

PRESS RELEASE

Verona, 30<sup>th</sup> April 2007

## CAD IT: THE SHAREHOLDERS' MEETING APPROVES THE 2006 BALANCE AND THE DISTRIBUTION OF AN ORDINARY DIVIDEND OF €0.29 PER SHARE

***The CAD IT Group closed 2006 with Production Revenues of €52.2 million and a Net Profit of €3 million showing a growth of 4% and 95% respectively compared to the previous year.***

***The Consolidated Net Financial Position at 31.12.06 was in credit and stood at €8.1 million.***

***The payment of an ordinary dividend of €0.29 per share was approved with coupon detachment and payment on 14<sup>th</sup> and 17<sup>th</sup> May 2007 respectively.***

***Moreover, the Meeting confirmed the appointment of the auditing firm BDO Sala Scelsi Farina for CAD IT Group auditing for a further three financial periods.***

The Ordinary Shareholders' Meeting of CAD IT S.p.A. ([www.cadit.it](http://www.cadit.it)), leader in the Italian financial software market and quoted in the STAR segment, today approved the Budget and Consolidated Balance for 2006.

The **Consolidated Balance** at 31<sup>st</sup> December 2006 shows:

- **Production Revenues** of €52.2 million showing a 4% increase compared to the €50.1 million of 2005. An increase in intangible assets to the value of €4.4 million due to internal work was registered to Production Revenues;
- **Gross Operational Result (EBITDA)** of €9 million (17.3% of Production Revenues), a 29% increase compared to the €7 million of 2005 (equal to 14% of Production Revenues);
- **Operational Result (EBIT)** of €7.4 million (14.1% of Production Revenues), a 34% increase compared to the €5.5 million of 2005 (equal to 11% of Production Revenues);
- **Net Profit** of €3 million, equal to 5.7% of Production Revenues, showing a **growth of 95%** compared to the €1.5 million of the previous financial period.

The **Consolidated Net Financial position** at 31<sup>st</sup> December 2006 was in credit and stood at €8.1 million. At the end of 2005, the Net Financial Position came to €8.3 million. The Net Financial Position was affected over the year by increases in investments in intangible assets (about €4.4 million) and the payment of dividends in May 2006 to an approximate amount of €1.6 million.

**Production Revenues of the head company CAD IT S.p.A.** increased by 15.7% and stood at €30.5 million compared to the €26.3 million of 2005. **The head company's Net Profit** was €2.7 million compared to the €1.6 million of the previous year, showing an increase of 65.3%.

The Ordinary Shareholders' Meeting decided the **distribution of an ordinary dividend of €0.29 per share**. The dates for coupon detachment and dividend payments are the 14<sup>th</sup> and 17<sup>th</sup> 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](http://www.cadit.it), as well as at Borsa Italiana S.p.A.

