

## **CAD IT: THE BOARD OF DIRECTORS APPROVES THE SIX-MONTHLY REPORT AT 30<sup>TH</sup> JUNE 2005**

The results of the first semester of 2005, without the effect of the IAS/IFRS, show a Production Value of €26.1 million compared to the €26.6 million of the first semester of 2004; income margins are on the increase: EBITDA stands at €4.9 million compared to the €4.3 million of the first semester of 2004 (+14%), EBIT equals €3.6 million compared to the €2.5 million of the first semester 2004 (+46%) and the Net Profit, showing a considerable increase, is €1.2 million against the €0.2 million of the first semester 2004.

The application of the new IAS/IFRS international accounting standards has proved positive for the first semester 2005 results, both on the Net Profit and on the consolidated Shareholders' Equity.

The Consolidated Net Financial Position is in credit by €16.5 million compared to the €14.4 million at June 2004 (+14.3%) and the €11.4 million recorded at 31<sup>st</sup> December 2004.

The Board of Directors of CAD IT S.p.A., leader in the Italian financial software market, met today to approve the figures at 30th June 2005.

### **Results according to the national accounting standards**

The most important results at the consolidated Economic Account level relating to the first semester 2005 without the effects of the IAS/IFRS are shown below:

- **Production Value** equal to €26.1 million (€26.6 million in the first semester of 2004). Increases in internal work capitalised under fixed assets come to €2.7 million;
- **Gross Operational Result (EBITDA)** shows a 14% increase and stands at €4.9 million compared to the €4.3 million of the first semester 2004. The increase in EBITDA can be attributed to a better mix of revenues and cost optimisation;
- **Operational Result (EBIT)** equal to €3.6 million compared to the €2.5 million (+46%) of the first semester 2004;
- **Net Profit** shows considerable growth and stands at €1.2 million compared to the €0.2 million of the first semester 2004.

### **Results according to the new IAS/IFRS international accounting standards**

The most important results at the consolidated Economic Account level relating to the first semester 2005, taking the new IAS/IFRS international accounting standards into consideration, are shown below:

- **Production Value** equals €26.1 million. This is the same result as for the national accounting standards;
- **Gross Operating Result (EBITDA)** is €4.7 million compared to the €4.9 million calculated by applying the national accounting standards. This is mainly due to the increase of Employees' leaving entitlement in accordance with new IAS/IFRS;

- **Operational Result (EBIT)** of €4 million compared to the €3.6 million calculated by applying the national accounting standards. The higher EBIT result is mainly due to the absence of goodwill amortization;
- **Net Profit** is €1.5 million compared to the €1.2 million calculated by applying the national accounting standards. According to the IAS, this considerable increase in net profit mainly derives from the increase in EBIT, which does not cause a proportional increase in taxes. In fact, according to the new IAS/IFRS international accounting standards, the higher pre-tax profit of €232,669 implies a greater profit after taxes of €310,530.

The new international accounting standards have had a positive effect at the patrimonial level too showing a €4.4 million increase in **Shareholders' Equity** which has thus risen from €49.2 million to €53.6 million. This positive effect is mostly due to the increase in net profit and to the evaluation of balance assets and liabilities at fair value, which imply an increase in the value of tangible and intangible fixed assets, which is considerably higher than the effect deriving from the devaluation of some equities.

### **Consolidated Net Financial Position**

The **Consolidated Net Financial position** at 30th June 2005 is in credit by €16.5 million, an increase compared to the €14.4 million of the first semester of 2004 and the €11.4 million recorded at 31st December 2004. The increase is mainly due to the receivables from working capital which, despite the payment of dividends last May (about €3 million), shows a 14% growth compared to June 2004.

### **The CAD IT Group**

*The CAD IT Group has developed and distributed information systems for the banking sector and small and medium sized companies for over 20 years. CAD IT's offers include standard and personalized applicative packages, software maintenance, updating, consultancy and training. 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 50% 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.*

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