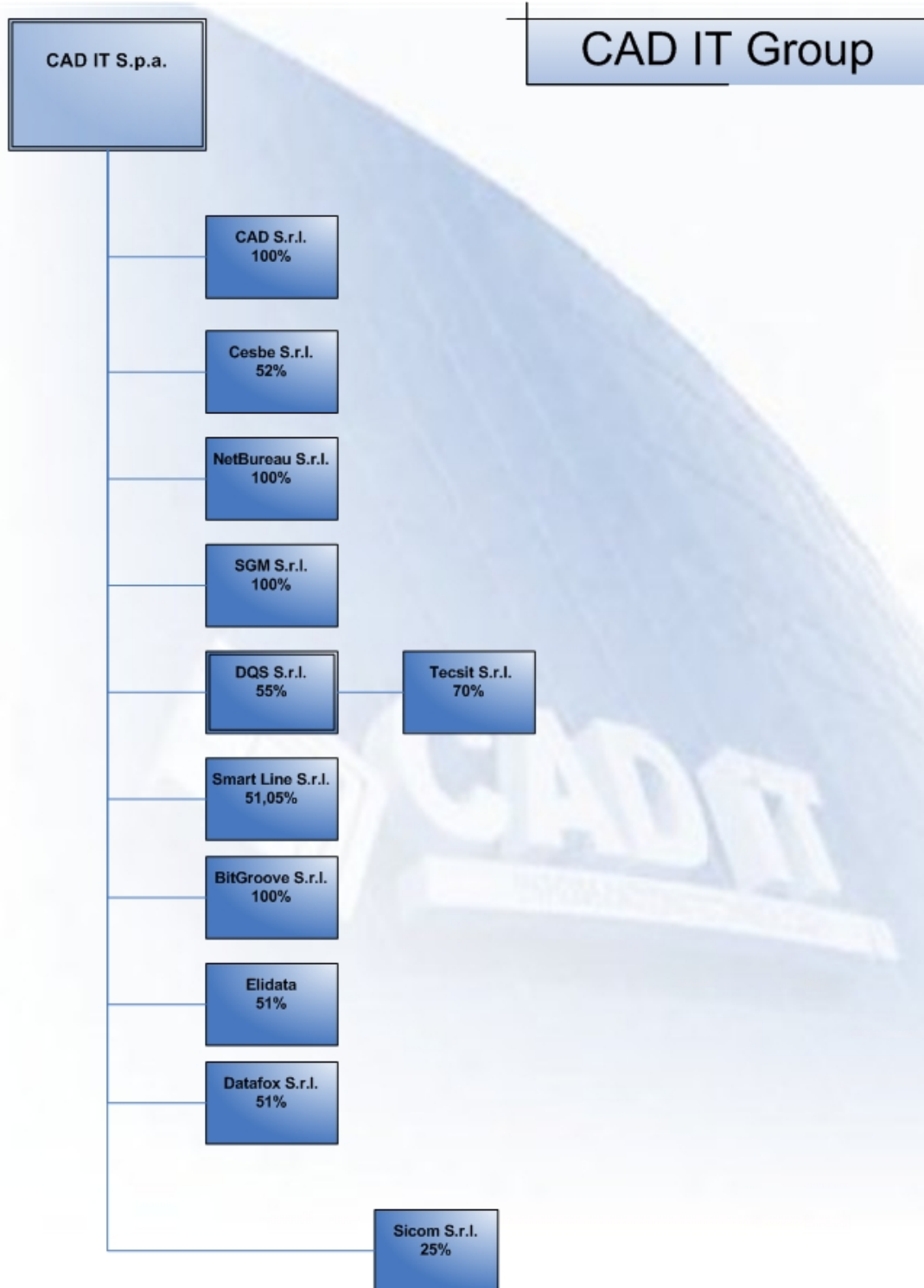
The Chairman and Managing Director of the parent company CAD IT S.p.A., Giuseppe Dal Cortivo, is authorised to perform all ordinary and extraordinary administrative duties, excluding only those which can not be delegated by law and those assigned to the Board of Directors by article 19 of the company 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 as at 30/06/2007