## Consolidated financial statements of CAD IT Group

### Consolidated balance sheet

<i>(in thousands of euro)</i>	31/12/2006	31/12/2005	Variations	Var. %
<b>Assets</b>				
A) NON-CURRENT ASSETS				
Assets, equipment and machinery	20,592	20,943	(351)	(1.68%)
Intangible assets	14,452	10,847	3,604	33.23%
Goodwill	8,309	8,309	(0)	(0.00%)
Holdings	152	153	(1)	(0.52%)
Other financial assets available for sale	2,787	3,087	(300)	(9.72%)
Other non-current credits	46	59	(13)	(21.98%)
Credits due to deferred taxes	322	283	40	13.98%
<b>TOTAL NON-CURRENT ASSETS</b>	<b>46,660</b>	<b>43,682</b>	<b>2,979</b>	<b>6.82%</b>
B) CURRENT ASSETS				
Stock	660	647	12	1.93%
Ongoing orders	392	336	56	16.82%
Commercial credits and other credits	26,276	24,865	1,412	5.68%
Tax credits	54	1,252	(1,198)	(95.66%)
Cash on hand and other equivalent assets	9,529	9,789	(260)	(2.65%)
	-	-	-	-
<b>TOTAL CURRENT ASSETS</b>	<b>36,912</b>	<b>36,889</b>	<b>23</b>	<b>0.06%</b>
C) Non-current assets for sale	-	-	-	-
<b>TOTAL ASSETS</b>	<b>83,572</b>	<b>80,571</b>	<b>3,002</b>	<b>3.73%</b>
<b>Liabilities</b>				
A) Equity				
Company capital	4,670	4,670	-	-
Reserves	34,997	35,298	300	(0.85%)
Accumulated profits/losses	14,918	13,575	1,343	9.89%
<b>TOTAL EQUITY OF THE GROUP</b>	<b>54,585</b>	<b>53,543</b>	<b>1,042</b>	<b>1.95%</b>
Third party Equity	2,708	2,570	138	5.36%
<b>TOTAL EQUITY</b>	<b>57,293</b>	<b>56,113</b>	<b>1,180</b>	<b>2.10%</b>
B) non-current liabilities				
Financing	308	374	(66)	(17.78%)
Liabilities due to deferred taxes	3,546	3,354	193	5.74%
TFR and quiescence reserves	6,915	6,437	479	7.44%
Expense and risk reserves	25	25	-	-
<b>TOTAL non-current liabilities</b>	<b>10,794</b>	<b>10,189</b>	<b>605</b>	
C) current liabilities				
Commercial debts	4,623	4,183	440	10.52%
Tax debts	3,227	2,559	667	26.08%
Short-term financing	1,138	1,121	17	1.52%
Other debts	6,497	6,405	92	1.44%
<b>TOTAL current liabilities</b>	<b>15,485</b>	<b>14,268</b>	<b>1,217</b>	<b>8.53%</b>
	-	-	-	-
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>83,572</b>	<b>80,571</b>	<b>3,002</b>	<b>3.73%</b>

## Consolidated profit and loss account

<i>(in thousands of euro)</i>	<b>Period 2006</b> <b>01/01 - 31/12</b>		<b>Period 2005</b> <b>01/01 - 31/12</b>		<b>Variations</b>	
Income from sales and services	47,669	91.2%	44,889	89.5%	2,780	6.2%
Variations in stock of products being elaborated			32	0.1%	(32)	(100.0%)
Changes in ongoing orders	56	0.1%	(469)	(0.9%)	525	(112.0%)
Asset increases due to internal work	4,406	8.4%	5,645	11.3%	(1,239)	(21.9%)
<i>of which related parties</i>	<i>1,908</i>	<i>3.7%</i>	<i>2,717</i>	<i>5.4%</i>	<i>(809)</i>	<i>(29.8%)</i>
Other revenue and receipts	111	0.2%	43	0.1%	68	156.8%
<b>Production value</b>	<b>52,243</b>	<b>100.0%</b>	<b>50,142</b>	<b>100.0%</b>	<b>2,101</b>	<b>4.2%</b>
Costs for raw	(1,223)	(2.3%)	(984)	(2.0%)	(239)	24.3%
Service costs	(8,923)	(17.1%)	(8,807)	(17.6%)	(116)	1.3%
Other operational costs	(1,035)	(2.0%)	(1,055)	(2.1%)	20	(1.9%)
<b>Added value</b>	<b>41,062</b>	<b>78.6%</b>	<b>39,295</b>	<b>78.4%</b>	<b>1,767</b>	<b>4.5%</b>
Labour costs	(29,670)	(56.8%)	(29,998)	(59.8%)	328	(1.1%)
Other administrative expenses	(2,350)	(4.5%)	(2,280)	(4.5%)	(70)	3.1%
<i>of which related parties</i>	<i>(1,050)</i>	<i>(2.0%)</i>	<i>(1,033)</i>	<i>(2.1%)</i>	<i>(17)</i>	<i>1.6%</i>
<b>Gross operational result (EBITDA)</b>	<b>9,042</b>	<b>17.3%</b>	<b>7,017</b>	<b>14.0%</b>	<b>2,025</b>	<b>28.9%</b>
Allocation to Credit Depreciation Fund	(3)	(0.0%)	(23)	(0.0%)	20	(87.7%)
Amortizations:						
- Intangible fixed asset amortization	(835)	(1.6%)	(588)	(1.2%)	(247)	42.0%
- Tangible fixed asset amortization	(825)	(1.6%)	(901)	(1.8%)	75	(8.4%)
Other allocations						
<b>Operational result (EBIT)</b>	<b>7,380</b>	<b>14.1%</b>	<b>5,506</b>	<b>11.0%</b>	<b>1,874</b>	<b>34.0%</b>
Financial receipts	281	0.5%	343	0.7%	(62)	(18.1%)
Financial charges	(124)	(0.2%)	(116)	(0.2%)	(8)	7.0%
<b>Ordinary result</b>	<b>7,536</b>	<b>14.4%</b>	<b>5,733</b>	<b>11.4%</b>	<b>1,803</b>	<b>31.5%</b>
Revaluations and depreciations	27	0.1%	(224)	(0.4%)	251	(112.0%)
<b>Pre-tax and pre-third party share result</b>	<b>7,563</b>	<b>14.5%</b>	<b>5,509</b>	<b>11.0%</b>	<b>2,055</b>	<b>37.3%</b>
Income taxes	(4,303)	(8.2%)	(3,796)	(7.6%)	(507)	13.4%
Third party (profit)loss for the period	(300)	(0.6%)	(196)	(0.4%)	(103)	52.6%
<b>Profit (loss) for the period</b>	<b>2,961</b>	<b>5.7%</b>	<b>1,517</b>	<b>3.0%</b>	<b>1,444</b>	<b>95.2%</b>

