

PRESS RELEASE

Verona, 22<sup>nd</sup> September 2006

## **CAD IT: THE BOARD OF DIRECTORS APPROVES THE SIX-MONTHLY REPORT AT 30TH JUNE 2006**

**The results of the CAD IT Group in the first half of 2006 recorded Production Revenues of Euro 26 million, in line with the Euro 26.1 million recorded for the same period of the previous year.**

**The other income margins are as follows:**

**EBITDA equal to Euro 4.6 million compared to Euro 4.7 million in the first half of 2005;**

**EBIT equal to Euro 3.8 million compared to Euro 4 million in the first half of 2005;**

**Net profit results equal to Euro 1.1 million compared to the Euro 1.5 million of the same period in the previous year.**

**The Net Consolidated Financial Position is in credit by Euro 9.1 million, showing an increase compared to the Euro 8.3 million at 31st December 2005.**

The Board of Directors of CAD IT S.p.A., leader in the Italian financial software market, met today to discuss the figures for the half year report 2006.

The main results in the Consolidated profit and loss account for the **first six months of 2006** are as follows:

- **Production Revenues** of Euro 26 million (Euro 26.1 million in the first six months of 2005). Increases in internal assets came to Euro 2.5 million compared to the Euro 2.7 million of the same period in the previous year;
- **Gross Operational Result (EBITDA)** of Euro 4.6 million, in line with the Euro 4.7 million of the first half of 2005;
- **Operational Result (EBIT)** of Euro 3.8 million compared to Euro 4 million in the first half of 2005;
- **Net profit** of Euro 1.1 million compared to Euro 1.5 million in the first six months of 2005. This income margin was also substantially influenced by the devaluation of shareholdings belonging to the Group and classified among the activities available for sale in accordance with the IAS/IFRS international accounting standards.

The **Net Consolidated Financial Position** at 30<sup>th</sup> June 2006 is in credit by Euro 9.1 million showing an increase compared to the Euro 8.3 million at 31<sup>st</sup> December 2005. This increase is mainly due to cash flows generated by operating activities, despite paying dividends last May to the total of about Euro 1.6 million.

## Consolidated profit and loss account

<i>(thousands of euro)</i>	<i>Period 2006</i> <i>01/01 - 30/06</i>		<i>Period 2005</i> <i>01/01 - 30/06</i>		<i>Variations</i>
Income from sales and services	23,321	89.9%	23,351	89.6%	(30)
Variations in stock of products being elaborated					
Changes in ongoing orders	118	0.5%			118
Asset increases due to internal work	2,478	9.5%	2,690	10.3%	(212)
Other revenue and receipts	38	0.1%	12	0.0%	26
<b>Production value</b>	<b>25,955</b>	<b>100.0%</b>	<b>26,053</b>	<b>100.0%</b>	<b>(98)</b>
Costs for raw materials, subsidiaries and consumer goods	(573)	(2.2%)	(402)	(1.5%)	(172)
Service costs	(4,482)	(17.3%)	(4,087)	(15.7%)	(394)
Other operational costs	(356)	(1.4%)	(444)	(1.7%)	88
<b>Added value</b>	<b>20,544</b>	<b>79.2%</b>	<b>21,120</b>	<b>81.1%</b>	<b>(575)</b>
Labour costs	(14,805)	(57.0%)	(15,293)	(58.7%)	488
Other administrative expenses	(1,149)	(4.4%)	(1,160)	(4.5%)	11
<b>Gross operational result (EBITDA)</b>	<b>4,590</b>	<b>17.7%</b>	<b>4,666</b>	<b>17.9%</b>	<b>(76)</b>
Allocation to Credit Depreciation Fund			(3)	(0.0%)	3
Amortizations:					
- Intangible fixed asset amortization	(381)	(1.5%)	(281)	(1.1%)	(100)
- Tangible fixed asset amortization	(403)	(1.6%)	(393)	(1.5%)	(10)
Other allocations					
<b>Operational result (EBIT)</b>	<b>3,806</b>	<b>14.7%</b>	<b>3,989</b>	<b>15.3%</b>	<b>(183)</b>
Net financial receipts (charges)	88	0.3%	158	0.6%	(70)
<b>Ordinary result</b>	<b>3,894</b>	<b>15.0%</b>	<b>4,146</b>	<b>15.9%</b>	<b>(252)</b>
Revaluations and depreciations	(457)	(1.8%)	(228)	(0.9%)	(229)
<b>Pre-tax and pre-third party share result</b>	<b>3,437</b>	<b>13.2%</b>	<b>3,919</b>	<b>15.0%</b>	<b>(482)</b>
Income taxes	(2,203)	(8.5%)	(2,341)	(9.0%)	139
Third party (profit)loss for the period	(120)	(0.5%)	(81)	(0.3%)	(39)
<b>Profit (loss) for the period</b>	<b>1,115</b>	<b>4.3%</b>	<b>1,496</b>	<b>5.7%</b>	<b>(520)</b>
<i>(euro)</i>					
Profit per share	0.12		0.17		

