



PRESS RELEASE

STRATEGIC PARTNERSHIP BETWEEN CAD IT AND XCHANGING

Xchanging acquires a 10 % strategic stake in CAD IT

Market leaders intend to create an alliance to tackle European financial services market

Verona, 21st November 2005 - CAD IT, the leading Italian financial services software provider, has today announced that it has signed a Letter of Intent with the aim to form a strategic alliance with Xchanging, the leading global business processing services company and securities processing market leader in Germany.

Xchanging shall acquire today from each of CAD IT founders' families a 2,5% interest corresponding to a global 10% shareholding at the price of 10,7 per share.

In the area of securities processing, Xchanging is the German market leader with a current market share of more than 15%. Xchanging currently serves the following customers: Deutsche Bank, Citigroup, Sal. Oppenheim and Sparda Banken. Xchanging is also the leading provider of insurance transaction processing services in the London market, providing services to more than 200 customers of Lloyds of London and the International Underwriting Association.

CAD IT is the market leader in Italy in developing information systems for the financial services sector. In particular, the CAD IT platform "Area Finanza" has been adopted by the leading financial institutions in the Italian market.

The Letter of Intent between the two companies was signed in order to achieve, in six months, a strategic alliance based on the following guidelines:

- Xchanging and CAD IT will together analyse the current Xchanging etb securities processing transaction platform to determine where cost synergies with CAD IT's current offering can be derived.
- CAD IT software and Xchanging's processing engine will be integrated to create the first truly pan-European securities processing platform.
- Xchanging and CAD IT will evaluate the cross selling opportunities for international banking groups.
- CAD IT and Xchanging will together analyse the market potential of Xchanging's insurance software solutions (e.g. Genius) to be marketed in Italy by CAD IT.
- Over time, CAD IT and Xchanging expect to broaden their service offering and product portfolio into other financial services market sectors.

Commenting on the alliance, David Andrews, Xchanging's CEO said, "CAD IT is the market leader in Italy for financial services software while Xchanging has one of the largest securities processing operations in Europe. The combination of technology and scalable processing capability will enable us to provide consolidated business processing services to the European financial services market."

Giuseppe Dal Cortivo, CEO of CAD IT said, "For CAD IT, Xchanging brings an international network and investment along with the knowledge to extend our reach in the broader European financial services market."

About CAD IT Group

The CAD IT Group, based in Verona – Italy, has developed and distributed information systems for the banking sector, P.A. and companies for over 20 years. CAD IT's offers include standard and personalised applicative software packages, software maintenance, updating, consultancy and training.

CAD IT is leader in the Italian software market for the banking sector with its main product, "Area Finanza", a software 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 a long-standing activity in the industrial sector and the capacity to offer solutions for e-business to, credit and industrial companies in constant evolution.

www.cadit.it

About Xchanging

Xchanging, based in London, is the world's leading business processing services company serving financial markets, insurance markets, manufacturing and retail alongside new international markets. Xchanging delivers better service at lower cost from its customers' back-office functions such as: customer administration, HR, procurement, finance and accounting. From nothing to more than 3,000 people located in 13 countries in 5 years, Xchanging handles back-office business processing on behalf of its customers. Business processing is about seizing the opportunity to drive fundamental change within an organisation by moving from managing resources to managing services.

www.xchanging.com

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