SUMMARY SCHEDULES

Consolidated profit and loss account

(in thousands of Euro)

	2° Quarter		2° Quarter		Period 2007		Period 2006		Variations	
	2007		2006		01/01 - 30/06		01/01 - 30/06			%
Turnover - goods and services	13,727	95.1%	11,818	88.2%	25,913	94.2%	23,321	89.9%	2,592	11.1%
Variations in stock of products being elaborated			(6)	(0.0%)						
Variations in contract work in progress	42	0.3%	118	0.9%	58	0.2%	118	0.5%	(60)	(51.0%)
Increase in internal work capitalised under fixed assets	651	4.5%	1,461	10.9%	1,502	5.5%	2,478	9.5%	(977)	(39.4%)
Other revenues and income	16	0.1%	12	0.1%	27	0.1%	38	0.1%	(11)	(28.1%)
Production revenues	14,435	100.0%	13,403	100.0%	27,499	100.0%	25,955	100.0%	1,544	5.9%
Raw materials, consumables and supplies	(152)	(1.1%)	(301)	(2.2%)	(520)	(1.9%)	(573)	(2.2%)	53	(9.3%)
Services	(2,310)	(16.0%)	(2,375)	(17.7%)	(4,479)	(16.3%)	(4,482)	(17.3%)	3	(0.1%)
Other operating costs	(225)	(1.6%)	(166)	(1.2%)	(391)	(1.4%)	(356)	(1.4%)	(35)	10.0%
Added value	11,749	81.4%	10,562	78.8%	22,109	80.4%	20,544	79.2%	1,565	7.6%
Personnel expenses	(7,119)	(49.3%)	(7,399)	(55.2%)	(14,599)	(53.1%)	(14,805)	(57.0%)	205	(1.4%)
Other administrative expenses	(648)	(4.5%)	(551)	(4.1%)	(1,245)	(4.5%)	(1,149)	(4.4%)	(96)	8.3%
Gross operating result (EBITDA)	3,981	27.6%	2,611	19.5%	6,265	22.8%	4,590	17.7%	1,675	36.5%
Allocation to Credit Depreciation Fund	(32)	(0.2%)	1	0.0%	(34)	(0.1%)			(34)	
Amortizations:										
- Intangible fixed asset amortization	(287)	(2.0%)	(195)	(1.5%)	(571)	(2.1%)	(381)	(1.5%)	(190)	49.8%
- Tangible fixed asset amortization	(198)	(1.4%)	(199)	(1.5%)	(389)	(1.4%)	(403)	(1.6%)	15	(3.7%)
Other allocations										
Operational result (EBIT)	3,464	24.0%	2,218	16.5%	5,271	19.2%	3,806	14.7%	1,465	38.5%
Financial receipts	95	0.7%	85	0.6%	162	0.6%	148	0.6%	15	9.8%
Financial charges	(35)	(0.2%)	(25)	(0.2%)	(84)	(0.3%)	(59)	(0.2%)	(25)	42.1%
Profit from ordinary activities	3,524	24.4%	2,278	17.0%	5,349	19.5%	3,894	15.0%	1,455	37.4%
Revaluations and depreciations	589	4.1%	(364)	(2.7%)	654	2.4%	(430)	(1.7%)	1,084	(252.2%)
Pre-tax and pre-third party share result	4,113	28.5%	1,914	14.3%	6,003	21.8%	3,464	13.3%	2,539	73.3%
Third party pre- tax (Profit)/loss	(303)	(2.1%)	(133)	(1.0%)	(427)	(1.6%)	(317)	(1.2%)	(109)	34.5%
Group pre-tax profit/loss	3,810	26.4%	1,781	13.3%	5,576	20.3%	3,147	12.1%	2,429	77.2%