## Consolidated balance sheet

31/12/2005	(thousands of euro)	30/06/2006	30/06/2005
<b>Assets</b>			
20,943	Assets, equipment and machinery	20,810	20,614
1,527	- Land	1,527	1,527
15,447	- Buildings	15,386	15,439
2,770	- Plant and equipment	2,642	2,329
1,199	- Other assets	1,256	1,319
-	- Assets under construction and payments on account	-	-
19,156	Intangible assets	21,231	17,151
8,309	- Goodwill	8,309	8,309
-	- Development costs	-	-
2,814	- Industrial patents and similar rights	3,159	617
143	- Licences, trademarks and similar rights	118	321
7,891	- Assets under development	9,644	7,266
-	- Intangible assets	-	638
153	Holdings	153	194
3,087	Other financial assets available for sale	2,691	3,192
59	Other non-current credits	55	68
283	Credits due to deferred taxes	279	397
<b>43,682</b>	<b>TOTAL NON-CURRENT ASSETS</b>	<b>45,219</b>	<b>41,616</b>
647	Stock	639	436
336	Ongoing orders	454	435
24,865	Commercial credits and other credits	27,074	24,738
1,252	Tax credits	82	146
-	- Financial assets available for sale	-	-
9,789	Cash on hand and other equivalent assets	10,161	16,827
<b>36,889</b>	<b>TOTAL CURRENT ASSETS</b>	<b>38,410</b>	<b>42,582</b>
	Non-current assets for sale	-	45
<b>80,571</b>	<b>TOTAL ASSETS</b>	<b>83,629</b>	<b>84,244</b>

<b>31/12/2005</b>	<i>(thousands of euro)</i>	<b>30/06/2006</b>	<b>30/06/2005</b>
<b>Liabilities</b>			
4,670	Company capital	4,670	4,670
35,298	Reserves	35,337	35,341
13,575	Accumulated profits/losses	13,072	13,579
<b>53,543</b>	<b>TOTAL NET PATRIMONY OF THE GROUP</b>	<b>53,079</b>	<b>53,589</b>
2,570	Third party net patrimony	2,626	2,406
2,374	- third party capital and reserves	2,506	2,325
196	- third party profit/(loss)	120	81
<b>56,113</b>	<b>TOTAL NET PATRIMONY</b>	<b>55,705</b>	<b>55,995</b>
374	Financing	364	310
3,354	Liabilities due to deferred taxes	3,432	3,239
6,437	TFR and quiescence reserves	6,458	6,150
25	Expense and risk reserves	25	25
<b>10,189</b>	<b>TOTAL non-current liabilities</b>	<b>10,279</b>	<b>9,724</b>
4,183	Commercial debts	6,335	5,534
2,559	Tax debts	3,195	5,233
1,121	Short-term financing	670	331
6,405	Other debts	7,445	7,427
<b>14,268</b>	<b>TOTAL current liabilities</b>	<b>17,644</b>	<b>18,524</b>
<b>80,571</b>	<b>TOTAL LIABILITIES AND NET PATRIMONY</b>	<b>83,629</b>	<b>84,244</b>

## Consolidated Cash Flow Statement of CAD IT Group

31/12/2005 <i>(thousands of euro)</i>	30/06/2006
<b><u>OPERATING ACTIVITIES</u></b>	
<b>1,517 Profit (loss) for the period</b>	<b>1,115</b>
<b>Amortisation and depreciation:</b>	
901 - Tangible fixed assets	403
588 - Intangible fixed assets	381
<b>Accruals:</b>	
1,687 - Employees' leaving entitlement	424
- Other provisions	
15 Increase/(Decrease) in provisions for contingencies and other charges	12
4,708 <b>Sub-total</b>	<b>2,335</b>
(853) Utilisation of employees' leaving entitlement	(415)
4,212 Increase/(Decrease) in receivables included under assets forming part of working capital	(1,814)
(73) (Increase)/Decrease in inventory	(110)
4 (Increase)/Decrease in accrued income and deferred expenses	(396)
764 Increase/(Decrease) in accounts due to creditors	89
155 Increase/(Decrease) in accrued expenses and deferred income	2,063
46 Increase/(Decrease) in sums due to other financial institutions	(53)
(3,075) Increase/(Decrease) in other non-financial payables	2,928
1,180 <b>Sub-total</b>	<b>2,292</b>
<b>5,887 (A) - Cash flows from (for) operating activities</b>	<b>4,628</b>
<b><u>INVESTING ACTIVITIES</u></b>	
(Increase)/ Decrease in investments in subsidiary companies valued using the equity method	
115	
(5,069) (Increase)/Decrease in intangible fixed assets	(2,456)
(917) (Increase)/Decrease in tangible fixed assets	(270)
5 (Increase)/Decrease in other fixed assets	4
16 (Increase)/Decrease in investments in associated companies	(1)
2,935 (Increase)/Decrease in other investments and securities	396
<b>(2,916) (B) - Cash flows from (for) investing activities</b>	<b>(2,326)</b>
<b><u>FINANCING ACTIVITIES</u></b>	
Increase/(Decrease) in financial payables	
(2,737) Increase/(Decrease) in IFRS transition reserve	
51 Increase/(Decrease) in reserve for fin. assets avail. for sale	40
(24) Effects on consolidation reserve	(2)
(6) Third party net patrimony	56
(2,963) Distribution of dividends	(1,616)
Capital injections	
<b>(5,679) (C) - Cash flows from (for) financing activities</b>	<b>(1,522)</b>
<b>(2,708) (A+B+C) - Total cash flows</b>	<b>779</b>
11,055 Opening liquid funds	8,347
<b>8,347 Closing liquid funds</b>	<b>9,126</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 leader in the Italian software market for the banking sector with its main product, Financial Area, a programme which completely manages all functions connected to the negotiation, settlement and administration of security transactions, debentures, derivatives (in any currency) and adopted by the majority of Italian banking outlets.*

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

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

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