## Consolidated Cash Flow Statement

<i>(in thousands of euro)</i>	31/12/2006	31/12/2005	Variations	Var. %
<b>Assets</b>				
A) NON-CURRENT ASSETS				
Assets, equipment and machinery	20,592	20,943	(351)	(1.68%)
Intangible assets	14,452	10,847	3,604	33.23%
Goodwill	8,309	8,309	(0)	(0.00%)
Holdings	152	153	(1)	(0.52%)
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Other non-current credits	46	59	(13)	(21.98%)
Credits due to deferred taxes	322	283	40	13.98%
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Cash on hand and other equivalent assets	9,529	9,789	(260)	(2.65%)
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<b>TOTAL CURRENT ASSETS</b>	<b>36,912</b>	<b>36,889</b>	<b>23</b>	<b>0.06%</b>
C) Non-current assets for sale	-	-	-	-
<b>TOTAL ASSETS</b>	<b>83,572</b>	<b>80,571</b>	<b>3,002</b>	<b>3.73%</b>
<b>Liabilities</b>				
A) Equity				
Company capital	4,670	4,670	-	
Reserves	34,997	35,298	300	(0.85%)
Accumulated profits/losses	14,918	13,575	1,343	9.89%
<b>TOTAL EQUITY OF THE GROUP</b>	<b>54,585</b>	<b>53,543</b>	<b>1,042</b>	<b>1.95%</b>
Third party Equity	2,708	2,570	138	5.36%
<b>TOTAL EQUITY</b>	<b>57,293</b>	<b>56,113</b>	<b>1,180</b>	<b>2.10%</b>
B) non-current liabilities				
Financing	308	374	(66)	(17.78%)
Liabilities due to deferred taxes	3,546	3,354	193	5.74%
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<b>TOTAL non-current liabilities</b>	<b>10,794</b>	<b>10,189</b>	<b>605</b>	
C) current liabilities				
Commercial debts	4,623	4,183	440	10.52%
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Other debts	6,497	6,405	92	1.44%
<b>TOTAL current liabilities</b>	<b>15,485</b>	<b>14,268</b>	<b>1,217</b>	<b>8.53%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>83,572</b>	<b>80,571</b>	<b>3,002</b>	<b>3.73%</b>