Net consolidated financial position

(in thousands of Euro)

	at 30.06.2007	at 31.03.2007	at 31.12.2006
Cash on hand and other equivalent assets	4,989	4,707	3,333
Payables due to banks excluding portion of medium to long-term loans	5,087	6,242	6,197
Net short-term financial position/(indebtedness)	(1,195)	(665)	(1,138)
Long-term loans net of short-term portion	8,880	10,285	8,391
Net long-term financial position/(indebtedness)	(318)	(359)	(308)
Net financial position / (indebtedness)	(318)	(359)	(308)
Cash on hand and other equivalent assets	8,562	9,927	8,084

Investments in intangible fixed assets

(in thousands of Euro)

	Industrial patents and similar rights	Licences, trademarks and similar rights	Assets under development and payments on account	Other	Total	Goodwill
Purchase or production cost	4,615	3,087	10,684	23	18,410	8,309
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	8,309
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	8,309

Investments in property, plant and equipment

(in thousands of Euro)

	<i>Land and buildings</i>	<i>Plant and equipment</i>	<i>Industrial and commercial equipment</i>	<i>Other tangible fixed assets</i>	<i>Assets under construction</i>	<i>Total</i>
Purchase or production cost	9,140	4,039	22	5,351		18,552
Revaluations second time adoption	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

EXPLANATORY NOTES TO THE FINANCIAL SCHEDULES

1. Foreword

This quarterly report has been prepared in accordance with the international accounting standards (IAS/IFRS) and drafted as indicated in Attachment 3D of Consob regulation no. 11971 of 14th May 1999, and subsequent modification and integration. This document shows the quarterly figures required on a consolidated basis since CAD IT S.p.A is obliged to draft a consolidated balance.

The document comprises accounting schedules, comments on said schedules and observations made by the management about the company state of affairs and the more significant events of the period.

The following consolidated figures of the CAD IT Group introduce this information on the quarterly figures:

- consolidated profit and loss account;
- consolidated net financial position.

Moreover, the statements relating to investments in frozen intangible assets, property, plant and equipment are also shown.

The income statement figures are shown with regard to the quarter in question and the intervening period between the beginning of the financial period and the closing date of this quarter and have been compared to the figures of the same period in the previous year.

The figures representing the net financial position are compared with the figures of the previous quarter and the previous year end.

The figures relating to the matching period were drafted in accordance with the same IAS/IFRS international accounting standards used for drafting the accounting statements of the current period.

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.

The quarterly report is not subject to auditing by the auditing company.

1.1 Information on CAD IT S.p.A.

CAD IT was set up as a joint stock company under Italian law.

The registered office and the administrative and operating offices are in Via Torricelli no. 44/a, Verona, Italy.

The company is registered in the Verona Company Register under no. 01992770238,

Share capital amounts to € 4,669,600, fully subscribed and paid-in, and comprises 8,980,000 ordinary shares, each with equal rights.

These shares are nominal and cannot be divided. Each of them entitles the holder to one vote in the ordinary and extraordinary meetings of the company and to the execution of all other corporate and property rights in accordance with the law and the company's by-laws.

CAD IT S.p.A. is not subject to the control of any other company, as provided by article 2359 of the Italian Civil Code.

1.2 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 subsidiaries and associate 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, derivatives (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 and central administration bodies make up the group's newest sector, capitalizing on its 20-year experience in developing IT systems for treasuries and tax collections.

2. Accounting standards and consolidation criteria

The accounting standards adopted for drafting accounting tables and consolidated quarterly figures are the same as those used for drafting the previous year's consolidated balance.

The consolidated balance has been drafted using the evaluation criteria of historical 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 *Second Time Adoption*, the *fair value* has been used instead of the cost..

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. 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.

Subsidiary companies

The consolidation area includes the Mother 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.

The purchase of subsidiary companies has been accounted for in accordance with the purchase method set by IFRS 3.

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.

Associate companies

The share in associate companies, that is those companies in which the Group has significant influence, is evaluated using the equity 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 significant 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 Second 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 income statement 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 durable 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 income statement 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 intangible fixed assets generated internally include only those expenses that can be directly attributed to the development of said product. All other development costs that cannot be capitalised, when sustained, are reported on the income statement.

Goodwill

Goodwill resulting from the purchase of subsidiaries and associates 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 regarding shares in associates companies is included in the taxation value of said companies.

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.

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 income statement among depreciation and devaluation costs. When subsequently an asset value loss, different from the goodwill, 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 income statement.

Assets available for sale

Share in non-consolidated companies are classified as assets financially available for sale and are

valued at *fair value*. For any shares quoted as *fair value*, this value has been taken as the market value. Any profits or losses found as a result of the effect of evaluating the fair value on these assets at every balance date are shown at net patrimony unless these concern durable losses in value.

Other non-current credits

These are registered at their nominal value, representative of their fair value.

Stock

Leftover stock is valued as the lesser value between purchase cost and the net value of the assumed income. The cost is determined in accordance with the average calculated cost method.

On-going orders

On-going construction contracts are valued with reasonable certainty on the basis of the matured contractual fees according to the criterion of percentage completion (so-called *cost to cost*), so as to attribute the profits and the economic result of the order to each single financial period concerned in proportion to the progress of the work.

Commercial credits and other credits

Commercial credits, whose expiry limits are within normal commercial terms, are not updated and are registered at their nominal value net of any loss of value. Moreover, they are adjusted to their assumed cash value by means of the registration of an appropriate amendment fund.

Liquid asset availability and equivalent means

The availability of liquid assets and equivalent means is registered at nominal value and has the requirements to be immediately available or available at very short notice, without obstacles and with no significant expense for collection.

Non current assets held for sale

The voice includes non-cash assets, the value of which will mostly be recovered by their sale rather than through their continuous use. These assets are valued as the lesser value between the net accounting value and the cash value net of sales costs.

Employee leaving entitlement

The present value of debts related to employees for benefits allocated in connection with or following the termination of working relationships through defined benefit programmes is calculated on the basis of the method of projecting the credit in accordance with the indications in IAS 19.

The liability evaluation is calculated by private actuaries.

The profits and losses deriving from these evaluations are ascribed to the income statement.

As a consequence of the amendments made to laws regarding severance pay (TFR) law number 296 of the 27th December 2006, (Financial law 2007) and successive decrees and rules passed during the first months of 2007, the (TFR) amount maturing from 1st January 2007 in companies belonging to the group with more than 50 staff, is accountable as a definite Contribution plan, both, in case of the option for complementary welfare as well as when destined for Treasury funds at l'INPS.

The (TFR) severance pay fund matured at 31st December remains a plan of defined benefits: the calculations undertaken have therefore excluded components related to future salary increases. The difference shown by the new calculation compared to the previous value registered on the 31st December 2006 has been registered as a reduction of a defined benefit plan, as foreseen by paragraph 109 of the IAS 19, showing the difference in financial accounts for 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.

Profit and loss account layout

The company's profit and loss account is drafted by nature, the layout that is considered the most representative in terms of function. The chosen layout conforms to the internal reporting modality and business management and is in line with previous ways of showing the profit and loss account.

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: 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.

3. Consolidation area

The fully consolidated companies included in the financial schedules of CAD IT Group are the following:

Company name	Registered office		Share / Quota capital €	Percentage of investment	Percentage of investment of the Group
CAD IT S.p.A.	Verona	Via Torricelli 44/A	4,669,600	Parent company	
CAD S.r.l.	Verona	Via Torricelli 37	130,000	100.00%	100.00%
Cesbe S.r.l.	Verona	Via Torricelli 37	10,400	52.00%	52.00%
Netbureau S.r.l.	Milan	Via Morigi 13	50,000	100.00%	100.00%
S.G.M. S.r.l.	Padua	Galleria Spagna 28	100,000	100.00%	100.00%
D.Q.S. S.r.l.	Rome	Via Silvio D'Amico 40	11,000	55.00%	55.00%
(1) Tecsit S.r.l.	Rome	Via Silvio D'Amico 40	75,000	70.00%	38.50%
Bit Groove S.r.l.	Verona	Via Torricelli 44/A	15,500	100.00%	100.00%
Elidata S.r.l.	Castiglione D'Adda (LO)	Via Sanadolo 19	20,000	51.00%	51.00%
Smart Line S.r.l.	Avellino	Via Tagliamento 165	102,700	51.05%	51.05%
Datafox S.r.l.	Florence	Via Circondaria, 56/3	99,999	51.00%	51.00%
(1) held through DQS S.r.l.					