## Financial statements of CAD IT S.p.A.

### Balance sheet

<i>(in thousands of euro)</i>	31/12/2006	31/12/2005	Variations	Var. %
<b>Assets</b>				
A) Non-current assets				
Assets, equipment and machinery	19,893	20,112	(219)	(1.1%)
Intangible assets	13,953	9,682	4,271	44.1%
Holdings	14,684	14,442	242	1.7%
Other financial assets available for sale	2,787	3,087	(300)	(9.7%)
Other non-current credits	18	17	1	8.2%
Credits due to deferred taxes	48	27	21	80.7%
<b>TOTAL NON-CURRENT ASSETS</b>	<b>51,383</b>	<b>47,366</b>	<b>4,017</b>	<b>8.5%</b>
B) Current Assets				
Stock	41	8	33	430.3%
Commercial credits and other credits	22,626	21,726	900	4.1%
<i>of which related parties</i>	<i>10,597</i>	<i>13,930</i>	<i>(3,334)</i>	<i>(23.9%)</i>
Tax credits	0	1,033	(1,033)	(100%)
Cash on hand and other equivalent assets	7,153	6,270	882	14.1%
<b>TOTAL CURRENT ASSETS</b>	<b>29,819</b>	<b>29,037</b>	<b>782</b>	<b>2.7%</b>
C) Non-current assets for sale	-	-	-	-
<b>TOTAL ASSETS</b>	<b>81,202</b>	<b>76,403</b>	<b>4,799</b>	<b>6.3%</b>
<b>LIABILITIES</b>				
A) Equity				
Company capital	4,670	4,670	-	
Reserves	34,997	35,298	300	(0.9%)
Accumulated profits/losses	16,724	15,651	1,073	6.9%
<b>TOTAL EQUITY</b>	<b>56,391</b>	<b>55,618</b>	<b>773</b>	<b>1.4%</b>
B) Non-current liabilities				
Financing	24	-	24	-
Liabilities due to deferred taxes	3,433	3,274	160	4.9%
TFR and quiescence reserves	3,493	3,100	394	12.7%
Expense and risk reserves	-	-	-	-
Other liabilities	-	-	-	-
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>6,950</b>	<b>6,373</b>	<b>577</b>	<b>9.1%</b>
C) Current liabilities				
Commercial debts	12,480	10,005	2,476	24.7%
<i>of which related parties</i>	<i>10,746</i>	<i>8,522</i>	<i>2,224</i>	<i>26.1%</i>
Tax debts	1,866	1,191	675	56.7%
Short-term financing	48	-	48	-
Other debts	3,466	3,216	251	7.8%
<b>TOTAL CURRENT LIABILITIES</b>	<b>17,861</b>	<b>14,412</b>	<b>3,449</b>	<b>23.9%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>81,202</b>	<b>76,403</b>	<b>4,799</b>	<b>6.3%</b>

## Income statement

(in thousands of euro)	Period 2006 01/01 - 31/12		Period 2005 01/01 - 31/12		Variations	
					Absolute	%
Income from sales and services	28,163	92.4%	24,267	92.1%	3,896	16.1%
<i>of which related parties</i>	11,890	39.0%	13,636	51.8%	(1,746)	(12.8%)
Variations in stock of products being elaborated						
Changes in ongoing orders						
Asset increases due to internal work	2,307	7.6%	2,076	7.9%	230	11.1%
Other revenue and receipts	25	0.1%	5	0.0%	20	397.7%
<b>Production value</b>	<b>30,495</b>	<b>100.0%</b>	<b>26,348</b>	<b>100.0%</b>	<b>4,146</b>	<b>15.7%</b>
Costs for raw	(266)	(0.9%)	(123)	(0.5%)	(143)	117.0%
Service costs	(7,428)	(24.4%)	(5,502)	(20.9%)	(1,926)	35.0%
<i>of which related parties</i>	3,919	12.9%	2,753	10.4%	1,166	42.4%
Other operational costs	(296)	(1.0%)	(302)	(1.1%)	6	(2.1%)
<b>Added value</b>	<b>22,505</b>	<b>73.8%</b>	<b>20,421</b>	<b>77.5%</b>	<b>2,083</b>	<b>10.2%</b>
Labour costs	(15,555)	(51.0%)	(15,291)	(58.0%)	(264)	1.7%
Other administrative expenses	(921)	(3.0%)	(853)	(3.2%)	(68)	8.0%
<i>of which related parties</i>	(585)	(1.9%)	(497)	(1.9%)	(88)	17.7%
<b>Gross operational result (EBITDA)</b>	<b>6,028</b>	<b>19.8%</b>	<b>4,277</b>	<b>16.2%</b>	<b>1,751</b>	<b>40.9%</b>
Allocation to Credit Depreciation Fund						
Amortizations:						
- Intangible fixed asset amortization	(606)	(2.0%)	(278)	(1.1%)	(328)	118.3%
- Tangible fixed asset amortization	(626)	(2.1%)	(574)	(2.2%)	(51)	9.0%
Other allocations						
<b>Operational result (EBIT)</b>	<b>4,797</b>	<b>15.7%</b>	<b>3,425</b>	<b>13.0%</b>	<b>1,371</b>	<b>40.0%</b>
Financial receipts	538	2.0%	599	2.3%	(61)	(10.2%)
Financial charges	(5)	(0.1%)	(27)	(0.1%)	21	(80.6%)
<b>Ordinary result</b>	<b>5,329</b>	<b>17.5%</b>	<b>3,998</b>	<b>15.2%</b>	<b>1,331</b>	<b>33.3%</b>
Revaluations and depreciations	(58)	(0.2%)	(251)	(1.0%)	194	(77.1%)
<b>Pre-tax and pre-third party share result</b>	<b>5,271</b>	<b>17.3%</b>	<b>3,746</b>	<b>14.2%</b>	<b>1,525</b>	<b>40.7%</b>
Income taxes	(2,582)	(8.5%)	(2,120)	(8.0%)	(462)	21.8%
<i>Third party (profit)loss for the period</i>						
<b>Profit (loss) for the period</b>	<b>2,690</b>	<b>8.8%</b>	<b>1,627</b>	<b>6.2%</b>	<b>1,063</b>	<b>65.3%</b>