The consolidation area, compared to the situation at 30/06/2006, doesn't differ.

Shares in associates, in which the Group has significant influence, have been evaluated using the equity method and reduced accordingly where the asset value has decreased.

Direct associate companies	Registered office	Percentage of investment	Percentage of investment of the Group
Sicom S.r.l.	Viadana (MN)	25.00%	25.00%

4. Management results and the more significant comments

The accounts shows that the CAD IT Group made a consolidated pre-tax profit at the second quarter of 2007 of Euro 3,810 thousand, a clear improvement compared to the second quarter of 2006 which showed a profit of Euro 1,781 thousand, net of third party shares (Euro 303 thousand in the second quarter of 2007 and Euro 133 thousand in the same quarter of 2006).

The improvement in pre-tax profits is mainly due to an increase in the quarter's production revenues (+7.7%), which grew following greater income from sales and services (+16.2%) which reached Euro 13,727 thousand (previous quarter Euro 11,818 thousand).

There now follows a brief summary of the revenues from sales and services subdivided by business line and compared to the figures of the corresponding quarter of the previous financial period.

<i>(in thousands of Euro)</i>								
Turnover - goods and services	2° Quarter 2007		2° Quarter 2006		Period 2007 01/01 - 30/06		Period 2006 01/01 - 30/06	
Sector:								
- Finance	12,868	93.75%	10,959	92.73%	23,999	92.62%	21,545	92.38%
- Manufacturing	858	6.25%	859	7.27%	1,913	7.38%	1,776	7.62%
Total Turnover - goods and services	13,727	100.0%	11,818	100.0%	25,913	100.0%	23,321	100.0%



Revenues are not subdivided into geographical area since nearly all the revenues concern national territory and the characteristics are the same.

The added value increased to Euro 11,749 thousand compared to Euro 10,562 thousand in the previous period, increasing its high marginal character of 81.4% (78.8% in the previous period).

The gross operational result of the second quarter of 2007 comes to Euro 3,981 thousand while in the second quarter 2006 was Euro 2,611 thousands.

Labour costs in the second quarter of 2007 were equal to Euro 7,119 thousand, lower by Euro 280 thousand (-3.8%) compared to the same quarter of 2006. The cost of work includes the difference resulting from the new calculation of the (TFR) severance pay compared to the previous value registered on the 31st December 2006, modified in accordance with reform decrees introduced by the finance law and accountable as a reduction of a defined benefit plan, as foreseen by paragraph 109 of the IAS 19.

The operational result (EBIT) of the second quarter of 2007 was in credit by Euro 3,464 thousand compared to the result of Euro 2,218 thousand in the same period of 2006.

Amortization and funding in the second quarter of 2007 came to Euro 517 thousand compared to Euro 393 thousand in the second quarter of 2006. The increase in amortizations in intangible fixed assets was due to the onset of amortization plans for internally developed software procedures in order to fulfil programmed investment plans.

The progress of appreciation and depreciation was positive, during the period concerned, due to the positive outcome of the associated company Sicom S.r.l. which generated a Euro 106 thousand appreciation and the registration of profits deriving from sales of businesses (including the previous amount registered in the specific appreciation reserve) which generated an appreciation of Euro 548 thousand.

5. 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.

6. Financial income and charges and net consolidated financial position

Net financing activities resulted in an income of Euro 78 thousands at the end of the second quarter 2007 (Euro 89 thousand in the same previous year period).

(in thousands of Euro)

	30/06/2007	30/06/2006
<i>Financial income and charges</i>		
Financial income from activities available for the sale	17	17
Bank interest and equivalent	145	131
<i>Total financial income</i>	162	148
Bank payable interest and other financial charges	(54)	(51)
Interest payable on financial leasing	(7)	(8)
Losses on exchanges	(23)	(0)
<i>Total financial charges</i>	(84)	(59)
<i>Financial income (charges), net</i>	78	89



(in thousands of Euro)

Net financial position	at 31.03.2007	At 31.12.2006
Cash on hand and other equivalent assets		
Payables due to banks excluding portion of medium to long-term loans		
Net short-term financial position/(indebtedness)		
Long-term loans net of short-term portion		
Net long-term financial position/(indebtedness)		
Net financial position / (indebtedness)		

The net consolidated financial position at the end of the second quarter 2007 is positive and shows a short-term availability of Euro 8,880 thousand medium/long term availability of Euro 8,562 thousand, compared to Euro 8,391 and Euro 8,084 thousand at 31.12.2006.

On the 17th May 2007, following the assembly's deliberation on a dividend distribution of 0.29 Euro per share, a total of Euro 2,604 thousand was paid out.

7. 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 activities 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. Of these, vertical solutions are being developed for the fashion world and the food industry (managing production line marking).

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 the insurance markets is also continuing.

The CAD IT Group, in its intent to develop its own products, is also creating solutions linked to the new norms and further procedures aimed at diversification for new business sectors like Insurance and Local Tax collection.

8. Investments

Investments in tangible and intangible fixed assets made by the consolidated companies in the second quarter 2007 amount to Euro 730 thousand (Euro 1,455 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 the customers. The plan of investment foresees a gradual reduction during the actual financial year as well as following ones, compared to the values of past years.

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.

(in thousands of Euro)

Summary of investments	II Quarter 2007	II Quarter 2006	Period 2007 01/01 - 30/06	Period 2006 01/01 - 30/06	Year 2006
Intangible fixed assets	16	7	45	27	83
Assets under development and payments on account	651	1,411	1,502	2,428	4,406
Property, Plant and equipment	63	37	220	284	489
Total investments in tangible and intangible fixed assets	730	1,455	1,768	2,740	4,979
Shareholdings and financial investments					
Total shareholdings and financial investments					
Total investments	730	1,455	1,768	2,740	4,979

9. Personnel

Information on the CAD IT Group's employees at the end of each quarter is reported below:

Category of Employees	at 30/06/07	at 31/03/07	at 31/12/06	at 30/06/06	at 31/12/05
Management	18	18	18	19	18
White collars	592	595	601	605	621
Blue collars	1	1	1	1	1
Apprentices	3	3	3	3	4
Total	614	617	623	628	644

The number of CAD IT Group staff, at the end of the quarter had fallen by 9 units compared to 31st December 2006.

The average number of employees in the second quarter and in the semester 2007 was 616 and 617 persons respectively, while in the second quarter of 2006 and during the first semester of 2006, this figure was 631 and 634 persons respectively.

The Group continues to pay particular attention to the training and professional updating of its staff during particular set periods.

During the third quarter CAD IT was awarded the "Company Training" prize "Impresa Formativa" by



the Confindustria Verona for integrating training activities in its mission, making it one of its strategic goals and recognizing that human resources must be capitalized through the expansion and distribution of information.

10. Important events since 30th June 2007 and foreseeable development

During the current year, development and sales activities of new products for both consolidated clients and new types of customer have been continuing.

Furthermore, the numerous projects in collaboration with Xchanging, through which the CAD IT Group intends to increase its revenues in Italy and abroad, are still continuing.

CAD IT plans to intensify its activities, during the current year and the following ones, to guarantee compliance to MiFID laws which will lead to a positive impact on the group's results.

On behalf of the Board of Directors
The Chairman

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