## Cash Flow Statement

<i>(in thousands of euro)</i>	31/12/2006	31/12/2005
<b>OPERATING ACTIVITIES</b>		
Profit (loss) for the period	2,690	1,627
Amortisation and depreciation:		
- Tangible fixed assets	626	574
- Intangible fixed assets	606	278
Financial income and charges, net	(536)	(573)
Accruals		
Accruals - Employees' leaving entitlement	751	803
Accruals - Other provisions	0	0
Increase/(Decrease) in provisions for contingencies and other charges	0	(12)
<b>Sub-total</b>	4,136	2,697
Utilisation of employees' leaving entitlement	(357)	(268)
(Increase)/Decrease in receivables included under assets forming part of working capital	(858)	1,765
<i>of which related parties</i>	3,334	4,658
(Increase)/Decrease in inventory	(33)	(8)
(Increase)/Decrease in accrued income and deferred expenses	(42)	(10)
Increase/(Decrease) in accounts due to creditors	505	367
<i>of which related parties</i>	2,224	4,774
Increase/(Decrease) in accrued expenses and deferred income	(263)	105
Increase/(Decrease) in sums due to other financial institutions	0	0
Increase/(Decrease) in other non-financial payables	2,484	4,994
Increase/(Decrease) in sums payable to taxation	3,385	2,288
Taxes paid in the financial period	(1,539)	(4,956)
Interest payment	(2)	(26)
<b>Sub-total</b>	3,280	4,252
<b>(A) - Cash flows from (for) operating activities</b>	<b>7,417</b>	<b>6,949</b>
<b>INVESTING ACTIVITIES</b>		
(Increase)/ Decrease in investments in subsidiary companies valued using the equity method	0	0
(Increase)/Decrease in intangible fixed assets	(4,877)	(4,845)
<i>of which related parties</i>	(1,908)	2,687
(Increase)/Decrease in tangible fixed assets	(407)	(113)
(Increase)/Decrease in other fixed assets	(1)	108
(Increase)/Decrease in subsidiary companies	(242)	(168)
Income from financial assets available for sale	17	17
Cashed Interest	203	193
(Increase)/Decrease in investments in associated companies	0	0
(Increase)/Decrease financial assets available for sale	300	2,935
<b>(B) - Cash flows from (for) investing activities</b>	<b>(5,007)</b>	<b>(1,873)</b>
<b>FINANCING ACTIVITIES</b>		
Increase/(Decrease) in IFRS transition reserve	0	(2,737)
Increase/(Decrease) in reserve for fin. assets avail. for sale	(300)	51
Effects on consolidation reserve	318	389
Distribution of dividends	(1,616)	(2,963)
Capital injections		
<b>(C) - Cash flows from (for) financing activities</b>	<b>(1,599)</b>	<b>(5,261)</b>
<b>(A+B+C) - Total cash flows</b>	<b>811</b>	<b>(185)</b>
Opening liquid funds	6,270	6,455
<b>Closing liquid funds</b>	<b>7,081</b>	<b>6,270</b>



## THE CAD IT GROUP

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

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

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

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

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

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

[www.cadit.it](http://www.cadit.it)

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